

MAINE STATE LEGISLATURE

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115th MAINE LEGISLATURE

FIRST REGULAR SESSION-1991

Legislative Document

No. 1896

S.P. 713

In Senate, May 22, 1991

Reference to the Committee on Utilities suggested and ordered printed.

A handwritten signature in cursive script that reads "Joy J. O'Brien".

JOY J. O'BRIEN
Secretary of the Senate

Presented by President PRAY of Penobscot

Cosponsored by Senator CARPENTER of York, Representative CLARK of Millinocket and Representative MORRISON of Bangor.

STATE OF MAINE

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

**Resolve, Directing the Public Utilities Commission to Analyze the
Minimization of Electric Rates as an Integral Factor in the State's Least
Cost Energy Plan.**

2 **Sec. 1. Public Utilities Commission analysis. Resolved:** That the
3 Public Utilities Commission shall undertake an analysis of the
4 advisability of placing greater emphasis on electric rate
5 minimization in the development of conservation and demand-side
6 management programs. The analysis must:

7 1. Describe current commission policy with regard to
8 electric rate minimization;

9 2. Analyze Maine's electric rates to determine the impact
10 of recent and expected rate increases on the competitiveness of
11 the State's businesses and the welfare of Maine citizens in
12 comparison to other New England States, Quebec and the Maritime
13 Provinces of Canada;

14 3. Examine the tradeoffs of a policy that emphasizes rate
15 minimization as opposed to one that emphasizes bill minimization;

16 4. Propose one or more mechanisms to place greater emphasis
17 on electric rate minimization in the commission's
18 cost-effectiveness analysis of conservation and demand-side
19 management programs;

20 5. Identify any alternative mechanisms that the commission
21 determines are appropriate to address the issue of the cost of
22 demand-side management programs to ratepayers who do not
23 participate in such programs; and

24 6. Propose legislation that the commission determines
25 necessary to effectuate electric rate minimization; and be it
26 further

27 **Sec. 2. Consultation and cooperation with other agencies.**
28 **Resolved:** That in conducting this analysis, the Public Utilities
29 Commission shall consult with the State Planning Office, the
30 Public Advocate, electric utilities and customers of electric
31 utilities; and be it further

32 **Sec. 3. Legislative intent. Resolved:** That the Legislature
33 intends that the commission's analysis should recognize that low
34 electric rates are an important factor in maintaining the
35 competitiveness of the State's businesses and the welfare of the
36 State's citizens and should consider whether adequate attention
37 is being placed on the goal of electric rate minimization in
38 combination with cost, risk diversity of supply, available
39 alternatives, conservation and demand management; and be it
40 further

41 **Sec. 4. Report. Resolved:** That the Public Utilities
42 Commission shall report its findings to the Joint Standing
43 Committee on Utilities by January 20, 1992. A copy of that
44 report must be submitted to the Office of the Executive Director
45 of the Legislative Council. The commission shall also submit a
46 plan that describes the manner in which the commission proposes
47

2 to implement the policy described in this resolve. The report
must also be accompanied by any proposed legislation required to
4 implement the plan.

6 **STATEMENT OF FACT**

8 This resolve directs the Public Utilities Commission to work
with the State Planning Office, the Public Advocate and the
10 State's electric utilities and their customers to study and
analyze electric rate minimization as an internal factor in least
12 cost energy planning and to report to the Joint Standing
Committee on Utilities by January 20, 1992. This report must
14 identify any legislation required to effectuate electric rate
minimization in least cost planning mechanisms.