

MAINE STATE LEGISLATURE

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STATE OF MAINE
116TH LEGISLATURE

SECOND REGULAR SESSION

BILL SUMMARIES
JOINT STANDING COMMITTEE
ON
UTILITIES

MAY 1994

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Sen. John J. Cleveland
Sen. David L. Carpenter*

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**ONE HUNDRED AND SIXTEENTH LEGISLATURE
SECOND REGULAR SESSION**

**JOINT STANDING COMMITTEE
BILL SUMMARIES**

MAY 1994

This document is a compilation of the bill summaries prepared by this office for the Joint Standing Committees and Joint Select Committees of the Maine Legislature. The volume is organized alphabetically by committee; within each committee, the summaries are arranged by LD number. A subject index is provided at the beginning of each committee's summaries.

The committee report or reports, the prime sponsor for each bill and the lead co-sponsor in each house if one has been designated are listed below each bill title. All adopted amendments are listed, by paper number, together with the sponsor for floor amendments. Final action on each bill is listed to the right of the title. Various types of final action are abbreviated as follows:

PUBLIC XXX

P&S XXX

RESOLVE XXX

CON RES XXX

EMERGENCY

ONTP

INDEF PP

FAILED ENACTMENT

FAILED EMERGENCY ENACTMENT

FAILED MANDATE ENACTMENT

DIED BETWEEN BODIES

CONF CMTE UNABLE TO AGREE

VETO SUSTAINED

UNSIGNED

DIED ON ADJOURNMENT

Chapter # of enacted Public Law

Chapter # of enacted Private & Special Law

Chapter # of enacted Resolve

Chapter # of Constitutional Resolution passed by both Houses

Enacted law takes effect sooner than 90 days

Ought Not to Pass report accepted

Bill Indefinitely Postponed

Bill failed to get majority vote

Emergency bill failed to get 2/3 vote

Bill imposing local mandate failed to get 2/3 vote

House & Senate disagree; bill died

Committee of Conference unable to agree; bill died

Legislature failed to override Governor's Veto

Not signed by Governor within 10 days

Action incomplete when session ended; bill died

These summaries were prepared by the analyst or analysts assigned to the committee. If you have any suggestions or comments on the summaries, please let us know.

5581LHS

SPONSOR(S)
MARTIN J**COMMITTEE REPORT**
ONTP**AMENDMENTS ADOPTED****SUMMARY**

This bill proposed to allow processors of off-grade potatoes in Aroostook County to purchase surplus electricity at a rate of 3¢ per kilowatt hour from electric utility companies servicing Aroostook County. This bill also proposed to exempt off-grade potatoes from the state tax imposed on potatoes. (See LD 1717, reported by Agriculture Committee).

LD 1997 An Act to Encourage Electric Rate Stabilization

PUBLIC 712

SPONSOR(S)
DUTREMBLE D
CARPENTER**COMMITTEE REPORT****AMENDMENTS ADOPTED**
H-1029 CLARK**SUMMARY**

This bill establishes a mechanism to permit the Finance Authority of Maine to issue loans to electric utilities to finance agreements with qualifying facilities that will result in the reduction of rates charged by the qualifying facility to the electric utility and which meet other specified criteria, as certified by the Public Utilities Commission. It also proposed to establish commercially reasonable business practice as the standard for the creation and administration of power purchase contracts.

HOUSE AMENDMENT "A" (H-1029) was developed by the committee and approved by a majority of the committee. The amendment took the form of a House amendment because the bill was never formally referred to the committee (due to its very late appearance in the session). The amendment preserves the basic concepts of the bill; it replaces the text of the bill. The amendment:

1. Establishes a program within the Finance Authority of Maine that allows the authority to issue loans to electric utilities to fund agreements with qualifying facilities that reduce the cost to the utility and benefit ratepayers. A loan may only be made if the underlying agreement is certified by the Public Utilities Commission. These loans are backed by the moral obligation of the State. No more than \$100,000,000 in bonds may be issued for loans. An additional \$20,000,000 in bonds may be issued to fund capital reserve funds. A loan may not be made for an agreement executed after May 1, 1995;
2. Establishes a certificate of approval process for agreements between utilities and qualifying facilities. The certificate is issued by the Public Utilities Commission. Certain criteria are established to ensure that the best interests of ratepayers are protected before a certificate is issued. The certificate must be issued or denied within 30 days of the receipt of an application for a certificate. If a certificate is issued, the commission may not prevent the utility from recovering from ratepayers costs incurred under the terms of the agreement based solely on the execution of the agreement. A certificate may not be issued after May 1, 1995;
3. Requires that, in the performance or enforcement of any contract for the purchase of energy resources by an electric utility, all parties act in good faith and observe reasonable commercial standards of fair dealing and specifies that conformance to this standard does not constitute imprudent utility behavior;