

MAINE STATE LEGISLATURE

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L.D. 1898

STATE OF MAINE
HOUSE OF REPRESENTATIVES (Filing No. H-859)
109TH LEGISLATURE
SECOND REGULAR SESSION

COMMITTEE AMENDMENT "A" to H.P. 1767, L.D. 1898, Bill,
"AN ACT to Expand the Kinds of Projects Eligible for Financing
Under the Municipal Securities Approval Act."

Amend the bill by striking out all of section 5 and inserting
in its place the following:

'Sec. 5. 30 MRSA §5326, sub-§§1-A and 1-B are enacted to
read:

1-A. Energy generating system project. "Energy generating
system project" means:

- A. For a system which does not generate electricity, an
energy generating system owned, in whole or in part, by
a municipality, corporation or firm, and
which system uses biomass, peat, solar, waste, water and related
dams, wind, wood or coal, or which is an energy conservation project in-
cluding a transportation project consistent with the United
States Revenue Service guidelines; or
- B. For a system which does generate electricity, an energy
generating system which uses biomass, peat, solar, waste,
water and related dams, wind, wood or coal, and which is
owned, in whole or in part, by a public utility or a muni-
cipality, corporation or firm which qualifies as a cogener-
ator or small power producer under Title 35, chapter 172.

1-B. Energy distribution system project. "Energy distribution system project" means an energy distribution system owned, in whole or in part, by a municipality, corporation or firm, and which uses biomass, peat, solar, waste, water and related dams, wind, wood, coal or natural gas.'

Further amend the bill by striking out all of section 6 and inserting in its place the following:

'Sec. 6. 30 MRSA §5326, sub-§2, as last amended by PL 1975, c. 707, §3, is repealed and the following enacted in its place:

2. Industrial-commercial project. "Industrial-commercial project" means any building, structure, dam, machinery, equipment or facilities, which may be deemed necessary for manufacturing, processing, assembling, storing, distributing, retailing or receiving raw materials or manufactured products, including hydroelectric facilities for the production of electricity; and those for transportation, communication, fishing, agriculture, research or public accommodation and facilities related thereto, including, but not limited to, lodging, dining or conventions, together with all lands, property, rights, rights-of-way, franchises, easements and interests in lands which may be acquired by the authority or a user for the construction or operation of such project.'

Further amend the bill in section 8 by inserting at the end the following new paragraph:

'Any municipality, firm or corporation producing electricity by

means of any such project may, without the approval of and regulation by the Public Utilities Commission, generate and distribute electricity solely for its own use or the use of its tenants, but may not sell electricity to other than an electric public utility corporation or cooperative authorized to make, generate, sell and distribute electricity.'

Further amend the bill by striking out all of section 11 and inserting in its place the following:

'Sec. 11. 30 MRSA §5328, sub-§3, as last amended by PL 1979, c. 324, §§9 and 10, is further amended by adding at the end←————→the following new paragraph:

In the case of an energy generating system, an energy distribution system or an industrial-commercial project which includes hydroelectric facilities which may be deemed necessary for the production of electricity, no project may be approved unless it complies with the requirements of this paragraph. First, the Public Utilities Commission shall certify to the authority that all licenses required from that commission have been issued or none are required. Second, when the authority has received a proposed project for consideration, it shall so notify and send a copy of the project proposal to the Director of the Office of Energy←————→Resources. Not later than 30 days after receipt of the notice and proposal, the director shall send his comments on the project to the authority. The authority shall take the comments into consideration in its consideration of the project.

No director, agent or employee of the Office of Energy Resources may divulge or disclose any information obtained from the authority concerning the name of any applicant, lessee or tenant or information supplied by any applicant, lessee, tenant, mortgagee, financial institution, municipality or local development corporation in relation to any project proposal.'

Further amend the bill in section 12, subsection 4, by inserting after paragraph A the following:

'B. The project will not create a competitive advantage to any party to a contract entered into by any municipality under this chapter or substantial detriment to existing industry;'

Further amend the bill in section 12, subsection 4, by relettering paragraphs B to D to be paragraphs C to E.

Further amend the bill by inserting at the end before the statement of fact the following:

'Sec. 15. 35 MRSA §2323, sub-§1, first sentence, as enacted by PL 1979, c. 421, §2, is amended to read:

"Cogenerator" means a municipality, person or corporation:

Sec. 16. 35 MRSA §2323, sub-§3, first sentence, as enacted by PL 1979, c. 421, §2 is amended to read:

"Small power producer" means a municipality, person or corporation owning or operating a power production facility with a power production capacity which, together with any other facilities located at the same site, does not exceed 80 megawatts of electricity and which depends upon renewable resources for its primary source of energy.'

Statement of Fact

This amendment makes the following changes to the bill.

1. The definitions of "energy generating" and "energy distribution" system projects are changed to include projects which use nuclear fuel sources and oil. In addition, the definition of "energy generating system" is broadened to include:

A. For systems that do not generate electricity, dams and energy conservation systems, including certain public transportation projects; and

B. Electricity generating systems as defined in the small Power Production Facilities and Cogeneration Facilities Act. (Section 5 of the Bill.)

2. The definition of "industrial-commercial project" currently in the statutes is clarified to include dams and hydroelectric facilities, consistent with the public utility laws. (Section 6 of the Bill.)

3. In the case of energy generating and energy distribution projects and industrial-commercial projects, which include hydroelectric facilities, the Public Utility Commission is required to certify to the authority that all licenses required from the Public Utilities Commission have been issued. In addition, the Office of Energy Resources is given an opportunity to send comments to the authority on these projects. (Section 11 of the Bill.)

4. Current statutory language prohibiting the creation of "competitive advantage" or "substantial detriment to existing

industry" was inadvertently deleted by the bill. This amendment replaces that language. (Section 12 of the Bill.)

5. The term "municipality" is added to the definitions of "cogenerator" and "small power producer" contained in the Small Power Production Facilities and Cogeneration Facilities Act, to make this bill and that Act consistent. (New sections 15 and 16 of the Bill.)

Reported by Report "A" of the Committee on State Government
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