



# 131st MAINE LEGISLATURE

## FIRST SPECIAL SESSION-2023

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Legislative Document

No. 1727

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S.P. 691

In Senate, April 20, 2023

### An Act to Protect Northern Maine Standard-offer Ratepayers

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

A handwritten signature in black ink, appearing to read 'D M Grant'.

DAREK M. GRANT  
Secretary of the Senate

Presented by Senator STEWART of Aroostook.  
Cosponsored by Senator: HARRINGTON of York, Representatives: ARDELL of Monticello,  
FOSTER of Dexter, THERIAULT of Fort Kent.

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

2 **Sec. 1. 35-A MRSA §3212, sub-§2, ¶E** is enacted to read:

3 E. The commission shall structure and administer the bid process for standard-offer  
4 service in an area administered by the independent system administrator for northern  
5 Maine within the service territory of an investor-owned transmission and distribution  
6 utility in a manner that ensures stable standard-offer service rates for all classes of  
7 customers. The commission shall administer at least 2 bid solicitations for such  
8 standard-offer service between June and October of each year. The commission shall  
9 also administer a process for requesting nonbinding prospective price proposals for  
10 standard-offer service in future years in order to provide indications of price trends and  
11 shall disseminate the results to customers for informational purposes.

12 **Sec. 2. Pilot program.** The Public Utilities Commission shall by rule establish a  
13 pilot program to develop and test innovative methods to achieve the purposes of the Maine  
14 Revised Statutes, Title 35-A, section 3212, subsection 2, paragraph E. In developing and  
15 implementing the pilot program, the commission shall examine whether the purposes of  
16 Title 35-A, section 3212, subsection 2, paragraph E and lower standard-offer service rates  
17 may be achieved by assigning appropriate portions of any Class IA resources contracted  
18 under Title 35-A, section 3210-G to one or more of the standard-offer service providers in  
19 a manner that passes the contract prices through to standard-offer service customers.  
20 Notwithstanding Title 35-A, section 3212, subsection 2, paragraph E, for purposes of the  
21 pilot program, the commission may by rule and appropriate orders assign portions of any  
22 Class IA resources contracted under Title 35-A, section 3210-G to one or more of the  
23 standard-offer service providers. As part of the pilot program, the commission shall also  
24 consider means of price hedging to achieve the purposes of Title 35-A, section 3212,  
25 subsection 2, paragraph E, including varying standard-offer service contract terms. The  
26 commission shall structure the pilot program in a manner that reasonably reduces risks to  
27 standard-offer service customers and providers. The commission shall by rule establish a  
28 reasonable term length for the pilot program in order to achieve the purposes of this section.  
29 Rules adopted under this section are routine technical rules as defined in Title 5, chapter  
30 375, subchapter 2-A.

31 **Sec. 3. Study of northern Maine standard offer; report.** The Public Utilities  
32 Commission, in consultation with the Governor's Energy Office and the Office of the  
33 Public Advocate, shall investigate methods to reduce standard-offer service rates for  
34 ratepayers in the area of the State administered by the independent system administrator  
35 for northern Maine. The investigation must include consideration of the demand and  
36 generation characteristics unique to the northern Maine service territory and identify  
37 mechanisms to reduce the cost of standard-offer service in northern Maine, including  
38 mechanisms to reduce the effect of natural gas price volatility on the prices of electricity  
39 supplied by sources of electrical generation that rely on other fuel types. On or before  
40 December 6, 2023, the commission shall submit a report of its findings, a summary of the  
41 pilot program developed under section 2 and any recommendations for reforming standard-  
42 offer service in all areas of the State based on its findings, including any recommended  
43 proposed legislation, to the Joint Standing Committee on Energy, Utilities and Technology.  
44 The committee may report out a bill related to the subject matter of the report to the Second  
45 Regular Session of the 131st Legislature.

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**SUMMARY**

2           This bill requires the Public Utilities Commission to structure and administer the bid  
3 process for standard-offer service in an area administered by the independent system  
4 administrator for northern Maine within the service territory of an investor-owned  
5 transmission and distribution utility in a manner that ensures stable standard-offer service  
6 rates for all classes of customers. It also requires the commission to implement a pilot  
7 program for the area in order to develop innovative methods to achieve this goal. It directs  
8 the Public Utilities Commission, in consultation with the Governor's Energy Office and the  
9 Office of the Public Advocate, to study methods to reduce standard-offer service rates for  
10 ratepayers in the northern Maine service territory. It directs the commission to submit a  
11 report of its findings, a summary of the pilot program and any recommendations for  
12 reforming standard-offer service in all areas of the State based on its findings, including  
13 any recommended proposed legislation, to the Joint Standing Committee on Energy,  
14 Utilities and Technology. The joint standing committee may report out a bill related to the  
15 subject matter of the report to the Second Regular Session of the 131st Legislature.