

MAINE STATE LEGISLATURE

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Date: 5/26/17

L.D. 756
(Filing No. H-314)

ENERGY, UTILITIES AND TECHNOLOGY

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**STATE OF MAINE
HOUSE OF REPRESENTATIVES
128TH LEGISLATURE
FIRST REGULAR SESSION**

COMMITTEE AMENDMENT "A" to H.P. 536, L.D. 756, Bill, "An Act To Clarify the Authority of an Affiliate of a Utility To Own Power Generation outside of the Utility's Territory"

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

'Sec. 1. 35-A MRS §3204, sub-§11 is enacted to read:

11. Affiliated generation outside service territory permitted. Notwithstanding subsection 5, an affiliate of an investor-owned transmission and distribution utility may own generation or generation-related assets in accordance with standards of conduct adopted under this subsection as long as the generation or generation-related assets are not directly interconnected to the facilities owned or operated by that investor-owned transmission and distribution utility. The commission shall establish, by rule, standards of conduct governing the relationships permitted under this section between an investor-owned transmission and distribution utility and an affiliate of the investor-owned transmission and distribution utility that owns generation or generation-related assets that:

A. Prohibit a transmission and distribution utility from taking any action that favors such an affiliate or adversely affects a competitor of such an affiliate in a manner that is unjust or unreasonable;

B. Ensure the separation and independence of such affiliates; and

C. Protect ratepayers.

For purposes of this subsection, "affiliate" means a person who has any direct or indirect ownership interest in, or is a direct or indirect subsidiary of a person who has any ownership interest in, the investor-owned transmission and distribution utility, but does not include a wholly owned or partially owned direct or indirect subsidiary of the investor-owned transmission and distribution utility.

Rules adopted pursuant to this subsection are major substantive rules as defined in Title 5, chapter 375, subchapter 2-A.

COMMITTEE AMENDMENT

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Sec. 2. Existing affiliate. Prior to the adoption of rules by the Public Utilities Commission as required by the Maine Revised Statutes, Title 35-A, section 3204, subsection 11, an affiliate, as defined in section 3204, subsection 11, of an investor-owned transmission and distribution utility that owns generation or generation-related assets that are not directly interconnected to the facilities owned or operated by that investor-owned transmission and distribution utility may continue to own those generation or generation-related assets and upon adoption of those rules is subject to the standards of conduct adopted by the commission.'

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SUMMARY

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This amendment replaces the bill. It allows an affiliate of an investor-owned transmission and distribution utility to own generation or generation-related assets in accordance with standards of conduct adopted by the Public Utilities Commission, unless the generation or generation-related assets are directly interconnected to the facilities owned or operated by that investor-owned transmission and distribution utility. It directs the Public Utilities Commission to adopt major substantive rules that establish standards of conduct governing the relationship between an investor-owned transmission and distribution utility and an affiliate that ensure the separation and independence of the affiliate and protects ratepayers.

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The amendment allows an affiliate of an investor-owned transmission and distribution utility that owns generation or generation-related assets that are not directly interconnected to the facilities owned or operated by that investor-owned transmission or distribution utility to continue to own those generation or generation-related assets. Upon adoption of rules by the Public Utilities Commission, the affiliate is subject to the standards of conduct adopted by the commission.

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FISCAL NOTE REQUIRED

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(See attached)



128th MAINE LEGISLATURE

LD 756

LR 1259(02)

An Act To Clarify the Authority of an Affiliate of a Utility To Own Power Generation outside of the
Utility's Territory

Fiscal Note for Bill as Amended by Committee Amendment "A" (H-314)

Committee: Energy, Utilities and Technology

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 to develop standards of conduct governing the relationship between an investor-owned transmission and distribution utility and a generation affiliate are anticipated to be minor and can be absorbed within budgeted resources.