

MAINE STATE LEGISLATURE

The following document is provided by the
LAW AND LEGISLATIVE DIGITAL LIBRARY
at the Maine State Law and Legislative Reference Library
<http://legislature.maine.gov/lawlib>



Reproduced from electronic originals
(may include minor formatting differences from printed original)

LAWS
OF THE
STATE OF MAINE

AS PASSED BY THE
ONE HUNDRED AND SIXTEENTH LEGISLATURE

SECOND REGULAR SESSION

January 5, 1994 to April 14, 1994

THE GENERAL EFFECTIVE DATE FOR
SECOND REGULAR SESSION
NON-EMERGENCY LAWS IS
JULY 14, 1994

PUBLISHED BY THE REVISOR OF STATUTES
IN ACCORDANCE WITH MAINE REVISED STATUTES ANNOTATED,
TITLE 3, SECTION 163-A, SUBSECTION 4.

J.S. McCarthy Company
Augusta, Maine
1993

CHAPTER 712

S.P. 774 - L.D. 1997

An Act to Encourage Electric Rate Stabilization**Be it enacted by the People of the State of Maine as follows:****Sec. 1. 10 MRSA §963-A, sub-§7-A** is enacted to read:

7-A. Electric rate stabilization project. "Electric rate stabilization project" means an agreement by an electric utility with a qualifying facility, as defined in Title 35-A, section 3303, that will result in the reduction of costs to the electric utility and that has been certified by the Public Utilities Commission to meet the standards established under Title 35-A, section 3156.

Sec. 2. 10 MRSA §963-A, sub-§10, ¶L, as amended by PL 1991, c. 439, §3, is further amended to read:

L. Any hazardous waste or solid waste recycling or reduction project; ~~or~~

Sec. 3. 10 MRSA §963-A, sub-§10, ¶M, as enacted by PL 1991, c. 439, §4, is amended to read:

M. Any aboveground oil replacement or upgrade project, including equipment installed to meet requirements for gasoline service station vapor control and petroleum liquids transfer vapor recovery; or

Sec. 4. 10 MRSA §963-A, sub-§10, ¶N is enacted to read:

N. Any electric rate stabilization project.

Sec. 5. 10 MRSA §1053, sub-§6, as amended by PL 1993, c. 460, §8, is further amended to read:

6. Securities outstanding. The authority may not have at any one time outstanding revenue obligation securities to which subsection 5 is stated in the trust agreement or other document to apply in principal amount exceeding an amount equal to \$150,000,000 less the aggregate outstanding balance of mortgage loans secured by capital reserve funds pursuant to section 1032. Notwithstanding any other provision of this subsection, the authority may additionally have outstanding at any one time up to \$120,000,000 of bonds under this subchapter relating to loans for electric rate stabilization projects consisting of not more than \$100,000,000 for loans and up to \$20,000,000 for use of bond proceeds to fund capital

reserve funds. The amount of revenue obligation securities issued to refund securities previously issued may not be taken into account in determining the principal amount of securities outstanding, provided that proceeds of the refunding securities are applied as promptly as possible to the refunding of the previously issued securities. In computing the total amount of revenue obligation securities of the authority that may at any time be outstanding for any purpose, the amounts of the outstanding revenue obligation securities that have been issued as capital appreciation bonds or as similar instruments are valued as of any date of calculation at their then current accreted value rather than their face value.

Sec. 6. 35-A MRSA §3156 is enacted to read:**§3156. Certificates of approval**

The commission may issue a certificate of approval for an electric rate stabilization agreement, following submission to it of an application for approval, in the form and with any supporting data as the commission may require. The commission shall issue or deny the certification within 30 days of receipt of an application.

The commission may not, in any rate proceeding or other context, disallow or otherwise prevent the recovery of costs incurred by the electric utility under the terms of an agreement certified under this section based solely on the execution of the certified agreement.

The commission shall issue a certificate upon application by a utility pursuant to this section only if it finds that:

1. Benefits. The agreement, and any assistance in financing the agreement to be provided by the Finance Authority of Maine, will provide near-term benefits to ratepayers of the utility that will be reflected in rates paid by the electric utility's customers;

2. Rate impacts. Potential future adverse rate impacts associated with the agreement are not likely to be disproportionate to near-term gains;

3. Protection of certain facilities. The agreement does not have as a necessary or probable consequence the permanent cessation of operations of a qualifying facility with a capacity of more than 50 megawatts;

4. Consistent with energy policy. The agreement is consistent with section 3191; and

5. Protection of energy resources. The agreement will not adversely impact the availability of a diverse and reliable mix of electric energy resources

and will not significantly reduce the long-term electric energy or capacity resources available to the electric utility and needed to meet future electric demand. To the extent consistent with the long-term interests of ratepayers, an agreement resulting in a modification of an existing contract and that preserves electric energy or capacity resources is preferred over an agreement that results in the permanent cessation of operations of a qualifying facility.

For purposes of this section, the term "qualifying facility" has the same meaning as in section 3303. For purposes of this section, the term "electric rate stabilization agreement" means any agreement by an electric utility with a qualifying facility that will result in the reduction of costs to the electric utility and includes, but is not limited to, agreements proposed to be supported with financing made available under Title 10, chapter 110, subchapter III.

A certificate may not be issued under this section after May 1, 1995.

Sec. 7. 35-A MRSA §3309 is enacted to read:

§3309. Performance of contracts; commercially reasonable business practices

In the performance or enforcement of any contract for the purchase of energy resources by an electric utility, all parties shall act in good faith and observe reasonable commercial standards of fair dealing. Conformance to this standard does not constitute imprudent utility behavior.

Sec. 8. Loans authorized. The Finance Authority of Maine may make loans to electric utilities for electric rate stabilization projects, as defined in the Maine Revised Statutes, Title 10, section 963-A from up to \$100,000,000 of the proceeds of revenue obligation securities secured by capital reserve funds pursuant to Title 10, section 1053. Notwithstanding any provision of Title 10, chapter 110, loans may aggregate up to \$100,000,000 plus an amount determined by the Finance Authority of Maine of up to an additional aggregate of \$20,000,000 to fund any capital reserve fund established by the authority for these loans. Revenue obligation securities secured by capital reserve funds pursuant to Title 10, section 1053 relating to such loans may not be issued for an electric rate stabilization agreement, as defined in Title 35-A, section 3156, executed after May 1, 1995. Any revenue obligation securities issued for electric rate stabilization projects secured by capital reserve funds pursuant to Title 10, section 1053 are limited obligations of the Finance Authority of Maine payable from revenues from borrowers and any capital reserve funds pledged for those securities as those funds are

administered under Title 10, chapter 110, subchapter III and are not payable from any other assets or funds of the Finance Authority of Maine.

Sec. 9. Reports. The Finance Authority of Maine shall report by April 15, 1995 to the joint standing committee of the Legislature having jurisdiction over utilities matters on all loans made to electric utilities for electric rate stabilization projects, as defined in the Maine Revised Statutes, Title 10, section 963-A. The report must identify each loan made, to whom the loan was made, the amount of the loan and the general description of the electric rate stabilization project for which the loan was made. The report may include recommendations for extending the period during which loans to electric utilities may be made or any other suggestions for changes to the provisions of this Act. The Public Utilities Commission shall report by April 15, 1995 to the joint standing committee of the Legislature having jurisdiction over utilities matters on all electric rate stabilization agreements for which an application for a certificate of approval has been processed pursuant to Title 35-A, section 3156. The report must identify the number of applications received by the commission, the identity of the applicants, a general description of each application and, for each application, whether the application was approved or denied. The report may include recommendations for extending the period during which certificates of approval may be issued to electric utilities or any other suggestions for changes to the provisions of this Act.

See title page for effective date.

CHAPTER 713

S.P. 780 - L.D. 2010

**An Act Relating to the Definition of
Passamaquoddy Indian Territory**

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

Sec. 1. 30 MRSA §6205, sub-§1, as amended by PL 1991, c. 720, §1 and affected by §2, is further amended to read:

1. Passamaquoddy Indian territory. Subject to subsections 3, 4 and 5, the following lands within the State ~~shall be~~ are known as the "Passamaquoddy Indian territory:"

- A. The Passamaquoddy Indian Reservation; ~~and~~
- B. The first 150,000 acres of land acquired by the secretary for the benefit of the Passamaquoddy Tribe from the following areas or