

MAINE STATE LEGISLATURE

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No. 743

H.P. 564

House of Representatives, February 13, 2007

An Act To Allow Transmission and Distribution Utilities To Generate and Sell Power

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

Millicent M. MacFarland
MILLICENT M. MacFARLAND
Clerk

Presented by Representative TUTTLE of Sanford.
Cosponsored by Representative JOY of Crystal, Senator SMITH of Piscataquis and
Representatives: ADAMS of Portland, CLARK of Millinocket, FLETCHER of Winslow,
GIFFORD of Lincoln, RICHARDSON of Carmel, THOMAS of Ripley, VAUGHAN of
Durham.

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

2 **Sec. 1. 35-A MRSA §3202, sub-§5**, as enacted by PL 1999, c. 398, Pt. B, §1, is
3 amended to read:

4 **5. International transmission contracts.** ~~Notwithstanding section 3204,~~
5 ~~transmission~~ Transmission and distribution utilities, including consumer-owned utilities,
6 that operate or manage a portion of the grid connected to the New England grid by
7 transmission lines that pass through Canada may enter into commercially reasonable
8 contracts with Canadian electric utilities for the purchase of back-up services, tie-line
9 interruption services, ancillary services, transmission services or any other service that
10 promotes effective retail electric competition in northern Maine. The transmission and
11 distribution utilities shall make all such contract services available to competitive
12 electricity providers at cost, on an equitable basis. Commission approval of such
13 contracts is not required. Nothing in this subsection exempts from commission
14 jurisdiction utility operations or activities undertaken pursuant to such contracts.

15 **Sec. 2. 35-A MRSA §3204**, as amended by PL 2003, c. 344, Pt. D, §24, is
16 repealed.

17 **Sec. 3. 35-A MRSA §3205**, as amended by PL 1999, c. 237, §2 and c. 398, Pt. G,
18 §§1 to 3, is repealed.

19 **Sec. 4. 35-A MRSA §3206**, as enacted by PL 1997, c. 316, §3, is repealed.

20 **Sec. 5. 35-A MRSA §3206-A**, as amended by PL 2003, c. 505, §30, is repealed.

21 **Sec. 6. 35-A MRSA §3206-B** is enacted to read:

22 **§3206-B. Generation and sale of electric energy; rules**

23 Subject to rules adopted by the commission, an investor-owned transmission and
24 distribution utility may have a financial interest in or otherwise control generation or
25 generation-related assets, may generate electricity and may sell electric energy to retail
26 consumers. Rules adopted pursuant to this section are major substantive rules as defined
27 in Title 5, chapter 375, subchapter 2-A.

28 **SUMMARY**

29 This bill removes the provisions in current law that prohibit investor-owned
30 transmission and distribution utilities from owning and operating electric generation
31 facilities and from selling electric energy to consumers at retail, including those
32 provisions that require such utilities to divest generation assets and generation-related
33 business activity. The bill requires the Public Utilities Commission to adopt rules to
34 govern the ownership of generation assets, generation of electricity and retail sale of
35 electricity by investor-owned transmission and distribution utilities.