

# MAINE STATE LEGISLATURE

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# 114th MAINE LEGISLATURE

FIRST REGULAR SESSION - 1989

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Legislative Document

No. 306

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S.P. 158

In Senate, February 22, 1989

Reference to the Committee on Utilities suggested and ordered printed.

*Joy J. O'Brien*

JOY J. O'BRIEN  
Secretary of the Senate

Presented by Senator BOST of Penobscot.

Cosponsored by Representative HANDY of Lewiston and Representative PAUL of Sanford.

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STATE OF MAINE

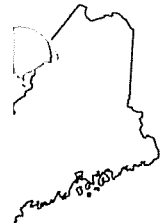
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IN THE YEAR OF OUR LORD  
NINETEEN HUNDRED AND EIGHTY-NINE

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An Act to Promote Conservation Purchases by Electric Utilities.

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

3

35-A MRSA §3192 is enacted to read:

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§3192. Demand management energy

7

9 To further the development of conservation and load  
11 management programs in the State, electric utilities shall be  
13 required to purchase demand management energy and capacity  
15 savings from nonutility providers of that energy and capacity  
17 savings at a rate equal to 20% more than the cost of the electric  
19 energy and capacity to the electric utility which, except for the  
21 purchase of demand management energy and capacity from the  
23 provider, the utility would generate or purchase from another  
25 source. Demand management energy and capacity savings includes  
27 savings produced from conservation and load management programs.

19

STATEMENT OF FACT

21

23 This bill encourages further development of demand  
25 management programs in the State. In the Maine Energy Policy Act  
27 of 1988 the Legislature recognized that utilities should give  
29 conservation preference over cogeneration and Canadian purchases  
31 when developing least-cost energy plans. Under this bill,  
33 electric utilities would be required to pay 20% more than their  
established avoided cost for energy and capacity purchased from  
nonutility providers of demand side management energy savings.  
The 20% premium is established to recognize that meeting energy  
needs through conservation has no environmental impact, does not  
result in energy losses through transmission and distribution  
lines and avoids any reserve margin requirement established by  
the New England Power Planning Pool.