

MAINE STATE LEGISLATURE

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STATE OF MAINE
125TH LEGISLATURE
SECOND REGULAR SESSION



Summaries of bills, adopted amendments and laws enacted or finally passed

**JOINT STANDING COMMITTEE ON ENERGY, UTILITIES
AND TECHNOLOGY**

June 2012

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STATE OF MAINE

125TH LEGISLATURE
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LEGISLATIVE DIGEST OF BILL SUMMARIES AND ENACTED LAWS

This *Legislative Digest of Bill Summaries and Enacted Laws* summarizes all LDs and adopted amendments and all laws enacted or finally passed during the Second Regular Session of the 125th Maine Legislature.

The *Digest* is arranged alphabetically by committee and within each committee by Legislative Document (LD) number. The committee report(s), prime sponsor and lead co-sponsor(s), if designated, are listed below each LD title. All adopted amendments are summarized and listed by paper number. A subject index is included with each committee. The appendices include a summary of relevant session statistics, an index of all bills by LD number and an index of enacted laws by law type and chapter number.

Final action on each LD is noted to the right of the LD title. The following describes the various final actions.

<i>CARRIED OVER</i>	<i>carried over to a subsequent session of the Legislature</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; legislation died</i>
<i>DIED BETWEEN HOUSES</i>	<i>House & Senate disagreed; legislation died</i>
<i>DIED IN CONCURRENCE</i>	<i>defeated in each house, but on different motions; legislation died</i>
<i>DIED ON ADJOURNMENT</i>	<i>action incomplete when session ended; legislation died</i>
<i>EMERGENCY</i>	<i>enacted law takes effect sooner than 90 days after session adjournment</i>
<i>FAILED, EMERGENCY ENACTMENT or FINAL PASSAGE</i>	<i>emergency failed to receive required 2/3 vote</i>
<i>FAILED, ENACTMENT or FINAL PASSAGE</i>	<i>failed to receive final majority vote</i>
<i>FAILED, MANDATE ENACTMENT</i>	<i>legislation proposing local mandate failed required 2/3 vote</i>
<i>HELD BY GOVERNOR</i>	<i>Governor has not signed; final disposition to be determined at subsequent session</i>
<i>LEAVE TO WITHDRAW</i>	<i>sponsor's request to withdraw legislation granted</i>
<i>NOT PROPERLY BEFORE THE BODY</i>	<i>ruled out of order by the presiding officer; legislation died</i>
<i>INDEF PP</i>	<i>indefinitely postponed; legislation died</i>
<i>ONTP, ACCEPTED, MAJORITY, MINORITY or REPORT X</i> ...	<i>ought-not-to-pass report accepted; legislation died</i>
<i>P&S XXX</i>	<i>chapter # of enacted private & 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>VETO SUSTAINED</i>	<i>Legislature failed to override Governor's veto</i>

The effective date for non-emergency legislation enacted in the Second Regular Session of the 125th Legislature is Thursday, August 30, 2012. The effective date for legislation enacted as an emergency measure may be found in the enacted law summary for that legislation.

Joint Standing Committee on Energy, Utilities and Technology

This amendment directs the Public Utilities Commission to convene a stakeholder group to examine issues relating to the loss of customers by water utilities and the effect this has on the utilities' ability to pay for infrastructure and the effect on remaining customers. The commission is directed to invite participation from a broad range of interested entities. The stakeholder group is directed to examine whether there are appropriate means by which contributions to system costs may be collected from customers who discontinue service or from property owners whose property has been served or may be served by the system and if so how the collection might be done in a manner that is just and reasonable. The commission must report the findings and recommendations of the stakeholder group, together with any proposals for changes to law to implement the recommendations, to the joint standing committee of the Legislature having jurisdiction over energy, utilities and technology matters by February 15, 2013. The committee is authorized to report out a bill on the subject to the First Regular Session of the 126th Legislature.

Enacted Law Summary

Private and Special Law 2012, chapter 26 amends the charter of the Bingham Water District by amending the procedure by which the board of trustees receives compensation and changing the vote to amend the bylaws from a 2/3 vote to a simple majority.

It also directs the Public Utilities Commission to convene a stakeholder group to examine issues relating to the loss of customers by water utilities and the effect this has on the utilities' ability to pay for infrastructure and the effect on remaining customers. The commission is directed to invite participation from a broad range of interested entities. The stakeholder group is directed to examine whether there are appropriate means by which contributions to system costs may be collected from customers who discontinue service or from property owners whose property has been served or may be served by the system and if so how the collection might be done in a manner that is just and reasonable. The commission must report the findings and recommendations of the stakeholder group, together with any proposals for changes to law to implement the recommendations, to the joint standing committee of the Legislature having jurisdiction over energy, utilities and technology matters by February 15, 2013. The committee is authorized to report out a bill on the subject to the First Regular Session of the 126th Legislature.

Private and Special Law 2012, chapter 26 was enacted as an emergency measure effective April 12, 2012.

LD 1863

An Act To Lower the Price of Electricity for Maine Consumers

**DIED BETWEEN
HOUSES**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
THIBODEAU	OTP-AM MAJ OTP-AM MIN	

This bill removes the 100-megawatt limits for qualifying as a renewable resource or renewable capacity resource for purposes of meeting the State's Class 1 and Class 2 portfolio requirements.

The bill adds new language to the long-term contracting provisions of Title 35-A to provide that the "primary consideration" for the contracts must be anticipated lower prices for ratepayers over the life of the contract. It also resolves a non-substantive conflict in law. The bill modifies the priority listing of resources for long-term contracting to remove preferences for new renewable resources over other capacity resources and to remove a preference for capacity resources that enhance reliability of the grid with no net emission of greenhouse gasses over those that do increase net emissions. Finally, it sets certain limits on long-term contracts: they may not in total encompass more than 25% of total annual statewide electricity usage; they may not require non-renewable resources to purchase CO2 allowances under the regional greenhouse gas in initiative; they may not require renewable resources to purchase renewable energy credits; and they must provide that contracted renewable resources

Joint Standing Committee on Energy, Utilities and Technology

automatically satisfy the Class 1 portfolio requirement.

Committee Amendment "A" (S-494)

This amendment, which is the majority report of the committee, does the following.

1. The amendment removes those sections of the bill that propose to remove the 100-megawatt limit on certain renewable resources that qualify under the Class 1 and Class 2 electricity portfolio requirements under the Maine Revised Statutes, Title 35-A, section 3210.
2. It retains the section of the bill that makes a technical correction to Title 35-A, section 3210-C, subsection 2.
3. It replaces the section of the bill that makes certain changes to the Public Utilities Commission's authority to enter into long-term contracts. It makes a technical change that resolves a conflict of laws but otherwise retains the substance of the current law.
4. It retains the section of the bill that makes certain modifications to the law prioritizing capacity resources for long-term contracts, but it clarifies that, consistent with other provisions of that law, the commission shall select resources that are anticipated to lower the cost of electricity to ratepayers.
5. It amends the portion of the bill imposing certain limits on long-term contracts: it retains the provision limiting contracts to no more than 25% of the total annual statewide electricity usage, but removes the other proposed limitations.
6. It adds a provision directing the Public Utilities Commission to request proposals for long-term contracts that will reduce the cost of electricity to ratepayers. The commission is directed to solicit proposals in a manner that does not exclude entities located outside this State or outside this country and, notwithstanding any requirements of Title 35-A, section 3210-C or any other provision of law, must accept proposals that are contingent on modification of or accommodation under any otherwise applicable requirements of law. In its solicitation, the commission must indicate that it will accept proposals that are contingent on modification of or accommodation under any otherwise applicable requirements of law. The commission must examine the proposals and may direct a transmission and distribution utility to enter into a contract that does not require any modification of or accommodation under applicable laws. If the commission determines that an appropriate modification of or accommodation under any otherwise applicable requirement of law would result in a long-term contract that would be in the best interests of ratepayers and reduce the cost of electricity to ratepayers, the commission must submit its recommendations for necessary changes to law to the joint standing committee of the Legislature having jurisdiction over energy, utilities and technology matters by March 15, 2013. The committee is authorized to report out a bill relating to long-term contracts to the First Regular Session of the 126th Legislature.

This amendment was adopted in the House but not in the Senate.

Committee Amendment "B" (S-495)

This amendment, which is the minority report, authorizes the Public Utilities Commission to direct investor-owned transmission and distribution utilities to enter into contracts with electricity resources for the purpose of reducing the price of electricity to ratepayers. The contracts for electricity must be priced at least 10% less than the applicable market clearing price at the time of delivery, except that if the commission determines that a discount price closer to the applicable market clearing price is necessary to achieve the purposes of this section, the commission may by major substantive rule establish a lower discount. Contracts may not involve in aggregate an amount of electric energy that exceeds 10% of the total statewide electric energy load and may not have a term that exceeds 20 years. The commission may require contracts for the electric energy and associated renewable energy credits, with appropriate valuation of each component. Resources under these contracts that otherwise qualify as renewable resources under the portfolio requirements but that exceed the current 100-megawatt limitations will become qualified to meet those portfolio requirements in accordance with rules adopted by the commission. The contracts

Joint Standing Committee on Energy, Utilities and Technology

may not involve an amount of qualified renewable resources that exceed in aggregate 50% of the applicable statewide portfolio requirements.

This amendment was adopted in the Senate but not in the House.

Senate Amendment "B" To Committee Amendment "B" (S-555)

This amendment modifies Committee Amendment "B" as follows.

1. It provides that the new contracts with renewable resources for the purposes of reducing the price of electricity to ratepayers must comply with the current requirement that the price paid by the investor-owned transmission and distribution utility for any renewable energy credits must be lower than the price received for those renewable energy credits at the time they are sold by the transmission and distribution utility.
2. It removes the provision that allows a generator whose total power production capacity exceeds 100 megawatts to qualify as a renewable capacity resource under the so-called Class 1 portfolio requirement under the Maine Revised Statutes, Title 35-A, section 3210, subsection 3.
3. It limits the amount of electricity that can be contracted from generators whose total power production capacity exceeds 100 megawatts, to the extent those generators, as a result of the contracts, are allowed to qualify for the so-called Class 2 portfolio requirement under the Maine Revised Statutes, Title 35-A, section 3210, subsection 3-A. In the aggregate such contracts may not in any year account for more than 50% of the statewide Class 2 portfolio requirement.

The result of this amendment together with Committee Amendment "B" is to authorize the Public Utilities Commission to direct investor-owned transmission and distribution utilities to enter into contracts with renewable resources for the purpose of reducing the price of electricity to ratepayers. The contracts for electricity must be priced less than the applicable market clearing price at the time of delivery, except that if the commission determines that a discount price closer to the applicable market clearing price is necessary to achieve the purposes of this legislation, the commission may by major substantive rule establish a lower discount. Contracts may not involve in aggregate an amount of electric energy that exceeds 10% of the total statewide electric energy load and may not have a term that exceeds 20 years. The commission may require contracts for the electric energy and associated renewable energy credits, with appropriate valuation of each component. Resources under these contracts that otherwise qualify as renewable resources under the portfolio requirements but that exceed the current 100-megawatt limitations will become qualified to meet those portfolio requirements, commonly known as Class 2 renewable energy credits, in accordance with rules adopted by the commission. Such resources may not qualify for the portfolio requirements applicable to new renewable capacity resources, commonly known as Class 1 renewable energy credits. The contracts may not involve an amount of qualified renewable resources that exceeds in aggregate 50% of the applicable statewide portfolio requirements.

This amendment was adopted in the Senate but not in the House.

LD 1864 An Act To Improve Efficiency Maine Trust Programs To Reduce Heating Costs and Provide Energy Efficient Heating Options for Maine's Consumers

PUBLIC 637

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
THIBODEAU	OTP-AM	S-508