

# MAINE STATE LEGISLATURE

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# 115th MAINE LEGISLATURE

## FIRST REGULAR SESSION-1991

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Legislative Document

No. 1852

H.P. 1282

House of Representatives, May 14, 1991

Reference to the Committee on Utilities suggested and ordered printed.

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

EDWIN H. PERT, Clerk

Presented by Representative WHITCOMB of Waldo.  
Cosponsored by Representative ANDERSON of Woodland.

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STATE OF MAINE

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

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**An Act to Encourage the Development of Alternative Energy Sources.**

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

35-A MRSA §3307, sub-§2-A is enacted to read:

2-A. Special rates for certain facilities. In order to further encourage the development of those energy systems using renewable resources that offer environmental and other public benefits not currently accounted for in the rate structure and notwithstanding any other provisions of this chapter or rules adopted pursuant to this chapter, an electric utility purchasing power from qualifying small power producers or cogenerators that use wind, water, methane or solar power as the primary energy source shall pay the higher of:

A. The first decrement rates established for that utility when purchasing power from those facilities; or

B. An avoided cost rate that includes environmental externalities in the calculation of the utility's avoided costs.

Utility ratepayers shall bear any increase in costs above otherwise applicable avoided cost rates attributable to this subsection. The commission shall adopt rules defining "economic externalities" and governing the calculation of an avoided cost rate that includes environmental externalities.

#### STATEMENT OF FACT

This bill encourages the development of small generation facilities using wind, water, methane and solar power by granting them first decrement rates or avoided cost rates that include environmental externalities instead of lower avoided cost rates for their power sales. It is intended to override the otherwise applicable provisions of the Small Power Production Act and chapter 36 of the Public Utilities Commission's rules as interpreted by the Public Utilities Commission in the Foss Mill Hydroelectric Station and the North New Portland Energy Corporation rate petition requests.