

MAINE STATE LEGISLATURE

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RWS

L.D. 704

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UTILITIES AND ENERGY

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STATE OF MAINE
HOUSE OF REPRESENTATIVES
119TH LEGISLATURE
FIRST REGULAR SESSION

COMMITTEE AMENDMENT "A" to H.P. 497, L.D. 704, Bill, "An Act to Allow for Cooperative Purchase of Electricity by Governmental Units"

Amend the bill by striking out the title and substituting the following:

'An Act Relating to Governmental Aggregation Services'

Further amend the bill by striking out everything after the enacting clause and before the emergency clause and inserting in its place the following:

'Sec. 1. 22 MRSA §2055, sub-§16, as enacted by PL 1997, c. 385, §4, is amended to read:

16. Bulk purchases. To purchase, lease or otherwise acquire, finance, sell and transfer for, to or on behalf of itself and any eligible entities organized pursuant to the United States Internal Revenue Code, Section 501 or in partnership with any of its eligible entities organized pursuant to the United States Internal Revenue Code, Section 501 commodities necessary for the daily operation of the facilities of the eligible entities and for their employees, including, but not limited to, electricity, petroleum products, fuel oil and natural gas. For purposes authorized in this subsection, the University of Maine System and its colleges and universities are eligible participating institutions under the definition of eligible participant for the authority; and

COMMITTEE AMENDMENT

Sec. 2. 30-A MRSA §5954-A is enacted to read:

§5954-A. Aggregation service

1. Authority. In addition to its other enumerated powers, but subject to the limitations imposed under subsection 2, the bank, on behalf of or in partnership with one or more governmental units or nonprofit corporations organized under the Internal Revenue Code, Section 501, may aggregate governmental units and nonprofit corporations for the purpose of obtaining electricity necessary for the daily operation of the governmental units or nonprofit corporations.

2. Conditions; limitations. In exercising its authority under subsection 1, the bank:

A. Is subject to all applicable provisions of law, including the provisions of Title 35-A relating to aggregators of customers of electricity;

B. Must provide to any entity to whom it offers to provide services under subsection 1 notice that the entity is under no obligation to accept any of the services and that no other service provided by the bank is conditional upon or affected by the entity's acceptance or rejection of the offer;

C. May not extend credit or vary the terms of credit based on an entity's acceptance or rejection of an offer by the bank to provide services pursuant to subsection 1; and

D. May not encourage or otherwise seek to persuade any entity to accept any services offered by the bank pursuant to subsection 1, if the entity has an application with the bank for a loan, until after the bank has taken final action on approving or rejecting the application.'

Further amend the bill by inserting at the end before the summary the following:

'FISCAL NOTE

Local governmental units and nonprofit corporations that participate in a voluntary, cooperative bulk purchase of electricity and fuel commodities may realize operational savings. The Maine Municipal Bond Bank's implementation of aggregation services will not have a fiscal impact on departments and agencies of Maine State Government.

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COMMITTEE AMENDMENT "A" to H.P. 497, L.D. 704

2 The Public Utilities Commission may incur some minor
3 additional regulatory costs from the addition of the Maine
4 Municipal Bond Bank as an entity authorized to provide aggregator
5 services. These costs can be absorbed within existing budgeted
6 resources.'

8 **SUMMARY**

10 This amendment replaces the bill and amends the title to
11 reflect the content of the amendment. This amendment:

12 1. Removes the authority for the Maine Health and Higher
13 Educational Facilities Authority to provide certain commodities
14 purchasing and transfer services, including aggregation services,
15 to employees of health care and higher education entities.

16 2. Permits the Maine Municipal Bond Bank to offer
17 aggregation services to governmental units and nonprofit
18 corporations; and

19 3. Provides that the Maine Municipal Bond Bank:

20 A. Is subject to all applicable provisions of law,
21 including those provisions of the Maine Revised Statutes,
22 Title 35-A relating to aggregators of customers of
23 electricity;

24 B. Must provide to any entity to whom it offers to provide
25 aggregation services notice that the entity is under no
26 obligation to accept such services and that no other service
27 provided by the bank is conditional upon or affected by the
28 entity's acceptance or rejection of the offer;

29 C. May not extend credit or vary the terms of credit based
30 on an entity's acceptance or rejection of an offer by the
31 bank to provide aggregation services; and

32 D. May not encourage or otherwise seek to persuade any
33 entity to accept aggregation services, if the entity has an
34 application with the bank for a loan, until after the bank
35 has taken final action on approving or rejecting the
36 application.

37 The amendment also adds a fiscal note to the bill.