1	L.D. 756
2	Date: (Filing No. H-
3	ENERGY, UTILITIES AND TECHNOLOGY
4	Reproduced and distributed under the direction of the Clerk of the House.
5	STATE OF MAINE
6	HOUSE OF REPRESENTATIVES
7	128TH LEGISLATURE
8	FIRST REGULAR SESSION
9 10 11	COMMITTEE AMENDMENT " " to H.P. 536, L.D. 756, Bill, "An Act To Clarify the Authority of an Affiliate of a Utility To Own Power Generation outside of the Utility's Territory"
12 13	Amend the bill by striking out everything after the enacting clause and before the summary and inserting the following:
14	'Sec. 1. 35-A MRSA §3204, sub-§11 is enacted to read:
15 16 17 18 19 20 21 22 22	11. Affiliated generation outside service territory permitted. Notwithstanding subsection 5, an affiliate of an investor-owned transmission and distribution utility may own generation or generation-related assets in accordance with standards of conduct adopted under this subsection as long as the generation or generation-related assets are not directly interconnected to the facilities owned or operated by that investor-owned transmission and distribution utility. The commission shall establish, by rule, standards of conduct governing the relationships permitted under this section between an investor-owned transmission and distribution utility and an affiliate of the investor-owned transmission and distribution utility that owns generation or generation-related assets that
24 25 26	A. Prohibit a transmission and distribution utility from taking any action that favors such an affiliate or adversely affects a competitor of such an affiliate in a manner that is unjust or unreasonable;
27	B. Ensure the separation and independence of such affiliates; and
28	C. Protect ratepayers.
29 30 31 32 33	For purposes of this subsection, "affiliate" means a person who has any direct or indirect ownership interest in, or is a direct or indirect subsidiary of a person who has any ownership interest in, the investor-owned transmission and distribution utility, but does not include a wholly owned or partially owned direct or indirect subsidiary of the investor-owned transmission and distribution utility.
34 35	Rules adopted pursuant to this subsection are major substantive rules as defined in Title 5 chapter 375 subchapter 2-A

**Sec. 2. Existing affiliate.** Prior to the adoption of rules by the Public Utilities Commission as required by the Maine Revised Statutes, Title 35-A, section 3204, subsection 11, an affiliate, as defined in section 3204, subsection 11, of an investor-owned transmission and distribution utility that owns generation or generation-related assets that are not directly interconnected to the facilities owned or operated by that investor-owned transmission and distribution utility may continue to own those generation or generation-related assets and upon adoption of those rules is subject to the standards of conduct adopted by the commission.'

9 SUMMARY

This amendment replaces the bill. It allows an affiliate of an investor-owned transmission and distribution utility to own generation or generation-related assets in accordance with standards of conduct adopted by the Public Utilities Commission, unless the generation or generation-related assets are directly interconnected to the facilities owned or operated by that investor-owned transmission and distribution utility. It directs the Public Utilities Commission to adopt major substantive rules that establish standards of conduct governing the relationship between an investor-owned transmission and distribution utility and an affiliate that ensure the separation and independence of the affiliate and protects ratepayers.

The amendment allows an affiliate of an investor-owned transmission and distribution utility that owns generation or generation-related assets that are not directly interconnected to the facilities owned or operated by that investor-owned transmission or distribution utility to continue to own those generation or generation-related assets. Upon adoption of rules by the Public Utilities Commission, the affiliate is subject to the standards of conduct adopted by the commission.

## FISCAL NOTE REQUIRED

(See attached)