MAINE STATE LEGISLATURE

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\$	COND REGULAR SESSION
ONE HUNI	RED AND ELEVENTH LEGISLATURE
Legislative Documer	No. 1976
H.P. 1505	House of Representatives, January 19, 1984
Reported by Represent up for concurrence	entative Vose from the Committee on Public Utilities. and ordered printed.
	EDWIN H. PERT, Clerk
	tanding Committee on Public Utilities pursuant to ed by the Legislative Council, on May 25, 1983.
	STATE OF MAINE
	THE YEAR OF OUR LORD IN HUNDRED AND EIGHTY-FOUR
	Promote Competition in the ectric Power Industry.
Be it enacted by follows:	the People of the State of Maine as
Sec. 1. 35 482, is amended	IRSA §2328, as enacted by PL 1981, c. to read:
	and resale of electric energy or ca-
by the Governor, ating, contract; whether generate in reselling the nies serving twhen the commiss resales will ser	Stilities Commission, when authorized shall represent the State in negoting for and purchasing electric energy inside or outside of the State, and purchased energy to electric companis State, as defined in chapter 1, on determines that the purchases and we the energy needs of the State in a swith the public interest. As used

in this section, the term electrical energy shall include capacity. All resales of electric energy under this section shall be on a nonprofit basis preference or discrimination, and may include, subject to the approval of the Governor, costs incurred by the commission in its negotiating, contracting and purchasing activities under this section. In the case where no purchase-sale agreement is made, the Governor shall be responsible for proposing a method paying the costs he has approved in conjunction with the negotiations. The commission may resell purchased energy or capacity under this section to electric utilities operating outside of the State if the resale is reasonably incidental to the resale of within the State. In addition, the commission may contract for the transmission of energy purchased under this section to the place of resale, and shall have all implied and incidental powers which are reasonably necessary and proper to enable it to carry out the purpose of this section. No electric company refuse to transmit energy purchased under this section via its facilities at reasonable rates if has capability to transmit the energy.

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Sec. 2. Study authorized. There is established a Maine Public Power Generation Study Commission. The commission consist of 11 members as folshall lows: One representative of the Public Utilities Commission; one representative of the Office of Enerrepresentative of the Office of gy Resources; one Public Advocate; one representative of а publiclyowned utility; one representative of a privatelyowned utility; one expert in the area of public utilelectric ity financing; one expert in the field of generating capacity planning or construction; one member of the Senate; one member of the House of Representatives; and 2 consumers of electrical energy. the Senate shall be appointed by the member of President of the Senate. The member of the House Representatives shall be appointed by the Speaker of All other members shall be appointed the House. the Governor.

Sec. 3. Powers. The commission shall employ consultants to evaluate the advantages and disadvantages of alternative methods of providing for planning, construction and operation of new electric gen-

- eration and transmission facilities. The commission 1 2 shall consider the creation of a public agency which 3 may compete with private utilities in those The commission shall also investigate methods 4 of electric energy conservation which reduces the 5 6 need for future generating capacity, including a demonstration program by an existing consumer-owned 7 utility with fully amortized funding. 8
- 9 Sec. 4. Report. The commission shall report its 10 recommendations and implementing legislation to the 11 First Regular Session of the 112th Legislature by 12 January 1, 1985.
- Sec. 5. Compensation. The members of the commission, other than state employees, shall be entitled to compensation for their reasonable expenses in carrying out the duties of the commission.
- 17 Sec. 6. Appropriation. The following funds are 18 appropriated from the General Fund to carry out the 19 purposes of this Act.

20 <u>1984-85</u>

21 MAINE PUBLIC POWER GENERATION

22 STUDY COMMISSION

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23 All Other \$50,000

24 STATEMENT OF FACT

This bill expands the authority of the Public Utilities Commission to purchase electricity from out-of-state sources to include in-state sources. also provides for a study of the feasibility of tablishing a public power agency with authorization to plan, construct and operate generation, and possibly conservation, facilities and sell the electricity to the electric utilities for distribution to end users. Such an agency promotes competition for the right to construct new generating facilities as they are needed. The result should be cost savings the people of this State.

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