

MAINE STATE LEGISLATURE

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115th MAINE LEGISLATURE

FIRST REGULAR SESSION-1991

Legislative Document

No. 1097

H.P. 763

House of Representatives, March 13, 1991

Received by the Clerk of the House on March 11, 1991. Referred to the Committee on Utilities and 1400 ordered printed pursuant to Joint Rule 14.

A handwritten signature in cursive script that reads "Ed Pert".

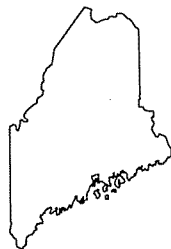
EDWIN H. PERT, Clerk

Presented by Representative MICHAUD of East Millinocket.
Cosponsored by Representative POULIOT of Lewiston.

STATE OF MAINE

IN THE YEAR OF OUR LORD
NINETEEN HUNDRED AND NINETY-ONE

An Act to Assist Municipal Solid Waste Energy Recovery Facilities.



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

2

4 Sec. 1. 35-A MRSA §3306, sub-§1, as enacted by PL 1987, c.
141, Pt. A, §6, is amended to read:

6 1. Rate. The Except as provided in subsection 1-A, the
8 small power producer or cogenerator and the electric utility
shall determine the rate paid by the electric utility for the
purchase of electricity as described in this section.

10

12 Sec. 2. 35-A MRSA §3306, sub-§1-A is enacted to read:

14 1-A. Municipal solid waste energy recovery facility rates.
An electric utility purchasing electricity generated by a
municipal solid waste energy recovery facility that is owned by
or operated by or for the benefit of a municipality or
municipalities that have formed a regional association as defined
in Title 38, section 1303-C, must enter into a contract with the
owner of the facility requiring the electric utility to purchase
that electricity, for a period beginning on the date the facility
begins generating electricity and extending for the duration of
the contract at a rate not less than the highest rate that the
electric utility charges the municipality in which the facility
is located, including components of energy demand and fuel
costs. Notwithstanding Title 1, section 302, this subsection
applies to all contracts existing on the effective date of this
subsection for the purchase by an electric utility of electricity
generated by a municipal solid waste energy recovery facility.

30 Sec. 3. 35-A MRSA §3307, sub-§2, as enacted by PL 1987, c.
141, Pt. A, §6, is amended to read:

32

34 2. Alternative cost of energy to the utility. The Except
as provided in subsection 2-A, the rates paid by an electric
utility to a small power producer or cogenerator may not exceed,
over the term of the power purchase contract, the cost to the
electric utility of the electric energy which that, but for the
purchase from the cogenerator or small power producer, the
utility would generate or purchase from another source. A
determination of alternative energy costs to the utility shall
must include consideration of the cost of additional or existing
generating capacity which that could be displaced over the term
of the contract as well as the cost of fuel and other operating
expenses of electric energy production which that a utility would
otherwise incur in generating or purchasing power from another
source.

48 Sec. 4. 35-A MRSA §3307, sub-§2-A is enacted to read:

50 2-A. Municipal solid waste energy recovery facility rates.
An electric utility purchasing electricity generated by a
municipal solid waste energy recovery facility that is owned by

52

2 or operated by or for the benefit of a municipality or
4 municipalities that have formed a regional association as defined
6 in Title 38, section 1303-C, must enter into a contract with the
8 owner of the facility requiring the electric utility to purchase
10 that electricity, for a period beginning on the date the facility
12 begins generating electricity and extending for the duration of
14 the contract at a rate not less than the highest rate that the
16 electric utility charges the municipality or municipalities for
18 electricity. Notwithstanding Title 1, section 302, this
20 subsection applies to all contracts existing on the effective
22 date of this subsection for the purchase by an electric utility
24 of electricity generated by a municipal solid waste energy
26 recovery facility.

16 STATEMENT OF FACT

18 The purposes of this bill are to provide municipal solid
20 waste energy recovery facilities with sufficient revenues to
22 permit them to undertake source reduction and recycling efforts,
24 to alleviate the property tax burden of solid waste disposal and
to encourage discontinuance of solid waste landfills in favor of
resource recovery for purposes of municipal waste management.

26 This bill provides that the rate paid by an electric utility
28 for electricity generated by a municipal solid waste energy
30 recovery facility owned by or operated by or for the benefit of
32 a municipality or municipalities that have formed a regional
34 association as defined in Title 38, section 1303-C, is not less
than the rate charged by the electric utility to the municipality
or municipalities. This bill also provides that this requirement
for minimum electricity purchase rates applies to contracts
existing on the effective date of this bill for the sale of
electricity to electric utilities from municipal solid waste
energy recovery facilities.

36 This bill does not prohibit an electric utility from paying
38 a rate for the purchase of electricity from a municipal resource
40 recovery facility that is higher than the rate paid by a
municipality.