

MAINE STATE LEGISLATURE

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131st MAINE LEGISLATURE

FIRST SPECIAL SESSION-2023

Legislative Document

No. 1727

S.P. 691

In Senate, April 20, 2023

An Act to Protect Northern Maine Standard-offer Ratepayers

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

A handwritten signature in black ink, appearing to read 'D M Grant'.

DAREK M. GRANT
Secretary of the Senate

Presented by Senator STEWART of Aroostook.
Cosponsored by Senator: HARRINGTON of York, Representatives: ARDELL of Monticello,
FOSTER of Dexter, THERIAULT of Fort Kent.

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

2 **Sec. 1. 35-A MRSA §3212, sub-§2, ¶E** is enacted to read:

3 E. The commission shall structure and administer the bid process for standard-offer
4 service in an area administered by the independent system administrator for northern
5 Maine within the service territory of an investor-owned transmission and distribution
6 utility in a manner that ensures stable standard-offer service rates for all classes of
7 customers. The commission shall administer at least 2 bid solicitations for such
8 standard-offer service between June and October of each year. The commission shall
9 also administer a process for requesting nonbinding prospective price proposals for
10 standard-offer service in future years in order to provide indications of price trends and
11 shall disseminate the results to customers for informational purposes.

12 **Sec. 2. Pilot program.** The Public Utilities Commission shall by rule establish a
13 pilot program to develop and test innovative methods to achieve the purposes of the Maine
14 Revised Statutes, Title 35-A, section 3212, subsection 2, paragraph E. In developing and
15 implementing the pilot program, the commission shall examine whether the purposes of
16 Title 35-A, section 3212, subsection 2, paragraph E and lower standard-offer service rates
17 may be achieved by assigning appropriate portions of any Class IA resources contracted
18 under Title 35-A, section 3210-G to one or more of the standard-offer service providers in
19 a manner that passes the contract prices through to standard-offer service customers.
20 Notwithstanding Title 35-A, section 3212, subsection 2, paragraph E, for purposes of the
21 pilot program, the commission may by rule and appropriate orders assign portions of any
22 Class IA resources contracted under Title 35-A, section 3210-G to one or more of the
23 standard-offer service providers. As part of the pilot program, the commission shall also
24 consider means of price hedging to achieve the purposes of Title 35-A, section 3212,
25 subsection 2, paragraph E, including varying standard-offer service contract terms. The
26 commission shall structure the pilot program in a manner that reasonably reduces risks to
27 standard-offer service customers and providers. The commission shall by rule establish a
28 reasonable term length for the pilot program in order to achieve the purposes of this section.
29 Rules adopted under this section are routine technical rules as defined in Title 5, chapter
30 375, subchapter 2-A.

31 **Sec. 3. Study of northern Maine standard offer; report.** The Public Utilities
32 Commission, in consultation with the Governor's Energy Office and the Office of the
33 Public Advocate, shall investigate methods to reduce standard-offer service rates for
34 ratepayers in the area of the State administered by the independent system administrator
35 for northern Maine. The investigation must include consideration of the demand and
36 generation characteristics unique to the northern Maine service territory and identify
37 mechanisms to reduce the cost of standard-offer service in northern Maine, including
38 mechanisms to reduce the effect of natural gas price volatility on the prices of electricity
39 supplied by sources of electrical generation that rely on other fuel types. On or before
40 December 6, 2023, the commission shall submit a report of its findings, a summary of the
41 pilot program developed under section 2 and any recommendations for reforming standard-
42 offer service in all areas of the State based on its findings, including any recommended
43 proposed legislation, to the Joint Standing Committee on Energy, Utilities and Technology.
44 The committee may report out a bill related to the subject matter of the report to the Second
45 Regular Session of the 131st Legislature.

1

SUMMARY

2 This bill requires the Public Utilities Commission to structure and administer the bid
3 process for standard-offer service in an area administered by the independent system
4 administrator for northern Maine within the service territory of an investor-owned
5 transmission and distribution utility in a manner that ensures stable standard-offer service
6 rates for all classes of customers. It also requires the commission to implement a pilot
7 program for the area in order to develop innovative methods to achieve this goal. It directs
8 the Public Utilities Commission, in consultation with the Governor's Energy Office and the
9 Office of the Public Advocate, to study methods to reduce standard-offer service rates for
10 ratepayers in the northern Maine service territory. It directs the commission to submit a
11 report of its findings, a summary of the pilot program and any recommendations for
12 reforming standard-offer service in all areas of the State based on its findings, including
13 any recommended proposed legislation, to the Joint Standing Committee on Energy,
14 Utilities and Technology. The joint standing committee may report out a bill related to the
15 subject matter of the report to the Second Regular Session of the 131st Legislature.