

## 127th MAINE LEGISLATURE

## FIRST REGULAR SESSION-2015

**Legislative Document** 

No. 1107

H.P. 768

House of Representatives, March 26, 2015

An Act To Improve the Laws Governing the Purchasing of Power

Reference to the Committee on Energy, Utilities and Technology suggested and ordered printed.

ROBERT B. HUNT Clerk

R(+ B. Hunt

Presented by Representative McCABE of Skowhegan.

Cosponsored by Representatives: DION of Portland, RYKERSON of Kittery.

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

- **Sec. 1. 35-A MRSA §3203, sub-§4-B** is enacted to read:
- 4-B. Off-peak prices. As a condition of licensing, a competitive electricity provider must offer to sell electricity to a consumer in this State at a price that is 40% less for electricity consumed during off-peak periods than the price for electricity consumed during on-peak periods. For purposes of this subsection, "off-peak periods" means between the hours of 6:00 p.m. and 6:00 a.m. each weekday and between 6:00 p.m. Friday and 6:00 a.m. Monday. For purposes of this subsection, "on-peak periods" means between the hours of 6:00 a.m. and 6:00 p.m. each weekday.

## **Sec. 2. 35-A MRSA §3209, sub-§5** is enacted to read:

- 5. Discount new renewable capacity resources. The commission by rule shall establish a discount rate for residential and small business customers who purchase electricity from resources that qualify as new renewable capacity resources under section 3210. The discount rate must be set at a level sufficient to create an incentive for the purchase of new renewable capacity resources. Rules adopted under this subsection are routine technical rules as defined in Title 5, chapter 375, subchapter 2-A.
- **Sec. 3. 35-A MRSA §3212, sub-§1,** as amended by PL 1999, c. 577, §3, is further amended to read:
- 1. Establishment of terms and conditions. The commission shall open a rule-making proceeding no later than October 1, 1997 to by rule establish terms and conditions for standard-offer service that include, but are not limited to:
- A. Entry and exit restrictions;
  - B. Protection against a standard-offer service provider's failure to provide service as contracted for:
  - C. Appropriate rate design issues;
- D. Retaining averaged prices for all customers in the same class; and
- E. Credit, collection and disconnection practices.
  - The commission shall by rule establish a rate design for standard-offer service that provides a 40% rate discount for electricity consumed during off-peak periods from the rate for electricity consumed during on-peak periods. For purposes of this subsection, "off-peak periods" means between the hours of 6:00 p.m. and 6:00 a.m. each weekday and between 6:00 p.m. Friday and 6:00 a.m. Monday. For purposes of this subsection, "on-peak periods" means between the hours of 6:00 a.m. and 6:00 p.m. each weekday. The commission shall adopt rules establishing terms and conditions for standard-offer service. Rules adopted under this subsection are routine technical rules pursuant to Title 5, chapter 375, subchapter H-A 2-A.

- Sec. 4. Cost of Electricity Study Commission established. The Cost of Electricity Study Commission, referred to in this section as "the commission," is established.
  - 1. Membership. The commission consists of 13 members appointed as follows:
  - A. Three members of the Senate appointed by the President of the Senate, including members from each of the 2 parties holding the largest number of seats in the Legislature; and
  - B. Ten members of the House of Representatives appointed by the Speaker of the House, including members from each of the 2 parties holding the largest number of seats in the Legislature.
  - **2. Chairs.** The first-named Senate member is the Senate chair and the first-named House of Representatives member is the House chair of the commission.
  - **3. Appointments; convening.** All appointments must be made no later than 30 days following the effective date of this section. The appointing authorities shall notify the Executive Director of the Legislative Council once all appointments have been completed. When the appointment of all members has been completed, the chairs shall call and convene the first meeting of the commission. If 30 days or more after the effective date of this section a majority of but not all appointments have been made, the chairs may request authority and the Legislative Council may grant authority for the commission to meet and conduct its business.
  - **4. Duties.** The commission shall study the sources and costs of electricity in the State, how costs in the State compare to those in other states and how the State can lower electricity prices. The commission shall also examine the level of profits earned by investor-owned transmission and distribution utilities over the last 10 years and the use made of those profits.
  - **5. Staff assistance.** The Legislative Council shall provide necessary staffing services to the commission.
  - **6. Report.** No later than December 2, 2015, the commission shall submit a report that includes its findings and recommendations, including suggested legislation, for presentation to the Second Regular Session of the 127th Legislature.

31 SUMMARY

 This bill provides for a 40% discount in the price of electricity for electricity consumed during off-peak periods. It also requires the Public Utilities Commission to establish a discount transmission and distribution rate for residential and small business customers who purchase electricity from resources that qualify as new renewable capacity resources.

It establishes a study commission to examine the sources and costs of electricity in Maine, how Maine costs compare to those in other states and how Maine can lower

- electricity prices. The commission is directed to report its findings and recommendations to the Legislature by December 2, 2015. 1
- 2