



130th MAINE LEGISLATURE

LD 1708

LR 43(02)

An Act To Create the Pine Tree Power Company, a Nonprofit Utility, To Deliver Lower Rates, Reliability and Local Control for Maine Energy Independence

Fiscal Note for Bill as Amended by Committee Amendment " "

Committee: Energy, Utilities and Technology

Fiscal Note Required: Yes

Fiscal Note

| | FY 2021-22 | FY 2022-23 | Projections FY 2023-24 | Projections FY 2024-25 |
|-----------------------------------|-------------------|----------------------|---------------------------|---------------------------|
| Appropriations/Allocations | | | | |
| Other Special Revenue Funds | \$1,153,133 | \$2,492,130 | \$2,283,771 | \$2,352,430 |
| Revenue | | | | |
| Other Special Revenue Funds | \$13,900 | \$9,900 | \$0 | \$0 |
| Referendum Costs | Month/Year | Election Type | Question | Length |
| | Nov-21 | General | Referendum | Standard |

The Secretary of State's budget includes sufficient funds to accommodate one ballot of average length for the general election in November. If the number or size of the referendum questions requires production and delivery of a second ballot, an additional appropriation of \$172,000 may be required.

Fiscal Detail and Notes

This bill creates the Pine Tree Power Company (PTPC), a consumer-owned transmission and distribution utility. It establishes a process for the PTPC to purchase the assets of an investor-owned electric transmission and distribution facility operating in the State. The PTPC would be subject to oversight by the Public Utilities Commission (PUC) as a consumer-owned utility. Approval for the PTPC requires a statewide ballot. It is important to clarify that this fiscal note does not attempt to quantify or include the cost to the PTPC to purchase and operate a decertified utility. The purchase is anticipated to be financed through the issuance of bonds and the debt service costs of those bonds and the cost of operation will be funded through utility rates charged to the consumers.

The PUC has indicated that the additional regulatory authority of this bill requires additional staffing and resources. The bill includes allocations to the PUC of \$721,433 in fiscal year 2021-22 and \$2,218,380 in fiscal year 2022-23 for three Staff Attorney positions and six Utility Analyst positions and associated costs. The fiscal year 2021-22 allocations reflect an anticipated starting date of March 1, 2022. The PUC is funded by an assessment set to produce sufficient revenue for the expenditures allocated by the Legislature for operating the PUC. The increased allocations in this bill require a corresponding increase in revenue from the assessment on transmission and distribution utilities. These costs may be passed on to electric utility customers through scheduled rate cases.

No earlier than January 1, 2024, the PUC shall decertify an unfit investor-owned electric transmission and distribution utility operating in the State. This action, combined with provisions in the bill designed to force the same utility to sell assets to the PTPC, may result in litigation. The PTPC costs as a result of litigation will be passed on to customers.

This bill allows candidates for the PTPC board to participate in the Maine Clean Elections program. The Commission on Governmental Ethics and Election Practices estimates that up to 11 candidates may choose to utilize the program. The bill includes additional allocations to the commission of \$431,700 in fiscal year 2021-22 and \$273,750 in fiscal year 2022-23. Qualifying contributions from candidates will result in additional Other Special Revenue Funds revenue of \$13,900 in fiscal year 2021-22 and \$9,900 in fiscal year 2022-23.

Additional costs to the various state agencies and departments providing assistance and counsel to the board, and to the Office of the Attorney General to make recommendations regarding a code of ethics for members of the board, can be absorbed within existing budgeted resources.