

MAINE STATE LEGISLATURE

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118th MAINE LEGISLATURE

FIRST SPECIAL SESSION-1997

Legislative Document

No. 1871

S.P. 649

In Senate, May 13, 1997

An Act to Authorize the Public Utilities Commission to Establish Reasonable Registration and Reporting Requirements and to Study Market Power Issues Associated with Electric Industry Restructuring.

(AFTER DEADLINE)

(EMERGENCY)

Approved for introduction by a majority of the Legislative Council pursuant to Joint Rule 205.

Reference to the Committee on Utilities and Energy 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 Senator CAREY of Kennebec.
Cosponsored by Representative JONES of Bar Harbor and
Representatives: BERRY of Belmont, COLWELL of Gardiner, JOY of Crystal,
LaVERDIERE of Wilton, O'NEAL of Limestone, TAYLOR of Cumberland, USHER of
Westbrook, VEDRAL of Buxton.

- 2 B. The potential for market concentration or horizontal
market power;
- 4 C. The potential for vertical market power arising from
ownership or control of transmission and distribution
6 systems of entities selling or marketing electric power;
- 8 D. The extent to which imbalances of supply and demand
create opportunities for the unreasonable exercise of market
10 power;
- 12 E. The significance of existing or potential transmission
system constraints and the ownership and control of
14 transmission ties;
- 16 F. The significance of the isolation of portions of the
transmission and distribution grid from other portions of
18 the grid, in particular from those portions of the grid
currently controlled by the New England power pool;
- 20 G. The reasonable geographic areas and markets in which
22 market power could be exercised;
- 24 H. The extent to which market power in relevant markets is
within the scope of federal regulatory jurisdiction; and
- 26 I. The approaches taken in other states to address market
28 power issues.

30 **Sec. B-2. Work plan.** The department and commission shall
develop a work plan for coordinating work on the study in order
32 to produce the reports required under section 6. The work plan
must ensure jointly produced reports, although the plan may allow
34 for differing recommendations and conclusions by the department
and the commission.

36 **Sec. B-3. Retaining experts.** The department and the commission
38 may retain experts or other consultants as they determine to be
necessary in order to conduct the study as long as all costs are
40 funded from resources available within the commission.

42 **Sec. B-4. Coordination with other states.** The department and the
commission shall seek to coordinate their efforts with any
44 similar studies undertaken in other states in the region.

46 **Sec. B-5. Consultation with Legislature.** The department and the
commission regularly shall consult with the Joint Standing
48 Committee on Utilities and Energy to update the committee on the
progress of the study, to respond to any

2 questions that the committee members may have and to discuss the
3 examination of any relevant issues that the committee identifies
4 to be of interest.

6 **Sec. B-6. Reports.** The department and the commission shall
7 present to the Joint Standing Committee on Utilities and Energy
8 an interim report of the department's and the commission's
9 findings and recommendations no later than February 1, 1998 and a
10 final report of their findings and recommendations no later than
11 December 1, 1998. The interim and final reports must include any
12 legislation necessary to implement the recommendations of the
13 department or the commission.

14 **Sec. B-7. Authorization to report out legislation.** The joint
15 standing committee of the Legislature having jurisdiction over
16 utilities and energy matters may report out legislation related
17 to electric industry restructuring to the Second Regular Session
18 of the 118th Legislature or the First Regular Session of the
19 119th Legislature.

20 **Sec. B-8. Funding of Attorney General position.** An attorney
21 position within the department must be designated by the Attorney
22 General to conduct the study required by this Part and to
23 investigate potential violations of antitrust laws within the
24 electric utility industry. The position must be funded through
25 June 30, 1999 from funds available within the commission.

26 **Sec. B-9. Allocation.** The following funds are allocated from
27 Other Special Revenue to carry out the purposes of this Part.

30 **1997-98**

32 **PUBLIC UTILITIES COMMISSION**

34 **Regulatory Fund**

36 All Other \$86,433

38 Allocates funds to fund one Attorney
40 position within the Department of the
41 Attorney General to conduct a market power
42 study and investigate potential violations
43 of antitrust laws within the utilities
44 industry.

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

SUMMARY

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4 Part A of the bill requires any entity that contracts or
6 attempts to contract with any consumer for the provision of
8 electric generation service in anticipation of electric industry
 restructuring to be registered with the Public Utilities
 Commission. Any contract made with an unregistered provider is
 void.

10

12 Part B of this bill requires the Public Utilities Commission
 and the Department of the Attorney General to conduct a study of
 market power issues related to electric industry restructuring.