

MAINE STATE LEGISLATURE

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FIRST REGULAR SESSION

ONE HUNDRED AND THIRTEENTH LEGISLATURE

Legislative Document

NO. 160

H.P. 131

House of Representatives, February 3, 1987

Reported by Representative Vose from the Committee on Utilities. Sent up for concurrence and ordered printed. Approved by the Legislative Council on April 15, 1986.

Reported from the Joint Standing Committee on Utilities under Joint Rule 19.

EDWIN H. PERT, Clerk

STATE OF MAINE

IN THE YEAR OF OUR LORD
NINETEEN HUNDRED AND EIGHTY-SEVEN

AN ACT to Clarify the Laws for
Transmission of Electric Power and to
Study Related Issues.

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

Sec. 1. 35 MRSA §13-B, sub-§5 is enacted to read:

5. Imported power. In its review of any petition for approval of the purchase of generating capacity or energy from outside the State, the commission shall consider the comparative economic impact on the State of production of additional power within the State from renewable resources and the purchase of the power from outside the State.

1 Sec. 2. 35 MRSA §2323, sub-§4 is enacted to
2 read:

3 4. Affiliated interest. "Affiliated interest"
4 means:

5 A. Any person who owns the controlling interest,
6 as defined by the commission by rule, in an elec-
7 tric generation enterprise;

8 B. Any person, the controlling interest in
9 which, as defined by the commission by rule, is
10 owned by an electric generation enterprise; or

11 C. Any person in which the controlling interest,
12 as defined by the commission by rule, is owned by
13 an affiliated interest as defined in paragraph A.

14 Sec. 3. 35 MRSA §2330, sub-§1, as enacted by PL
15 1985, c. 740, §1, is amended to read:

16 1. Affiliated interests. Upon the request of an
17 industrial enterprise located in the State to trans-
18 mit or wheel electric energy to ~~another industrial~~
19 ~~facility~~ an affiliated interest in the State owned in
20 whole or in part by or otherwise affiliated with the
21 enterprise, the electric utility shall enter into an
22 agreement of not more than 30 years' duration to pro-
23 vide transmission or wheeling services subject to
24 reasonable conditions and subject to the conditions
25 of subsection 2.

26 Sec. 4. 35 MRSA §2330, sub-§5 is enacted to
27 read:

28 5. Reporting. Any electric utility which pro-
29 vides transmission or wheeling services for electric-
30 ity generated outside its service area, or for elec-
31 tricity generated within its service area by any oth-
32 er generator of electricity for delivery outside of
33 the utility's service area, shall inform the commis-
34 sion of the identity of the generator and the terms
35 and conditions for the transmission or wheeling. The
36 report shall be filed within 30 days after any con-
37 tract or agreement is signed.

1 Sec. 5. Monitoring and report by the Public
2 Utility Commission. The Public Utility Commission
3 with the assistance of the Office of Energy Resources
4 and the Public Advocate shall continue to monitor the
5 various aspects of electric generation and transmis-
6 sion and report to the Governor and the Legislature,
7 with any recommendations, by November 1, 1987. The
8 report shall consider: Wheeling from utility to
9 utility; wheeling from producer to an outside utili-
10 ty; wheeling from an in-state producer to an
11 end-user; and wheeling from an out-of-state producer
12 to an end-user.

13 The report shall also analyze the bottlenecks for
14 transmission of power from Maine to southern New
15 England, between northern Maine and the rest of the
16 State and from Canada into Maine. Strategies for the
17 State to alleviate those bottlenecks also shall be
18 considered.

19 The report shall consider the effects of wheeling
20 on consumers, utilities and electric generators as a
21 result of the introduction of competition into the
22 provision of electric service.

23

STATEMENT OF FACT

24 This bill is the report of the study of electric
25 power transmission and purchases conducted by the
26 Joint Standing Committee on Utilities in accordance
27 with Public Law 1985, chapter 740. It clarifies the
28 laws that enable wheeling between affiliated parties
29 and requires the Public Utilities Commission to study
30 the issues, constraints and effects of wheeling elec-
31 tricity.

32 Section 1 amends the review of major power pur-
33 chases under the Maine Revised Statutes, Title 35,
34 section 13-B, to require the commission to consider
35 the economic impacts of importing power from outside
36 the State as compared to power production from renew-
37 able resources within Maine.

38 Section 2 amends the Small Power Production Fa-
39 cilities Act to add a definition of "affiliated in-

1 terest." Affiliated interests are defined to have
2 the controlling interest in the generating plant in
3 question, to have their controlling interest owned by
4 the electric generation enterprise in question, or to
5 have the controlling interest in both the generator
6 and the end-user owned by a single 3rd party. The
7 term is defined to make clear that there must be a
8 substantial relationship between the power producer
9 and end-user. The Public Utilities Commission is ex-
10 pected to define "controlling interest" by rule.

11 Section 3 of the bill applies the term "affili-
12 ated interests" to wheeling between affiliated inter-
13 ests.

14 Section 4 enacts a reporting requirement for any
15 utility that provides wheeling services. This provi-
16 sion will help the commission keep abreast of the
17 volume and implications of wheeling by Maine utili-
18 ties. The wheeling utility may satisfy the require-
19 ment by filing with the commission a copy of the con-
20 tract which they file with the Federal Energy Regula-
21 tory Commission (FERC) or an appropriate excerpt from
22 it.

23 Section 5 mandates the commission to monitor the
24 progress of wheeling and to analyze the potential
25 bottlenecks to efficient power transport, strategies
26 to alleviate these bottlenecks, and the effects of
27 wheeling and increased competition on electric con-
28 sumers and the industry. The commission is to report
29 on these matters to the Governor and the Legislature
30 by November 1, 1987.

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