

# MAINE STATE LEGISLATURE

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R. of S.

L.D. 312

(Filing No. S- 157)

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STATE OF MAINE  
SENATE  
116TH LEGISLATURE  
FIRST REGULAR SESSION

COMMITTEE AMENDMENT "A" to S.P. 111, L.D. 312, Bill, "An Act to Establish a Surplus Energy Program"

Amend the bill by striking out everything after the title and before the statement of fact and inserting in its place the following:

**Emergency preamble.** Whereas, Acts of the Legislature do not become effective until 90 days after adjournment unless enacted as emergencies; and

**Whereas,** the State's electric utilities have or have access to surplus energy that, if sold at an incentive rate, may benefit all ratepayers of this State; and

**Whereas,** the opportunity to use this surplus energy in a manner that helps the ratepayers of this State presents itself now and any delay may significantly reduce the benefits to the ratepayers in this State that an incentive rate may provide; and

**Whereas,** in the judgment of the Legislature, these facts create an emergency within the meaning of the Constitution of Maine and require the following legislation as immediately necessary for the preservation of the public peace, health and safety; now, therefore,

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

**Sec. 1. 35-A MRSa §3154, sub-§8 is enacted to read:**

**8. Incentive rates.** Upon petition or on its own motion, the commission shall consider and, if it finds a utility has substantial surplus energy or capacity, shall adopt an incentive rate tariff consistent with the following.

**COMMITTEE AMENDMENT**

COMMITTEE AMENDMENT "A" to S.P. 111, L.D. 312

- 2 A. The incentive rate is offered only on a short-term basis.
- 4 B. The incentive rate is offered only while the utility has surplus energy or capacity and is discontinued when there is no longer a surplus.
- 6 C. The incentive rate is available only for incremental uses of electricity, as defined by the commission. The rate may not be designed to encourage the installation of electric resistance space heating systems.
- 8 D. The incentive rate is interruptible and terminable to ensure that only surplus energy or capacity is sold at an incentive rate.
- 10 E. The incentive rate is priced so as to cover the costs of serving each customer who receives the rate and includes a contribution to fixed costs above the cost of service.

18 All net revenues from sales of electricity under rates established under this subsection must be used to benefit ratepayers.

20 The incentive rate may be used to encourage demonstration fleets of electric cars, provided the rate is consistent with this subsection.

22 For purposes of this subsection, "incentive rate" means a special discount rate designed to increase utility load for a period during which the utility has excess capacity or energy.

24 By January 1, 1996, the commission shall report to the joint standing committee having jurisdiction over utility matters on the status of utility surplus energy and capacity and on the status of rates established under this section and shall make recommendations on the need for modifications to this section.

26 **Emergency clause.** In view of the emergency cited in the preamble, this Act takes effect when approved.

28 **FISCAL NOTE**

30 The Public Utilities Commission will incur some minor additional administrative costs to establish incentive rates and to submit a required report to the Legislature. These costs can be absorbed within the commission's existing budgeted resources.'

2 STATEMENT OF FACT

4 This amendment preserves the major provisions of the bill  
and makes the following additions and modifications:

6 1. Adds an emergency preamble and emergency clause;

8 2. Clarifies that an incentive rate tariff may be  
10 established by the Public Utilities Commission to address  
12 situations where a utility has either surplus energy or  
surplus capacity;

14 3. Specifies that any incentive rate established under  
these provisions must cover costs of service and include a  
16 contribution to fixed costs above the costs of service;

18 4. Specifies that an incentive rate is available for  
"incremental use" of energy, a term the meaning of which has  
20 been developed in the course of recent commission  
proceedings on incentive rates;

22 5. Prohibits the use of the rate as a means of encouraging  
24 the installation of electric resistance space heating  
systems;

26 6. Requires that revenues from sales of electricity under  
28 an incentive rate tariff be used to benefit ratepayers; and

30 7 Requires the commission to report back to the Joint  
Standing Committee on Utilities on the status of the  
32 incentive rate program by January 1, 1996.

Reported by Senator VOSE for the Committee on Utilities.  
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