

MAINE STATE LEGISLATURE

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121st MAINE LEGISLATURE

FIRST REGULAR SESSION-2003

Legislative Document

No. 163

S.P. 86

In Senate, January 21, 2003

An Act To Provide Energy Opportunities to Northern Maine

(EMERGENCY)

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 KNEELAND of Aroostook.
Cosponsored by Representative YOUNG of Limestone and
Senators: MARTIN of Aroostook, STANLEY of Penobscot, Representatives: BENNETT of
Caribou, FISCHER of Presque Isle, JACKSON of Fort Kent, LUNDEEN of Mars Hill,
SHERMAN of Hodgdon, WOTTON of Littleton.

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

4 **Whereas,** the funds previously allocated to the Northern
6 Maine Transmission Corporation Fund in the Finance Authority of
Maine are essential to the viability of and to finance essential
8 economic development in northern Maine; and

10 **Whereas,** it is necessary that funding modifications be made
as soon as possible to ensure the continuous availability of
12 funds to carry out the Northern Maine Transmission Corporation's
essential public functions; and

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

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

22 **Sec. 1. 10 MRSA §1053, sub-§6,** as repealed and replaced by PL
24 1999, c. 531, Pt. G, §1, is amended to read:

26 **6. Securities outstanding.** The principal amount of revenue
obligation securities the authority may have outstanding at any
28 one time, to which subsection 5 is stated to apply in the trust
agreement or other document, may not exceed an aggregate
30 principal amount equal to ~~\$777,000,000~~ \$877,000,000 as follows:

32 A. The sum of \$330,000,000 consisting of not more than
\$275,000,000 for loans and up to \$55,000,000 for use of bond
34 proceeds to fund capital reserve funds for revenue
obligation securities issued pursuant to this subchapter
36 relating to loans for electric rate stabilization projects;

38 B. The sum of \$120,000,000 consisting of not more than
\$100,000,000 for loans and up to \$20,000,000 for use of bond
40 proceeds to fund capital reserve funds for revenue
obligation securities issued pursuant to this subchapter
42 relating to loans for major business expansion projects;

44 C. The sum of \$57,000,000 consisting of not more than
\$45,000,000 for loans and up to \$12,000,000 for use of bond
46 proceeds to fund capital reserve funds for revenue
obligation securities issued pursuant to this subchapter
48 relating to workers' compensation residual market mechanism
projects;

2 D. The sum of \$150,000,000 less the aggregate outstanding
balance of mortgage loans secured by capital reserve funds
pursuant to section 1032 for all other revenue obligation
4 securities issued pursuant to this subchapter; and

6 E. The sum of \$120,000,000 consisting of not more than
\$100,000,000 for loans and up to \$20,000,000 for use of bond
8 proceeds to fund capital reserve funds for revenue
obligation securities issued pursuant to this subchapter
10 relating to loans for paper industry job retention
projects; and

12 F. The sum of \$100,000,000 consisting of not more than
14 \$85,000,000 for loans and up to \$15,000,000 for use of bond
16 proceeds to fund capital reserve funds for revenue
obligation securities issued pursuant to this subchapter
relating to loans for transmission facilities projects.

18 The amount of revenue obligation securities issued to refund
20 securities previously issued may not be taken into account in
determining the principal amount of securities outstanding, as
22 long as proceeds of the refunding securities are applied as
promptly as possible to the refunding of the previously issued
24 securities. In computing the total amount of revenue obligation
securities of the authority that may at any time be outstanding
26 for any purpose, the amounts of the outstanding revenue
obligation securities that have been issued as capital
28 appreciation bonds or as similar instruments are valued as of any
date of calculation at their then current accreted value rather
30 than their face value.

32 **Sec. 2. 10 MRSA §9202, sub-§1.** as enacted by PL 1999, c. 513,
§6, is amended to read:

34 **1. Establishment and purpose.** The Northern Maine
36 Transmission Corporation is established as a body corporate and
politic and public instrumentality of the State. The corporation
38 is a special purpose corporation formed and managed as a
subsidiary of the authority. The exercise by the corporation of
40 the powers conferred by this chapter shall ~~be~~ is deemed the
performance of essential public functions. The purpose of the
42 corporation is to examine the need for and viability of and, in
its discretion, to finance, permit, construct, own and in whole
44 or in part, operate electric ~~transmission lines necessary to~~
~~connect electric utilities, or to otherwise facilitate the~~
46 transmission of natural gas and generation, production and
transfer of any other energy resources in the northern region of
48 the State ~~with the transmission grid of the United States in a~~
~~manner adequate, in the opinion of the authority, to allow~~
50 ~~customers-~~

2 ~~serviced by those electric utilities to receive the benefits of~~
3 ~~service similar to all other electric customers in this State.~~

4 **Sec. 3. 10 MRSA §9203, sub-§3**, as enacted by PL 1999, c. 513,
5 §6, amended to read:

6
7 **3. Acceptance of proposals for connections.** The
8 corporation shall request and receive proposals from public and
9 private entities to finance, permit, construct or operate any
10 natural gas or electric transmission lines necessary to connect
11 electric utilities and natural gas customers in the northern part
12 of the State with the transmission grid and natural gas
13 transmission system of the United States, and may approve those
14 proposals if they are in keeping with the intent of this chapter.

15 **Sec. 4. 10 MRSA §9203, sub-§4** is enacted to read:

16
17 **4. Conduct studies.** The corporation may conduct such
18 studies, including, but not limited to, feasibility studies, as
19 may be necessary and convenient to the performance of its duties.

20
21 **Sec. 5. PL 2001, c. 714, Pt. M** is repealed.

22
23 **Emergency clause.** In view of the emergency cited in the
24 preamble, this Act takes effect when approved.

25
26
27 **SUMMARY**

28
29 This bill accomplishes the following.

30
31
32 1. Public Law 1999, chapter 513 authorized the Finance
33 Authority of Maine to issue up to \$35,000,000 in bonds to finance
34 the construction of transmission lines. This authorization was
35 repealed, before it took effect, by Public Law 1999, chapter
36 531. This bill reinstates that authority and increases the
37 bonding limit to \$100,000,000.

38
39 2. It expands the stated purposes of the Northern Maine
40 Transmission Corporation to include facilitation of the
41 transmission of natural gas.

42
43 3. It enacts language to allow the Northern Maine
44 Transmission Corporation to conduct studies.

45
46 4. It repeals language enacted in Public Law 2001, chapter
47 714 that requires that funds in the Northern Maine Transmission
48 Corporation Fund be transferred to the General Fund.