

MAINE STATE LEGISLATURE

The following document is provided by the
LAW AND LEGISLATIVE DIGITAL LIBRARY
at the Maine State Law and Legislative Reference Library
<http://legislature.maine.gov/lawlib>



Reproduced from scanned originals with text recognition applied
(searchable text may contain some errors and/or omissions)



117th MAINE LEGISLATURE

FIRST REGULAR SESSION-1995

Legislative Document

No. 691

S.P. 253

In Senate, February 28, 1995

An Act to Clarify the Intent of the Electric Rate Reform Act.

Reference to the Committee on Utilities and Energy suggested and ordered printed.

A handwritten signature in cursive script that reads "May M. Ross".

MAY M. ROSS
Secretary of the Senate

Presented by Senator KIEFFER of Aroostook.

Cosponsored by Senators: CARPENTER of York, PARADIS of Aroostook, Representatives: AHEARNE of Madawaska, CLARK of Millinocket, DESMOND of Mapleton, DONNELLY of Presque Isle, JOY of Crystal, KNEELAND of Easton, MARTIN of Eagle Lake, MORRISON of Bangor, ROBICHAUD of Caribou, SIROIS of Caribou, WHEELER of Bridgewater.

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

4 **Sec. 1. 35-A MRSA §3157** is enacted to read:

6 **§3157. Certain sales prohibited without commission approval**

8 An electric utility, including any "affiliated interest" of
10 an electric utility as defined in section 707, that has acquired
12 a right or title to or an interest in an electric power
14 production facility as the result of an electric rate
16 stabilization agreement, as defined in section 3156, that is
18 supported, in whole or in part, with financing made available
20 under Title 10, chapter 110, subchapter III, may not engage in
22 the sale, transfer, exchange or delivery of all or a part of the
energy or capacity produced by the facility without the prior
approval of the commission. Approval must be based upon a
finding that there is no likelihood that the sale, transfer,
exchange or delivery will have an adverse effect on any of the
ratepayers, employees or the shareholders of any other electric
utility providing service in the State. The burden of proof in
such a proceeding is on the electric utility seeking to engage in
the sale, transfer, exchange or delivery.

24 **STATEMENT OF FACT**

26 In Public Law 1993, chapter 712, the electric rate
28 stabilization project was enacted to allow electric utilities to
30 obtain state financing in order to enter into buy-down or buy-out
32 agreements between the utilities and qualifying facilities. This
34 bill amends the Electric Rate Reform Act to clarify that the
36 purpose of the electric rate stabilization project is to ensure
38 that state funding is not used to the detriment of any of the
40 State's electric utility ratepayers, employees or shareholders.
42 An electric utility that has used state financing to acquire an
44 interest in any qualifying facility is prohibited from selling
46 the output of that facility to the customers of the other
electric utilities unless the Public Utilities Commission first
makes a finding that the sale would not increase the rates paid
by the customers of the other utility, harm the interests of its
shareholders or, through plant closings or layoffs, adversely
affect that utility's employees. This bill does not prevent
utilities from obtaining state funds to finance agreements with
qualifying facilities. This bill also does not restrict sales by
any electric utility acquiring an interest in a facility through
the use of private financing.