

MAINE STATE LEGISLATURE

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128th MAINE LEGISLATURE

FIRST REGULAR SESSION-2017

Legislative Document

No. 1224

S.P. 415

In Senate, March 30, 2017

**An Act To Allow for Greater Energy Competition in Maine by
Amending the Law Governing Electric Generation or Generation-
related Assets by Affiliates**

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

A handwritten signature in cursive script, reading 'Heather J.R. Priest'.

HEATHER J.R. PRIEST
Secretary of the Senate

Presented by Senator DION of Cumberland.
Cosponsored by Representative O'CONNOR of Berwick and
Senators: CUSHING of Penobscot, HILL of York, MASON of Androscoggin, Representative:
RYKERSON of Kittery.

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

2 **Sec. 1. 35-A MRSA §3204, sub-§1-A** is enacted to read:

3 **1-A. Definitions.** As used in this section, unless the context otherwise indicates, the
4 following terms have the following meanings.

5 A. "Financial interest" means any voting or nonvoting equity interest, partnership
6 interest, whether limited or general, trust interest or joint venture in an entity.
7 "Financial interest" does not include an interest created between an investor-owned
8 transmission and distribution utility and a generation affiliate by virtue of their
9 relationship with a common parent company.

10 B. "Generation affiliate" means an affiliated interest of an investor-owned
11 transmission and distribution utility that owns, has a financial interest in or has
12 control of generation or generation-related assets.

13 **Sec. 2. 35-A MRSA §3204, sub-§5,** as enacted by PL 1997, c. 316, §3, is
14 amended to read:

15 **5. Ownership of generation prohibited.** Except as otherwise permitted under this
16 chapter, ~~on or after March 1, 2000,~~ an investor-owned transmission and distribution
17 utility may not own, have a financial interest in or otherwise control generation or
18 generation-related assets.

19 **Sec. 3. 35-A MRSA §3204, sub-§5-A** is enacted to read:

20 **5-A. Ownership of generation or generation-related assets by a generation**
21 **affiliate.** An investor-owned transmission and distribution utility may have a generation
22 affiliate as long as the generation affiliate exists separate from and independent of the
23 investor-owned transmission and distribution utility. The commission shall adopt rules
24 establishing the terms, conditions and standards of conduct governing the relationship
25 between an investor-owned transmission and distribution utility and a generation affiliate
26 that ensure the separation and independence of the generation affiliate and that also
27 ensure, at a minimum, that:

28 A. The investor-owned transmission and distribution utility does not give any
29 preference to a generation affiliate over generators not affiliated with the investor-
30 owned transmission and distribution utility;

31 B. The costs of the generation affiliate are not recovered from ratepayers of the
32 investor-owned transmission and distribution utility;

33 C. Any allocation of costs from an affiliated interest that provides services to both
34 the investor-owned transmission and distribution utility and the generation affiliate is
35 determined to be consistent with section 707, subsection 3, paragraph G and is
36 consistent with the interests of the ratepayers of the investor-owned transmission and
37 distribution utility;

1 This bill establishes penalties for violations of rules adopted pursuant to this bill, and
2 provides that the commission may require an investor-owned transmission and
3 distribution utility to divest from its generation affiliate as a result of any violations of the
4 rules.