

MAINE STATE LEGISLATURE

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131st MAINE LEGISLATURE

FIRST REGULAR SESSION-2023

Legislative Document

No. 905

H.P. 561

House of Representatives, February 28, 2023

An Act to Expand Energy Choice Through Municipal Utilities

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

Robert B. Hunt
ROBERT B. HUNT
Clerk

Presented by Representative GEIGER of Rockland.

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

2 **Sec. 1. 35-A MRSA §2102, sub-§1, ¶B** is enacted to read:

3 B. For a municipal power district created under chapter 39 or a cooperative created
4 under chapter 37 seeking to furnish service in or to any municipality in or to which an
5 investor-owned transmission and distribution utility, as defined in section 3201,
6 subsection 11-A, is furnishing or is authorized to furnish a similar service, commission
7 approval required under this subsection is limited to a commission determination that
8 the procedures prescribed in chapter 39 for the creation of a municipal power district
9 or chapter 37 for the creation of a cooperative have been complied with and that there
10 is no proven net harm to other ratepayers associated with the loss of customers by the
11 investor-owned transmission and distribution utility that will result from the
12 commission's approval of the district under this subsection.

13 **Sec. 2. 35-A MRSA §3773** is enacted to read:

14 **§3773. Transfer of property; payment of just compensation**

15 When a cooperative is created under this chapter and approved by the commission
16 under sections 2102 and 3772, the transmission and distribution utility furnishing service
17 to the cooperative's members must facilitate the transfer of property in accordance with the
18 commission's approval. The cooperative shall pay the transmission and distribution utility
19 just compensation, as determined by the commission, for the property of the transmission
20 and distribution utility.

21 **Sec. 3. 35-A MRSA §3903, sub-§5** is enacted to read:

22 **5. Transfer of property; payment of just compensation.** When a municipal power
23 district is created under this section and approved by the commission under this section and
24 section 2102, the transmission and distribution utility furnishing service in that
25 municipality must conform to that municipality's decision to furnish service and facilitate
26 the transfer of property. The municipal power district shall pay the transmission and
27 distribution utility just compensation, as determined by the commission, for the property
28 of the transmission and distribution utility.

29 **Sec. 4. 35-A MRSA §3904, sub-§5** is enacted to read:

30 **5. Transfer of property; payment of just compensation.** When a municipal power
31 district is created under this section and approved by the commission under this section and
32 section 2102, the transmission and distribution utility furnishing service in those
33 municipalities must conform to the municipalities' decisions to furnish service and facilitate
34 the transfer of property. The municipal power district shall pay the transmission and
35 distribution utility just compensation, as determined by the commission, for the property
36 of the transmission and distribution utility.

37 **SUMMARY**

38 This bill limits the approval by the Public Utilities Commission of a municipal power
39 district's or a rural electrification cooperative's proposal to furnish service in a municipality
40 in which an investor-owned transmission and distribution utility is already furnishing
41 service to the commission's determination that there is no proven net harm to other
42 ratepayers in the investor-owned transmission and distribution utility losing customers and

1 the municipal power district or cooperative was created in conformance with applicable
2 law.

3 The bill specifies that a transmission and distribution utility furnishing service in the
4 municipality or municipalities where a municipal power district or cooperative is created
5 and approved by the commission must facilitate the transfer of property and be provided
6 just compensation, as determined by the commission, for that property.