

STATE OF MAINE

IN THE YEAR OF OUR LORD
TWO THOUSAND AND SEVENTEEN

H.P. 536 - L.D. 756

**An Act To Clarify the Authority of an Affiliate of a Utility To Own Power
Generation outside of the Utility's Territory**

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

Sec. 1. 35-A MRSA §3204, sub-§11 is enacted to read:

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:

- 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;
- B. Ensure the separation and independence of such affiliates; and
- C. Protect ratepayers.

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.

Any affiliate generation or generation-related assets permitted under this subsection that do not have a commission-approved long-term contract or term sheet under this Title as of July 1, 2017 are ineligible to participate in a long-term contract under this Title.

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.