

# MAINE STATE LEGISLATURE

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*State Of Maine  
122nd Legislature*

*First Regular Session and  
First Special Session*

*Bill Summaries*

*Joint Standing Committee  
on  
Utilities and Energy*

*August 2005*

**Members:**

*Sen. Philip L. Bartlett II, Chair  
Sen. Scott W. Cowger  
Sen. Carol Weston*

*Rep. Lawrence Bliss, Chair  
Rep. Herbert Adams  
Rep. Peter L. Rines*

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Maine State Legislature

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122nd Legislature
First Regular Session and First Special Session

Summary of Legislation Considered by the Joint Standing Committees
August 2005

Enclosed please find a summary of all bills, resolves, joint study orders, joint resolutions and Constitutional resolutions that were considered by the joint standing select committees of the Maine Legislature this past session. The document is a compilation of bill summaries which describe each bill and relevant amendments, as well as the final action taken. 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 considered by the committees. It is organized 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. A subject index for each committee is included immediately before the bill summaries for that committee, and a numerical index by LD number is included 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).

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:

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

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 29, 2005; and for non-emergency legislation enacted in the First Special Session is September 17, 2005.

*Joint Standing Committee on Utilities and Energy*

**LD 1375**

**An Act To Improve Cooperative Energy Purchasing for Schools, Towns and Nonprofits**

**PUBLIC 190**

<u>Sponsor(s)</u> STRIMLING		<u>Committee Report</u> OTP		<u>Amendments Adopted</u>
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LD 1375 proposed to expand the authority of the Maine Municipal Bond Bank (MMBB) to aggregate government units (counties, municipalities, SADs, community school districts, and quasi-municipal entities such as water and sewer districts) and nonprofits to purchase in bulk petroleum products, fuel oil and natural gas. Under current law, the MMBB can provide this aggregation service with respect to the purchase of electricity only. Under other law, the Maine Health and Higher Educational Facilities Authority (MHHEFA) has authority to make similar bulk purchases on behalf of non-profit healthcare and higher education facilities and the University of Maine System.

***Enacted law summary***

Public Law 2005, chapter 190 expands the authority of the Maine Municipal Bond Bank (MMBB) to aggregate government units (counties, municipalities, SADs and community school districts, and quasi-municipal entities such as water and sewer districts) and nonprofits to purchase in bulk petroleum products, fuel oil and natural gas.

**LD 1377**

**An Act Regarding Municipally Owned Street Lighting**

**CARRIED OVER**

<u>Sponsor(s)</u> WOODCOCK		<u>Committee Report</u>		<u>Amendments Adopted</u>
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LD 1377 proposed to:

1. Allow a municipality to acquire existing transmission and distribution utility-owned streetlights and compensate the utility for the acquisition;
2. Provide that a municipality may purchase energy for street lighting owned or leased by the municipality;
3. Allow a municipality to use the space on poles previously used by the transmission and distribution utility for its lighting equipment; and
4. Set limits on standards a transmission and distribution utility may apply to municipal lighting equipment.

This bill was carried over by H.P. 1203 to the next special or regular session of the 122<sup>nd</sup> Legislature.

**LD 1379**

**An Act To Amend the Maine Wind Energy Act**

**CARRIED OVER**

<u>Sponsor(s)</u> STRIMLING FLETCHER		<u>Committee Report</u> OTP-AM MAJ OTP-AM MIN		<u>Amendments Adopted</u> S-365 BARTLETT
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## *Joint Standing Committee on Utilities and Energy*

LD 1379 proposed to establish various policies and incentives to promote the construction of wind generation facilities as well as wind energy equipment manufacturing facilities. It also proposed a legislative finding regarding transmission upgrades connecting northern and eastern Maine and southern Maine. Specifically, the bill proposed to

1. Authorize the transfer of up to \$2 million/year for up to 10 years from the conservation program fund to the Finance Authority of Maine (FAME) to provide capitalization for FAME financing of wind energy projects and to direct FAME and the Public Utilities Commission to determine the most cost effective ways to use FAME authority to assist in financing wind development;
2. Allow a business to be designated to receive Pine Tree Development Zone benefits if it would support the construction by that business of a wind-powered generator;
3. Allow a competitive electricity provider to meet the resource portfolio requirements of Title 35-A, section 3210 through renewable credits, if a reliable credit-trading system exists;
4. Create legislative findings that it is in the public interest to encourage the construction of 300 megawatts of wind generation by 2010 and that it is in the public interest to encourage the development of wind energy research and generation equipment manufacturing facilities;
5. Create a legislative finding that enhancement of transmission from northern and eastern Maine to southern Maine is essential to wind development and to the efficient connection of northern and eastern Maine with the rest of the U.S.;
6. Establish as the policy of the State that political subdivisions, agencies and public officials “take every reasonable action to encourage and expedite” permitting and financing of wind projects and siting, permitting, financing and construction of wind energy research and manufacturing facilities; and
7. Direct the Board of Environmental Protection to adopt by January 15, 2006 major substantive rules to streamline the process for review and permitting of wind-power generation up to 100 megawatts, deal on a general basis with wind permitting issues in order to “narrow the regulatory focus”, and determine, in consultation with LURC, “preferred” wind project siting areas (areas 50,000 acres or more in size).

**Committee Amendment "A" (S-283)**, (not adopted) was the majority report of the Joint Standing Committee on Utilities and Energy; it proposed to replace the bill. The amendment proposed to establish as the policy of the State that its political subdivisions, agencies and public officials take every reasonable action to encourage the attraction of appropriately sited wind-energy-related development consistent with high environmental standards; the permitting and financing of wind energy projects; and the siting, permitting, financing and construction of wind energy research and manufacturing facilities where appropriate.

This amendment also proposed to direct the Energy Resources Council to study and report on the type of electricity generation referred to as "community wind." The council would be directed to provide a report of its findings and recommendations by January 13, 2006. The Joint Standing Committee on Utilities and Energy would be authorized to report out legislation regarding community wind to the Second Regular Session of the 122nd Legislature.

**Committee Amendment "B" (S-284)**, (not adopted), was the minority report of the Joint Standing Committee on Utilities and Energy; it proposed to replace the bill. The amendment proposed to:

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1. Authorize the granting of Pine Tree Development Zone benefits to an entity if granting such benefits would support construction in the State by that entity of a community wind power generator with a capacity of no more than 10 megawatts;
2. Direct the Public Utilities Commission to adopt rules allowing the use of renewable energy credits to satisfy the resource portfolio requirements of Title 35-A, section 3210;
3. Require the Public Utilities Commission, in consultation with the Department of Environmental Protection and the Finance Authority of Maine, to develop recommendations on ways of promoting community wind power generator projects of up to 10 megawatts;
4. Establish a legislative finding that it is in the public interest to encourage the construction in the State by 2010 of up to 300 megawatts of wind energy capacity, including but not limited to community wind power generator capacity;
5. Establish as the policy of the State that its political subdivisions, agencies and public officials take every reasonable action to encourage the attraction of appropriately sited wind-energy-related development consistent with high environmental standards; the permitting and financing of wind energy projects; and the siting, permitting, financing and construction of wind energy research and manufacturing facilities;
6. Require the Board of Environmental Protection to adopt by January 15, 2006 rules that deal on a general basis with issues that arise in the permitting of wind energy facilities of any size;
7. Direct the Public Utilities Commission to determine the most effective ways for the commission to assist in the financing of wind energy projects; and
8. Direct the Department of Environmental Protection and the Maine Land Use Regulation Commission to provide a report to the Joint Standing Committee on Utilities and Energy on the agencies' siting guidelines and authorize the committee to report out legislation on wind energy to the Second Regular Session of the 122nd Legislature.

**House Amendment "A" to Committee Amendment "B" (H-667)** (not adopted), proposed to make a variety of changes to Committee Amendment "B." It proposed to limit the Commissioner of Economic and Community Development's discretion in designating a wind power developer as a qualified Pine Tree Development Zone business to "the property, equipment and employees used primarily as part of a community wind power generator." It proposed to expand the legislative finding regarding the public's interest in the construction of wind energy capacity in the state: instead of the construction of up to 300 megawatts by 2010, the amendment proposed that it was in the public's interest that there be at least that amount by that date. It proposed to provide that wind-energy related development be consistent with state and federal environmental standards (rather than "high environmental standards"). It proposed to extend the date by which the Board of Environmental Protection would be required to adopt rules that deal on a general basis with issues that arise in the permitting of wind energy facilities as well as the reporting deadline for Department of Environmental Protection and the Maine Land Use Regulation Commission report to the Joint Standing Committee on Utilities and Energy on the agencies' siting guidelines.

**Senate Amendment "A" to Committee Amendment "B" (S-322)** (not adopted), proposed to add provisions to Committee Amendment "B" that would direct the Public Utilities Commission to study and report on the type of electricity generation referred to as "community wind" and to submit legislation to provide a strategy to rapidly implement feasible community wind sites. The amendment also proposed to require the Public Utilities

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Commission to explore combining cell phone towers and similar structures with wind power generating equipment and structures.

**Senate Amendment "B" to Committee Amendment "B" (S-341)** (not adopted), proposed to make the same changes to Committee Amendment "B" as proposed in House Amendment "A" with one further addition: to require the Public Utilities Commission to seek effective ways to assist in developing long-term contracts for the generation of electricity by community wind power and to adopt major substantive rules to implement and govern such long-term contracts.

**Senate Amendment "A" (S-365)** (adopted in both houses), proposed to replace the bill. The amendment proposed to incorporate the provisions of Committee Amendment "B" as amended by House Amendment "A" and Senate Amendment "A" (S-322) with the following changes.

1. It proposed to remove the authority of the Commissioner of Economic and Community Development to include community wind power generators as Pine Tree Development Zone businesses but to give any qualified legal entity that owns a community wind power generator sales tax and income tax benefits similar to those given to Pine Tree Development Zone entities. An entity could be certified for these benefits if it qualified prior to January 1, 2010. It proposed to provide for the availability of the sales tax exemption through December 31, 2010 and to limit availability of the income tax credit to 10 consecutive years after a certified generator begins operation.
2. It proposed to specify that general wind power permitting guidelines required to be adopted by the Board of Environmental Protection do not affect the municipal permitting process.
3. It proposed to remove the finding that it is in the public interest to encourage the construction and operation of 300 megawatts of community wind power generators in the state; instead, the amendment proposed to provide that it is in the public interest to encourage the construction and operation of community wind power generators in the state. (The summary of the amendment, however, indicates a different intent which is not reflected in the amendment: to establish a "requirement...that the installed capacity of the community wind power generator project be 300 megawatts.")

This bill was carried over on the Special Appropriations Table by S.P. 640 to the next special or regular session of the 122<sup>nd</sup> Legislature.

<b>LD 1392</b>	<b>Resolve, Regarding Legislative Review of Portions of Chapter 301: Standard Offer Service, a Major Substantive Rule of the Public Utilities Commission</b>	<b>RESOLVE 65 EMERGENCY</b>
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<u>Sponsor(s)</u>	<u>Committee Report</u> OTP-AM	<u>Amendments Adopted</u> H-420
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LD 1392 proposed legislative authorization of the portions of Chapter 301: Standard Offer Service, that constitute a major substantive rule of the Public Utilities Commission. Those portions provided for the incorporation of new renewable resources into a portion of the standard offer supply when it would reduce price volatility, provide a hedging strategy, and provide a competitively priced supply option. The rule proposed to limit application to standard offer service for residential and small non-residential classes; to provide for periodic (at least once every 5 years) solicitation of bids, generally for a minimum term length of 6 years, and the evaluation of the bids in