

MAINE STATE LEGISLATURE

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1 (New Draft of H.P. 1493, L.D. 2104)
2 (New Title)
3 SECOND REGULAR SESSION
4

5 ONE HUNDRED AND TWELFTH LEGISLATURE
6

7 Legislative Document

No. 2327

8
9 H.P. 1656

House of Representatives, April 4, 1986

10 Reported by Representative Vose from the Committee on Utilities and
11 printed under Joint Rule 2. Original bill sponsored by Representative
12 McGowan of Canaan. Cosponsored by Representative Vose of Eastport,
13 Senator Baldacci of Penobscot and Representative Willey of Hampden.

EDWIN H. PERT, Clerk

14 STATE OF MAINE
15

16 IN THE YEAR OF OUR LORD
17 NINETEEN HUNDRED AND EIGHTY-SIX
18

19 AN ACT to Permit Transmission of Electricity
20 Between Affiliated Industrial Enterprises and
21 to Study Power Purchases and Other Aspects
22 of Transmission of Electrical Energy
23 through the State.
24

25 Be it enacted by the People of the State of Maine as
26 follows:

27 Sec. 1. 35 MRSA §2330 is enacted to read:

28 §2330. Transmission or wheeling of electric power

29 1. Affiliated industrial enterprises. Upon the
30 request of an industrial enterprise located in the
31 State to transmit or wheel electric energy to another
32 industrial facility in the State owned in whole or in
33 part by or otherwise affiliated with the enterprise,
34 the electric utility shall enter into an agreement of
35 not more than 30 years' duration to provide transmis-

1 sion or wheeling services subject to reasonable con-
2 ditions and subject to the conditions of subsection
3 2.

4 2. Conditions. The conditions shall ensure that
5 the fulfillment of the transmission or wheeling
6 agreement is unlikely to result in a reasonably as-
7 certainable uncompensated loss by or place an undue
8 burden on the wheeling utility or its customers and
9 will not unreasonably impair the ability of the
10 wheeling utility to adequately serve its customers in
11 the State.

12 In the event that the person requesting wheeling and
13 the utility requested to transmit or wheel the elec-
14 tric energy are unable to agree to any matter per-
15 taining to transmission or wheeling services, the
16 commission may require the utility to provide the
17 transmission or wheeling services under such condi-
18 tions as may be reasonable, for a period of time de-
19 termined by the commission to be reasonable.

20 3. Wheeling to electric utilities. Subject to
21 all other provisions of this Title, any person may
22 petition the commission for an order requiring one or
23 more electric companies to transmit energy or energy
24 and capacity from any utility, qualifying facility or
25 other supplier of electricity to any utility. The
26 commission may issue such an order if the proposed
27 transmission or wheeling is in the public interest
28 and meets reasonable conditions, including the condi-
29 tions of subsection 2.

30 4. Capacity obligation. In the event a utility
31 is required to provide transmission service under
32 this section, the utility's obligation to provide
33 electric service to the facility receiving the trans-
34 mitted electricity shall thereupon cease, to the ex-
35 tent of the maximum level of electrical capacity de-
36 mand met by that transmission.

37 Sec. 2. Study of wheeling and electric power
38 purchases. The Joint Standing Committee on Utilities
39 shall study the issues of wheeling and electric power
40 purchases. The study shall consider the value and
41 implementation of: Purchases of foreign power; re-
42 quirements for in-state access to a reasonable por-

1 tion of the power from any new transmission line tra-
2 versing the State; and transmission or wheeling of
3 power between unaffiliated enterprises within the
4 State, as well as the relationship among wheeling,
5 competition and deregulation of electric utilities.

6 The Joint Standing Committee on Utilities shall
7 submit the committee's findings and recommendations
8 to the First Regular Session of the 113th Legislature
9 on December 3, 1986, together with any proposed leg-
10 islation. Staff assistance to the joint standing
11 committee shall be requested from the Legislative
12 Council.

13 The Public Utilities Commission, with the assist-
14 ance of the Office of Energy Resources and the Public
15 Advocate, is directed to prepare a factual report to
16 assist the Joint Standing Committee on Utilities in
17 this study. In preparing the report, the commission
18 shall consult with representatives of interested par-
19 ties, including industrial firms, businesses, custom-
20 ers, residential customers, elderly and low-income
21 groups, electric utilities, cogenerators and small
22 power producers. The report shall be submitted to
23 the Joint Standing Committee on Utilities by November
24 1, 1986.

25 STATEMENT OF FACT

26 This new draft retains the authority from the
27 original bill for wheeling between affiliated indus-
28 trial enterprises and allows for wheeling between a
29 utility or nonutility supplier of electricity and an-
30 other utility, but does not authorize several other
31 items which were in the original bill.

32 Instead, this new draft calls for a study by the
33 Joint Standing Committee on Utilities of the other
34 issues including: Purchases of out-of-state power;
35 in-state access to power wheeled through the State;
36 and wheeling between unaffiliated enterprises, as
37 well as study of the relationships among wheeling,
38 competition and deregulation of electric utilities.
39 To assist in the study, the Public Utilities Commis-
40 sion with the assistance of the Office of Energy Re-

1 sources and Public Advocate and input from other in-
2 terested parties will prepare a factual report to the
3 Joint Standing Committee on Utilities by November 1,
4 1986. The joint standing committee would report to
5 the First Regular Session of the 113th Legislature,
6 December 3, 1986.

7 The study is needed for several reasons. The
8 State's economy depends on a number of energy inten-
9 sive manufacturing industries, which are subject to
10 intense competition. That makes it timely to seek
11 opportunities to encourage more efficient generation,
12 delivery and consumption of electric energy. Also,
13 Maine's electric utilities purchase 17% of their
14 electrical energy from Canada and Maine's consumers
15 paid \$60,000,000 for the purchase of that electrici-
16 ty, which resulted in no increase in Maine's electri-
17 cal generating capacity. By 1989, that fraction will
18 reach about 25%. Purchases of some Canadian power
19 may be economical and in the best interests of
20 Maine's ratepayers, but the long-term economic and
21 social impact of further dependence on foreign power
22 supplies need to be evaluated in order to assess the
23 appropriate level of those purchases. In addition,
24 the electric utility industry is changing rapidly,
25 subject to forces similar to those which have
26 drastically changed the telecommunications industry,
27 so that it is important to study the relationships
28 among possible wheeling, competition and
29 deregulation.

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