MAINE STATE LEGISLATURE

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116th MAINE LEGISLATURE

SECOND REGULAR SESSION-1994

Legislative Document

No. 1904

S.P. 707

In Senate, February 18, 1994

An Act to Establish the Maine Surplus Energy Auction Program.

Reference to the Committee on Energy and Natural Resources suggested and ordered printed.

JOY J. O'BRIEN Secretary of the Senate

Presented by Senator CARPENTER of York. (GOVERNOR'S BILL). Cosponsored by Representative DONNELLY of Presque Isle and Senators: HARRIMAN of Cumberland, VOSE of Washington, Representatives: AIKMAN of Poland, CLARK of Millinocket.

Be it enacted by the People of the State of Maine as follows:
Sec. 1. 35-A MRSA c. 44 is enacted to read:
Sec. 1. 33-A MINSA C. 44 is enacted to read:
CHAPTER 44
TARLE A. A.
MAINE SURPLUS ENERGY AUCTION PROGRAM
FAART DEST-111
§4401. Definitions
As used in this chapter, unless the context otherwise
indicates, the following terms have the following meanings.
1. Eligible electric utility. "Eligible electric utility"
means an electric utility in the State with over \$35,000,000 in
annual revenues.
2. Marginal cost. "Marginal cost" means the actual
additional power supply energy costs incurred by the eligible
electric utility to serve the customers selected pursuant to
section 4404.
§4402. Program established
1. Price of electricity. There is established within the
commission the Maine Surplus Energy Auction Program. The program
shall provide access to surplus electricity to selected
industrial and commercial electricity consumers at a price no
lower than marginal cost plus one cent per kilowatt hour for a
period not to extend beyond December 31, 2001.
2. Notification. Within 120 days of the effective date of
this section, eligible electric utilities shall provide notice of
the program to all industrial and commercial customers within
their respective service areas and distribute requests for
proposals developed pursuant to this section.
3. Selection criteria. Eligible electric utilities shall
evaluate proposals and select candidate customers from within
their respective service areas for electricity from the surplus
energy pool. The proposals must be evaluated and selected on the basis of the following criteria:
nasts of the fortowind cifferra:
A. The uses of electricity from the surplus energy pool
that will be new or incremental to the customer's existing
load;
B. The customer's ability to operate competitively at
market electricity rates beyond the term of a contract made
pursuant to subsection 4;

2	C. The additions to or maintenance of the employment base
	in the State;
4	
_	D. The quality and type of load; and
б	
	E. The maximizing of candidate contributions, to the extent
8	consistent with the criteria listed in paragraphs A to D.
7.0	
10	4. Contract terms. Upon the selection of candidate
10	proposals, eligible electric utilities shall negotiate the sale
12	of electricity from the surplus energy pool. The terms of these
7.4	contracts must be established from the proposals submitted
14	pursuant to this section and must be for a period not to extend
7.6	beyond December 31, 2001.
16	£4402 G .7
7.0	§4403. Surplus energy pool established
18	
20	The commission shall, within 90 days of the effective date
20	of this section, estimate the amount of surplus electricity that
2.2	is likely to be available to each eligible electric utility
22	between December 1, 1994 and December 31, 2001. The surplus
24	energy pool is calculated as 80% of the surplus electricity estimated by the commission.
24	estimated by the commission.
26	\$4404. Report to Legislature
20	34404. Report to begistature
28	The commission shall annually report to the Governor and the
20	Legislature on the status of the Maine Surplus Energy Auction
30	Program.
30	<u>rrogram.</u>
32	
J.	STATEMENT OF FACT
34	
	This bill establishes the Maine Surplus Energy Auction
36	Program within the Public Utilities Commission. The program will
30	make surplus electricity available to the State's industrial and
38	commercial users at no less than marginal cost plus one cent for
50	up to 7 years and the surplus electricity will be awarded on the
40	basis of proposals designed to maximize the economic benefits of
20	electricity use.
42	orcoorrord abo.
	The bill also creates the surplus energy pool that consists
44	of 80% of the surplus electricity estimated to be available to
	ar and are partitude executately escribed to be available to

the State's utilities. The surplus electricity will be sold to

8	This document has not yet been reviewed to determine the need for cross-reference, stylistic and other technical amendments to conform existing law to current drafting standards.
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4	
2	established in the law.