

MAINE STATE LEGISLATURE

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Date: 4-10-12

(Filing No. S-538)

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STATE OF MAINE
SENATE
125TH LEGISLATURE
SECOND REGULAR SESSION

SENATE AMENDMENT "A" to COMMITTEE AMENDMENT "B" to S.P. 648, L.D. 1863, Bill, "An Act To Lower the Price of Electricity for Maine Consumers"

Amend the amendment by striking out all of section 2.

Amend the amendment by striking out all of section 4 and inserting the following:

'Sec. 4. 35-A MRSA §3210-C, sub-§13 is enacted to read:

13. Contracts to ensure lower rates. In accordance with this subsection, the commission may direct investor-owned transmission and distribution utilities to enter into contracts with electricity resources for the purpose of reducing the price of electricity to ratepayers. Except for the requirements of subsection 3, paragraph C, contracts under this subsection are not governed by the provisions of subsection 3.

A. The commission shall ensure that a contract under this subsection requires the price for electric energy purchased under the contract to be at least 10% less than the applicable market clearing price at the time of delivery, as determined by the commission by rule, except that if the commission determines that a discount price closer to the applicable market clearing price is necessary to achieve the purposes of this section, the commission may by rule establish a lower discount.

B. The commission may not require contracts entered into under this subsection to involve in the aggregate an amount of electric energy that exceeds 10% of the total statewide electric energy load, as determined by the commission by rule.

C. The commission may not require an investor-owned transmission and distribution utility to enter into any contract under this subsection that has a term that exceeds 20 years.

D. The commission may require an investor-owned transmission and distribution utility to enter into a contract for electric energy and associated renewable energy credits, with appropriate valuation of each component, consistent with the other requirements of this subsection.

E. The commission may not require investor-owned transmission and distribution utilities to enter into contracts under this subsection with renewable capacity resources, as defined in section 3210, subsection 2, paragraph B-3, subparagraph (3), that in the aggregate exceed, in any year during the term of the contract, 50% of that

SENATE AMENDMENT

1 portion of the total statewide portfolio requirement as established under section 3210,
2 subsection 3-A that is greater than the total statewide portfolio requirement
3 established under section 3210 for the period from January 1, 2012 to December 31,
4 2012.

5 F. An investor-owned transmission and distribution utility shall sell entitlements for
6 capacity, energy and renewable energy credits purchased pursuant to this subsection
7 as directed by the commission.

8 G. The commission shall ensure that an investor-owned transmission and distribution
9 utility recovers in rates all costs of contracts entered into pursuant to this subsection,
10 including but not limited to any impacts on the utility's costs of capital.

11 The commission shall adopt rules implementing this subsection and defining when a
12 source of electric generation that is subject to a contract entered into under this subsection
13 qualifies as a renewable capacity resource under section 3210, subsection 2, paragraph
14 B-3, subparagraph (3) or a renewable resource under section 3210, subsection 2,
15 paragraph C, subparagraph (3). Rules adopted under this subsection are major
16 substantive rules as defined in Title 5, chapter 375, subchapter 2-A.'

17 Amend the amendment by relettering or renumbering any nonconsecutive Part letter
18 or section number to read consecutively.

19 SUMMARY

20 This amendment modifies Committee Amendment "B" as follows.

21 1. It provides that the new contracts with electricity resources for the purposes of
22 reducing the price of electricity to ratepayers must comply with the current requirement
23 that the price paid by the investor-owned transmission and distribution utility for any
24 renewable energy credits must be lower than the price received for those renewable
25 energy credits at the time they are sold by the transmission and distribution utility.

26 2. It removes the provision that allows a generator whose total power production
27 capacity exceeds 100 megawatts to qualify as a renewable resource under the so-called
28 Class 2 portfolio requirement under the Maine Revised Statutes, Title 35-A, section 3210,
29 subsection 3.

30 3. It limits the amount of electricity that can be contracted from generators whose
31 total power production capacity exceeds 100 megawatts, to the extent those generators, as
32 a result of the contracts, are allowed to qualify for the so-called Class 1 portfolio
33 requirement under the Maine Revised Statutes, Title 35-A, section 3210, subsection 3-A.
34 In the aggregate such contracts may not in any year account for more than 50% of the
35 annual incremental increases in the total statewide Class 1 portfolio requirement over the
36 amount currently established for 2012. The 2012 Class 1 portfolio requirement amounts
37 to 5% of supply resources. This portfolio requirement is currently scheduled to increase
38 by 1% each year until it reaches 10% in 2017. Under this current schedule, up to 50% of
39 each year's 1% increase, or up to .5% of supply resources in 2013 and up to .5%

SENATE AMENDMENT "A" to COMMITTEE AMENDMENT "B" to S.P. 648, L.D. 1863

1 additionally each year thereafter, may be under contract with generators whose total
2 power production capacity exceeds 100 megawatts.

3 SPONSORED BY: Michael Thibodeau

4 (Senator THIBODEAU)

5 COUNTY: Waldo

FISCAL NOTE REQUIRED
(See attached)



Approved: 04/09/12 *MAC*

125th MAINE LEGISLATURE

LD 1863

LR 2795(05)

An Act To Lower the Price of Electricity for Maine Consumers

Fiscal Note for Senate Amendment "A" to Committee Amendment "B" S-538

Sponsor: Sen. Thibodeau of Waldo

Fiscal Note Required: Yes

Fiscal Note

Minor cost increase - Other Special Revenue Funds

Fiscal Detail and Notes

Any additional costs to the Public Utilities Commission can be absorbed within existing budgeted resources.