

# MAINE STATE LEGISLATURE

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**STATE OF MAINE  
118TH LEGISLATURE**

**FIRST REGULAR SESSION  
AND  
FIRST SPECIAL SESSION**

**BILL SUMMARIES  
JOINT STANDING COMMITTEE  
ON  
UTILITIES AND ENERGY**

**JULY 1997**

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*Sen. John J. Cleveland*

*Sen. Philip E. Harriman*

*Rep. Kyle W. Jones, Chair*

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*Jon Clark, Legislative Analyst*

*Office of Policy and Legal Analysis  
Room 101/107/135, 13 State House Station  
Augusta, ME 04333  
(207)287-1670*



**Maine State Legislature**  
**OFFICE OF POLICY AND LEGAL ANALYSIS**

13 State House Station, Augusta, Maine 04333-0013  
 Telephone: (207) 287-1670  
 Fax: (207) 287-1275

**ONE HUNDRED EIGHTEENTH LEGISLATURE**  
**FIRST REGULAR AND FIRST SPECIAL SESSIONS**

**Summary Of Legislation Before The Joint Standing Committees**  
**August 1997**

We are pleased to provide this summary of bills that were considered by the 15 Joint Standing Committees of the Maine Legislature staffed by this office. The document is a compilation of bill summaries which describe each bill, committee amendments and other relevant amendments, as well as the final action taken on the bill. Also included are statistical summaries of bill activity this Session for the Legislature and each of its joint standing committees.

The document is organized for convenient reference to information on bills handled by the joint standing committees. It is organized alphabetically by committees and within committees by bill (LD) number. The committee report(s), prime sponsor for each bill and the lead co-sponsor(s), if designated, are listed below each bill title. All adopted amendments are listed by paper number. Two indices, a subject index and a numerical index by LD number are provided for easy reference to bills. They are located at the back of the document. A separate publication, History and Final Disposition of Legislative Documents, may also be helpful in providing information on the disposition of bills. These bill summaries also are available at the Law and Legislative Reference Library and on the Internet ([www.state.me.us/legis/opla](http://www.state.me.us/legis/opla)).

Final action on each bill is noted to the right of the bill title. The abbreviations used for various categories of final action are as follows:

<i>CARRIED OVER</i> .....	<i>Bill carried over to Second Regular Session</i>
<i>CON RES XXX</i> .....	<i>Chapter # of Constitutional Resolution passed by both Houses</i>
<i>CONF CMTE UNABLE TO AGREE</i> .....	<i>Committee of Conference unable to agree; bill died</i>
<i>DIED BETWEEN BODIES</i> .....	<i>House &amp; Senate disagree; bill died</i>
<i>DIED IN CONCURRENCE</i> .....	<i>One body accepts ONTP report; the other indefinitely postpones the bill</i>
<i>DIED ON ADJOURNMENT</i> .....	<i>Action incomplete when session ended; bill died</i>
<i>EMERGENCY</i> .....	<i>Enacted law takes effect sooner than 90 days</i>
<i>FAILED EMERGENCY ENACTMENT/FINAL PASSAGE</i> .....	<i>Emergency bill failed to get 2/3 vote</i>
<i>FAILED ENACTMENT/FINAL PASSAGE</i> .....	<i>Bill failed to get majority vote</i>
<i>FAILED MANDATE ENACTMENT</i> .....	<i>Bill imposing local mandate failed to get 2/3 vote</i>
<i>INDEF PP</i> .....	<i>Bill Indefinitely Postponed</i>
<i>ONTP</i> .....	<i>Ought Not To Pass report accepted</i>
<i>OTP ND</i> .....	<i>Committee report Ought To Pass In New Draft</i>
<i>OTP ND/NT</i> .....	<i>Committee report Ought To Pass In New Draft/New Title</i>
<i>P&amp;S XXX</i> .....	<i>Chapter # of enacted Private &amp; Special Law</i>
<i>PUBLIC XXX</i> .....	<i>Chapter # of enacted Public Law</i>
<i>RESOLVE XXX</i> .....	<i>Chapter # of finally passed Resolve</i>
<i>UNSIGNED</i> .....	<i>Bill held by Governor</i>
<i>VETO SUSTAINED</i> .....	<i>Legislature failed to override Governor's Veto</i>

Please note the effective date for all non-emergency legislation enacted in the First Regular Session (unless otherwise specified in a particular law) is June 26, 1997 and September 19, 1997 for the First Special Session.

*David E. Boulter, Director*  
 Offices Located in the State House, Rooms 101/107/135

3. Proposed to require the Public Utilities Commission to provide incentives for energy conservation;
4. Proposed to permit electric utilities an opportunity to recover stranded costs; and
5. Proposed to establish an oversight committee to oversee the implementation of restructuring and to develop proposals to conform other provisions of law to the restructuring principles established by this bill.

See LD 1804.

**LD 1804**

**An Act to Restructure the State's Electric Industry**

**PUBLIC 316**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
JONES K CAREY	OTP-AM MAJ ONTP MIN	H-568

LD 1804 proposed to restructure the electric industry in the manner proposed by the Public Utilities Commission in its report to the Legislature of December 31, 1996. The bill proposed to establish retail competition for the purchase and sale of electricity beginning January 1, 2000; to require investor-owned electric utilities by

January 1, 2000 to transfer all generation-related assets and business functions, other than contracts with qualifying facilities, to distinct corporate entities; to require Central Maine Power Company and Bangor Hydro-Electric Company by January 1, 2000 to sell all their rights to capacity and energy under contracts with qualifying facilities; to require Central Maine Power Company and Bangor Hydro-Electric Company by January 1, 2006 to divest all generation-related assets and business functions, except ownership interests in the Maine Yankee Atomic Power Company and contracts with qualifying facilities; to require Central Maine Power Company and Bangor Hydro-Electric Company by January 1, 2006 to sell all rights to energy and capacity under any contracts with the Maine Yankee Atomic Power Company; to permit the Public Utilities Commission to require Maine Public Service Company to divest all generation-related assets and functions, except ownership interests in Maine Yankee Atomic Power Company and contracts with qualifying facilities; to preserve Public Utilities Commission regulation of transmission and distribution services; to permit electric utilities to recover legitimate, verifiable and unmitigable costs that are otherwise unrecoverable as a result of retail competition in the electric industry; to establish a standard-offer service to ensure access for all customers to reasonably priced electric power; to require the Public Utilities Commission to establish rules to protect consumers in the competitive market; to require the Public Utilities Commission to establish registration requirements and minimum business practice standards for competitive generation providers; to permit the Public Utilities Commission to enforce the Maine Unfair Trade Practices Act with respect to electric retail sales activities; to require the Public Utilities Commission to adopt rules that promote renewable resources and energy conservation; and to preserve low-income assistance programs funded through transmission and distribution rates but to direct that alternative funding mechanisms be proposed.

**Committee Amendment "A" (H-568)**, which was the majority report of the committee, completely replaces the bill. The amendment proposed the following:

1. To establish retail competition for the purchase and sale of electricity beginning March 1, 2000;

2. To require Central Maine Power Company, Bangor Hydro-Electric Company and Maine Public Service Company by March 1, 2000 to divest all generation-related assets and business functions other than contracts with qualifying facilities and conservation providers, nuclear assets, facilities located outside the United States and assets the Public Utilities Commission determines necessary for the utility to provide efficient transmission and distribution services;
3. To allow the Public Utilities Commission to grant an extension to the divestiture deadline if the extension will likely improve the sale value of the assets;
4. To require utilities to sell the rights to the energy and capacity from the assets that are not divested;
5. To permit the Public Utilities Commission to require Central Maine Power Company, Bangor Hydro-Electric Company and Maine Public Service Company to divest their ownership interests in Maine Yankee Atomic Power Company on or after January 1, 2009;
6. To allow Central Maine Power Company and Bangor Hydro-Electric Company to market and sell electric power through separate but affiliated corporate entities, provided certain standards of conduct are met;
7. To cap the permissible market share acquired by marketing affiliates of Central Maine Power Company and Bangor Hydro-Electric Company within their respective transmission and distribution service territories at 33%;
8. To prohibit any entity or affiliate of an entity that purchases more than 10% of the stock of Central Maine Power Company or Bangor Hydro-Electric Company from providing competitive electric power service and provides that if the Public Utilities Commission determines the purchase results in a utility affiliate gaining unfair market advantage, the utility is required to divest its marketing affiliate;
9. To allow Maine Public Service Company to market and sell electricity through a separate, affiliated corporate entity in accordance with standards of conduct established by the Public Utilities Commission;
10. To require the Public Utilities Commission to determine the most efficient means of ensuring that all portions of the State are connected to the New England grid so that all portions of the State can take full advantage of competition;
11. To allow consumer-owned utilities to market and sell power only within their service territories and requires the Public Utilities Commission to limit or prohibit sales by competitors in consumer-owned-utilities' service territories if allowing such sales would cause these utilities to lose their tax-exempt status;
12. To cause billing and metering services to be subject to competition beginning March 1, 2002 and permits the Public Utilities Commission to establish an earlier beginning date for competition for billing or metering provided that the beginning date is no earlier than March 1, 2000;
13. To preserve Public Utilities Commission regulation of transmission and distribution services;

14. To permit electric utilities a reasonable opportunity to recover legitimate, verifiable and unmitigable costs that are otherwise unrecoverable as a result of retail competition in the electric industry;
15. To prohibit entry and exit fees;
16. To establish a standard-offer service to ensure access for all customers to reasonably priced electric power and prohibits affiliates of Central Maine Power Company and Bangor Hydro-Electric Company from providing standard offer service for more than 20% of the load within their respective service territories;
17. To establish consumer protection standards and requires the Public Utilities Commission to establish by rule further standards to protect consumers in the competitive market;
18. To establish licensing requirements for all competitive electricity providers;
19. To grant the Public Utilities Commission new enforcement authority to protect consumers;
20. To prohibit disconnection of service to consumers who fail to pay generation charges but permits disconnection of customers who fail to pay the standard-offer service charge;
21. To establish a 30% renewable resource portfolio requirement for competitive electricity providers;
22. To establish a program funded through voluntary contributions for renewable resource research and development;
23. To require the commission to establish a wires charge for funding conservation programs at a level comparable to the funding level in place in 1999;
24. To preserve low-income assistance programs funded through transmission and distribution rates but directs that alternative funding mechanisms be proposed;
25. To require electric bill charges to be unbundled beginning in 1999;
26. To require the Public Utilities Commission to adopt rules establishing a consumer education program and requires the commission to organize an advisory board to guide the development of the education program;
27. To require the Public Utilities Commission to monitor the development and conduct of the regional independent system operator and to advocate for Maine rate-payer interests at the Federal Energy Regulatory Commission with regard to issues concerning the independent system operator;
28. To require Central Maine Power Company, Bangor Hydro-Electric Company and Maine Public Service Company to offer certain transition services and benefits to employees displaced by electric industry competition and funds the costs of these services and benefits through a wires charge;
29. To require the Public Utilities Commission to annually report to the legislature on the implementation of retail access; and
30. To establish mechanisms to address contractual difficulties created by the restructuring of the electric industry.

***Enacted law summary***

Public Law 1997, chapter 316 restructures the electric industry and opens the retail purchase and sale of electricity to competition beginning March 1, 2000. It restructures the industry in the manner described above in the summary of the committee amendment.

**LD 1871**                      **An Act to Authorize the Public Utilities Commission to Establish Reasonable Registration and Reporting Requirements and to Study Market Power Issues Associated with Electric Industry Restructuring**                      **PUBLIC 447  
EMERGENCY**

<u>Sponsor(s)</u> CAREY JONES K		<u>Committee Report</u> OTP-AM		<u>Amendments Adopted</u> S-327
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LD 1871 proposed that any contract made after the effective date of the bill with an unregistered provider is void.

Part A of the bill proposed to require any entity that contracts or attempts to contract with any consumer for the provision of electric generation service in anticipation of electric industry restructuring to be registered with the Public Utilities Commission.

Part B of the bill proposed to require the Public Utilities Commission and the Department of the Attorney General to conduct a study of market power issues related to electric industry restructuring.

**Committee Amendment "A" (S-327)** proposed technical corrections to the bill to make it clear that the registration requirements apply to prospective providers of retail electric service.

***Enacted law summary***

Public Law 1997, chapter 447 requires any entity that contracts or attempts to contract with any consumer for the provision of retail electric service in anticipation of electric industry restructuring to be registered with the Public Utilities Commission. A contract made with an unregistered provider is void.

It also requires the Public Utilities Commission and the Department of the Attorney General to conduct a study of market power issues related to electric industry restructuring. The law is effective on June 10, 1997.

**LD 1873**                      **An Act to Increase the Debt Limit of the Vinalhaven Water District**                      **P & S 42  
EMERGENCY**

<u>Sponsor(s)</u> PINGREE		<u>Committee Report</u> OTP-AM		<u>Amendments Adopted</u> S-316
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LD 1873 proposed to increase the debt limit of the Vinalhaven Water District from \$400,000 to \$1,500,000.