

MAINE STATE LEGISLATURE

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123rd MAINE LEGISLATURE

SECOND REGULAR SESSION-2008

Legislative Document

No. 2254

S.P. 884

March 11, 2008

Resolve, Regarding ISO New England

(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 BARTLETT of Cumberland. (GOVERNOR'S BILL)
Cosponsored by Representative BLISS of South Portland and Senator: HOBBS of York,
Representatives: ADAMS of Portland, BERRY of Bowdoinham, BLANCHARD of Old Town,
FITTS of Pittsfield, HINCK of Portland, PINGREE of North Haven, RINES of Wiscasset.

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

3 **Whereas,** reliable and lower-cost electric service is essential to the public welfare of
4 this State; and

5 **Whereas,** the development of Maine's indigenous renewable energy resources,
6 including wind energy, is vital to this State's economy and is an essential tool to combat
7 climate change; and

8 **Whereas,** 2 of Maine's transmission and distribution utilities are members of the
9 Independent System Operator New England regional transmission organization; and

10 **Whereas,** the Public Utilities Commission has reported to the Legislature that ISO
11 New England's rules, policies, practices and methods of allocating costs among the New
12 England states have been prejudicial to the interests of Maine consumers and inhibit the
13 full development potential of Maine's indigenous renewable power industry; and

14 **Whereas,** the Public Utilities Commission has identified alternatives to ISO New
15 England that may have the potential to lower costs for Maine consumers and better
16 encourage the development of Maine's indigenous renewable power industry; and

17 **Whereas,** the State desires to lower energy costs for Maine consumers through
18 altering or concluding its relationship with the ISO New England regional transmission
19 organization, while minimizing uncertainties for indigenous renewable energy developers
20 in this State; and

21 **Whereas,** pursuant to paragraph 43 of the stipulation approved by the Public
22 Utilities Commission in PUC Docket No. 2007-355, Central Maine Power Company has
23 agreed to commence a proceeding before the Public Utilities Commission to determine
24 whether it will remain a member of the ISO New England regional transmission
25 organization; and

26 **Whereas,** in the judgment of the Legislature, these facts create an emergency within
27 the meaning of the Constitution of Maine and require the following legislation as
28 immediately necessary for the preservation of the public peace, health and safety; now,
29 therefore, be it

30 **Sec. 1. Public Utilities Commission order regarding alternative structure.**

31 **Resolved:** That should the Public Utilities Commission determine, in a proceeding
32 pursuant to paragraph 43 of the stipulation approved by the Public Utilities Commission
33 in PUC Docket No. 2007-355, that it is in the interests of Maine consumers and
34 consistent with state policy to expand wind energy development in Maine and for Maine's
35 transmission and distribution utilities to provide timely notice of nonrenewal of any
36 membership in Independent System Operator New England, the Public Utilities
37 Commission then shall subsequently order Maine's 3 investor-owned transmission and
38 distribution utilities to file with the commission a plan to form an alternative structure to
39 hold, manage, dispatch and expand the transmission assets of the investor-owned

1 transmission and distribution utilities. The plan must also encourage development of
2 indigenous renewable power resources, including wind energy, in the State. The plan
3 must include a request for a certificate of public convenience and necessity by the
4 investor-owned utilities to directly interconnect the transmission system of Maine Public
5 Service Company with the transmission system of Bangor Hydro-Electric Company or
6 Central Maine Power Company and otherwise expand the transmission system in Maine
7 to maintain reliability and to facilitate the economic interconnection of indigenous
8 renewable power resources. If requests for certificates of public convenience and
9 necessity have already been submitted to the commission for approval prior to the
10 submission of the plan, the plan must address the incorporation of the proposed
11 interconnection and reliability projects, without prejudicing the commission's
12 determination of whether such projects are in the public interest. The plan must also
13 include all relevant commercial agreements necessary to implement the plan and petitions
14 for all relevant regulatory approvals. The commission shall undertake a review of the
15 plan and shall allow for public comment on the plan. The plan must enable the investor-
16 owned utilities, subject to any required regulatory approvals, to provide timely notice of a
17 decision to not renew membership in, and to effect a withdrawal from, ISO New England
18 no later than the scheduled termination of the regional transmission organization's
19 transmission owners agreement pursuant to its terms.

20 **Emergency clause.** In view of the emergency cited in the preamble, this
21 legislation takes effect when approved.

22

SUMMARY

23 This resolve provides that if the Public Utilities Commission finds under a specific
24 proceeding that nonrenewal of any membership in ISO New England is in the interests of
25 Maine consumers, then the Public Utilities Commission shall order Maine's 3 investor-
26 owned transmission and distribution utilities to file a plan to form an alternative structure,
27 to encourage development of indigenous renewable power resources, to directly
28 interconnect and expand transmission systems and to execute relevant commercial
29 agreements and necessary petitions.