

MAINE STATE LEGISLATURE

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Date: 3/28/14

L.D. 1792
(Filing No. H-758)

ENERGY, UTILITIES AND TECHNOLOGY

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**STATE OF MAINE
HOUSE OF REPRESENTATIVES
126TH LEGISLATURE
SECOND REGULAR SESSION**

COMMITTEE AMENDMENT "A" to H.P. 1283, L.D. 1792, Bill, "An Act To Protect Jobs in the Forest Product Industry"

Amend the bill by striking out everything after the title and before the summary and inserting the following:

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

Whereas, through a series of private and special laws, the State has granted certain rights, privileges, immunities and franchises to Brookfield Renewable Energy Partners to construct, own and operate dams and hydroelectric and related facilities for the purpose of generating and transmitting electricity and to Great Northern Paper, LLC, and its predecessors in interest, including, but not limited to, the authority to build, own, operate and maintain paper production facilities; and

Whereas, existing provisions in private and special laws may be inhibiting Great Northern Paper, LLC, as the owner of the paper production facility in the Town of Millinocket or the paper production facility in the Town of East Millinocket from reaching a temporary load-shedding agreement with Brookfield Renewable Energy Partners for the sharing of revenues from the sale of electricity from the hydropower facilities when there is a temporary cessation or reduction of paper production; and

Whereas, Great Northern Paper, LLC, ceased paper production at the East Millinocket paper production facility in late January 2014 and intends to use the paper mill closure period to make necessary facility upgrades to improve efficiency and enhance the facility's long-term viability; and

Whereas, Great Northern Paper, LLC, intends to employ as many of the East Millinocket paper production facility's employees as possible to perform the necessary upgrades and improvements during the current closure period and to reopen the facility as soon as possible; and

COMMITTEE AMENDMENT

1 **Whereas**, the purpose of this legislation is expressly to permit load-shedding
2 agreements that would provide revenues to support the continued viability of the paper
3 production facilities and preserve the work force employed at those facilities and thereby
4 promote the public welfare; and

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

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

10 **Sec. 1. P&SL 2001, c. 45, §2** is amended by adding at the end a new paragraph to
11 read:

12 Nothing in this section prohibits temporary load-shedding agreements in accordance
13 with section 2-B.

14 **Sec. 2. P&SL 2001, c. 45, §2-B** is enacted to read:

15 **Sec. 2-B. Temporary load-shedding agreements.** In order to ensure the
16 continued viability of the paper production facility in Millinocket or the paper production
17 facility in East Millinocket, the owner of the paper production facility in Millinocket or
18 the paper production facility in East Millinocket and the owner of the Hydropower
19 Facilities may enter into temporary load-shedding agreements in accordance with this
20 section.

21 1. Temporary reduction or closure; sharing of revenues. A temporary load-
22 shedding agreement may provide for temporary cessation of or reduction in paper
23 production at a paper production facility for periods of less than 90 days, or in excess of
24 90 days to the limited extent permitted under subsection 3, in order to allow the sale of
25 electricity from the Hydropower Facilities to another purchaser or entity or into the
26 wholesale electric market and provide that the owner of the paper production facility
27 shares in the revenue generated from those sales of electricity.

28 2. Purpose; terms. It is the purpose of the Legislature in expressly authorizing
29 temporary load-shedding agreements to encourage mutually beneficial agreements
30 between the parties that provide revenues to support the continued viability of the paper
31 production facilities and preserve the work force employed at those facilities and thereby
32 promote the public welfare. When developing any temporary load-shedding agreement,
33 the parties shall consider terms that promote those purposes, which may include terms
34 that rely on indicators of the continuing viability of the paper production facilities,
35 including maintenance of the facility's labor force during and following the temporary
36 cessation of or reduction in paper production.

37 3. Limited one-time exception. A temporary load-shedding agreement may include
38 a cessation of paper production at the East Millinocket paper production facility for more
39 than 90 days only if:

40 A. The cessation began on January 23, 2014;

41 B. The cessation ends and paper production resumes at the facility no later than June
42 30, 2014 with the number of employees agreed to by the unions representing the

1 employees of the paper production facility and the owner of the paper production
2 facility; and

3 C. The temporary load-shedding agreement involves the sharing of revenue from no
4 more than 90 days of electricity sales during this temporary cessation of paper
5 production.

6 If a temporary load-shedding agreement is entered into under this subsection and paper
7 production resumes at the facility in accordance with paragraph B, the cessation
8 described in this subsection is not a Paper Mill Closing for purposes of section 2 and all
9 prohibitions, requirements and other provisions of section 2 that would otherwise apply
10 with respect to that cessation do not apply.

11 **Emergency clause.** In view of the emergency cited in the preamble, this
12 legislation takes effect when approved.'

13 **SUMMARY**

14 Current law restricts the ability of Great Northern Paper, LLC, to receive revenue
15 from the sale of electricity from Brookfield Renewable Energy Partners when there is a
16 long-term cessation of paper production for a period of at least 90 days. This
17 amendment, which replaces the bill, clarifies that the current law does not prohibit short-
18 term load-shedding agreements and expressly authorizes such agreements for the purpose
19 of promoting the continued viability of the paper production facilities and preserving the
20 work force employed at those facilities and thereby promoting the public welfare. It also
21 allows a one-time, limited exemption from certain provisions of current law, including
22 the prohibition on agreements relating to longer-term paper mill closings, for the current
23 cessation of paper production at the East Millinocket paper production facility that began
24 on January 23, 2014, as long as certain conditions are met, including a reopening of the
25 facility no later than June 30, 2014 with the number of employees agreed upon by the
26 unions representing the employees and the owner of the paper production facility.