

§3212. Standard offer

Except as provided in subsection 6, when retail access begins, the commission shall ensure that standard-offer service is available to all consumers of electricity. [PL 1997, c. 638, §1 (AMD).]

1. Establishment of terms and conditions. The commission shall open a rule-making proceeding no later than October 1, 1997 to establish terms and conditions for standard-offer service that include, but are not limited to:

- A. Entry and exit restrictions; [PL 1997, c. 316, §3 (NEW).]
- B. Protection against a standard-offer service provider's failure to provide service as contracted for; [PL 1997, c. 316, §3 (NEW).]
- C. Appropriate rate design issues; [PL 1997, c. 316, §3 (NEW).]
- D. Retaining averaged prices for all customers in the same class; and [PL 1997, c. 316, §3 (NEW).]
- E. Credit, collection and disconnection practices. [PL 1997, c. 316, §3 (NEW).]

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 II-A.

[PL 1999, c. 577, §3 (AMD).]

2. Selection of standard-offer service providers. After terms and conditions for standard-offer service have been established under subsection 1, the commission shall administer a bid process to select a standard-offer service provider for that transmission and distribution utility's service territory. By December 1, 1999, the commission shall review the bid submissions for each transmission and distribution utility and select the standard-offer service provider or providers for that utility's service territory.

A. The commission shall determine the general credit data and specific information from general load and usage data that transmission and distribution utilities must provide to potential standard-offer service bidders, including, but not limited to, monthly demand and energy consumption and the number of customers in each customer class. The commission shall ensure that individual customer confidentiality is preserved in this process and that a transmission and distribution utility releases customer-specific data only with the customer's permission. If the transmission and distribution utility incurs additional costs to develop and produce the required data, the commission shall permit that utility to recover those costs through transmission and distribution rates. [PL 1997, c. 316, §3 (NEW).]

B. The commission shall establish the maximum duration of a standard-offer service contract after considering all relevant factors, including, but not limited to, market risks and the need for price stability and contract flexibility. [PL 1997, c. 316, §3 (NEW).]

C. A competitive electricity provider that is an affiliate of a large investor-owned transmission and distribution utility may submit bids to provide standard-offer service for up to 20% of the electric load within the service territory of the large investor-owned transmission and distribution utility with which it is affiliated. To prevent the unfair use of information possessed by a large investor-owned transmission and distribution utility, the commission shall ensure that a utility seeking to bid on standard-offer service has no greater access to relevant information than is provided to other potential bidders. [PL 1997, c. 316, §3 (NEW).]

D. A consumer-owned transmission and distribution utility and a small investor-owned transmission and distribution utility may submit bids to provide standard-offer service for that utility's service territory. To prevent the unfair use of information possessed by a consumer-owned

transmission and distribution utility or a small investor-owned transmission and distribution utility, the commission shall ensure that a utility seeking to bid on standard-offer service has no greater access to relevant information than is provided to other potential bidders. [PL 1997, c. 316, §3 (NEW).]

The commission shall adopt rules establishing a methodology for structuring the bidding process for standard-offer service in order to implement the provisions of this subsection. In adopting rules, the commission shall consider methods to ensure, to the extent possible, at least 3 providers of standard-offer service in each transmission and distribution utility service territory, as long as the method does not result in any significant adverse impacts on rates paid by consumers. Rules adopted under this subsection are routine technical rules pursuant to Title 5, chapter 375, subchapter II-A.

Notwithstanding any other provision of this Title, the commission may, in the event of a default by a standard-offer service provider, require the transmission and distribution utility in whose service territory the provider was providing standard-offer service to arrange and to provide for default service. Notwithstanding any other provision of this Title, the commission may, in the event that the commission receives no bids to provide standard-offer service in a transmission and distribution utility's territory or the commission determines that the bids it receives are inadequate or unacceptable, require the transmission and distribution utility to arrange and to provide for default service. Notwithstanding any other provision of this Title, the commission may require a transmission and distribution utility to provide default service to its customers that are not located within either the New England independent system operator control area or the Maritimes control area; and default service pursuant to this sentence must be provided to customers at the same price and on the same terms and conditions as standard-offer service is provided to the customers of the transmission and distribution utility in the standard-offer class in which the customer is eligible to receive service. The arrangement and provision of such default service by a transmission and distribution utility does not constitute selling electric energy or capacity at retail for purposes of section 3205, subsection 2.

Notwithstanding Title 5, section 1831, the commission is not subject to rules adopted by the State Purchasing Agent in conducting the competitive bidding process required under this section. [PL 1999, c. 577, §4 (AMD); PL 1999, c. 578, §1 (AMD).]

3. Price cap; investigation. If the qualifying bids under subsection 2 for standard-offer service in any service territory, when combined with the regulated rates of transmission and distribution service and any stranded costs charge, exceed, on average, the total rate for electricity immediately before the implementation of retail access, the commission shall investigate whether the implementation of retail access remains in the public interest or whether other mechanisms to achieve the public interest and to adequately protect consumer interests need to be put in place. Pursuant to section 3217, the commission shall notify the Legislature of the results of its investigation and its determination. [PL 1997, c. 316, §3 (NEW).]

4. Implementation period and investigation. Standard-offer service must be available until March 1, 2005. By August 1, 2002, the commission shall begin an investigation to determine whether the continued availability of standard-offer service is necessary and in the public interest and, if so, how best to make such service available after March 1, 2005. The commission shall conclude the investigation by December 1, 2002 and report its results and recommendations to the Legislature pursuant to section 3217. In its investigation, the commission shall solicit the input of all interested parties and consider the questions in paragraphs A to D in addition to other issues the commission determines appropriate.

A. Are the goals of this chapter best fulfilled if standard-offer service ceases altogether on March 1, 2005 or at a date certain after March 1, 2005? [PL 2001, c. 528, §1 (NEW).]

B. Should opportunities for retail aggregators be changed to ensure greater participation in competitive markets by residential and small commercial customers, beginning March 1, 2005? [PL 2001, c. 528, §1 (NEW).]

C. Beginning March 1, 2005, should any standard-offer provider selected by the commission pursuant to subsection 2 be required to offer at least one standard-offer service that is composed entirely of renewable resources as defined in section 3210? [PL 2001, c. 528, §1 (NEW).]

D. Should this chapter be amended to enable aggregators, beginning March 1, 2005, automatically to receive by contract, for a term designated in that contract, the designation as competitive electricity provider for all the electric accounts in a given municipality if:

(1) That municipality adopts a "negative-option" form of municipal aggregation, following notice and opportunity for hearing, by means of a recorded vote of the municipal officers or the appropriate governing body; and

(2) All customers in that municipality reserve the right to leave the municipal aggregation and designate a different provider, in writing, within a time period established by legislative enactment? [PL 2001, c. 528, §1 (NEW).]

[PL 2001, c. 528, §1 (AMD).]

4-A. Renewables; hedging.

[PL 2005, c. 677, Pt. B, §1 (RP).]

4-B. Demand response and energy efficiency. The commission may incorporate cost-effective demand response and energy efficiency into the supply of standard-offer service. The commission shall encourage entities based in this State that are not otherwise either a standard-offer service provider or its affiliate to participate in supplying cost-effective demand response or energy efficiency pursuant to this subsection.

[PL 2005, c. 677, Pt. B, §2 (NEW).]

4-C. Authority to establish various contract lengths and terms. For the purpose of providing over a reasonable time period the lowest price for standard-offer service to residential and small commercial customers, the commission, with respect to residential and small commercial standard-offer service, may, in addition to incorporating cost-effective demand response and energy efficiency pursuant to subsection 4-B and to the extent authorized in section 3210-C, incorporating the energy portion of any contracts entered into pursuant to section 3210-C, establish various standard-offer service contract lengths and terms.

[PL 2005, c. 677, Pt. B, §2 (NEW).]

4-D. Community-based renewable energy. The commission may incorporate energy generated by community-based renewable energy projects as defined in section 3602, subsection 1 into the supply of standard-offer service. The commission shall encourage entities based in this State that are not otherwise either a standard-offer service provider or its affiliate to participate in supplying energy from community-based renewable energy projects pursuant to this subsection.

[PL 2009, c. 329, Pt. A, §3 (NEW).]

4-E. Combined heat and power energy. The commission may incorporate energy generated by combined heat and power projects as defined in section 3622, subsection 1 into the supply of standard-offer service. The commission shall encourage entities based in this State that are not otherwise either a standard-offer service provider or its affiliate to participate in supplying energy from combined heat and power projects pursuant to this subsection.

[PL 2021, c. 604, §2 (NEW).]

5. Territorial and rate class application. Nothing in this section precludes the commission from permitting or requiring different terms and conditions for standard-offer service in different utility service territories or for different customer classes.

[PL 1997, c. 316, §3 (NEW).]

6. Consumer-owned utilities. Notwithstanding any other provision of this section, the commission is not required to conduct a competitive bidding process or select a standard-offer service provider or providers for the territory of a consumer-owned transmission and distribution utility if the consumer-owned transmission and distribution utility chooses one or more standard-offer service providers for its territory through a competitive bidding process conducted in accordance with the commission's rules governing the selection and criteria for approval of a standard-offer service provider, or if the consumer-owned transmission and distribution utility enters into one or more contracts to purchase power at wholesale for the purpose of providing retail generation service within its service territory. Selection of a standard-offer service provider or providers and agreements with or purchases from a standard-offer service provider or providers or other wholesale power supply providers are not subject to the approval requirements of section 3133 or 3133-A. A consumer-owned transmission and distribution utility may choose a single standard-offer service provider. A consumer-owned transmission and distribution utility that intends to choose a standard-offer service provider or providers, or to enter into a wholesale power purchase contract for the purpose of providing retail generation service within its service territory, in accordance with this subsection shall notify the commission.

[PL 2003, c. 141, §2 (AMD).]

SECTION HISTORY

PL 1997, c. 316, §3 (NEW). PL 1997, c. 638, §§1,2 (AMD). PL 1997, c. 691, §§6,7 (AMD). PL 1999, c. 398, §F1 (AMD). PL 1999, c. 577, §§3,4 (AMD). PL 1999, c. 578, §1 (AMD). PL 2001, c. 528, §1 (AMD). PL 2003, c. 141, §2 (AMD). PL 2003, c. 665, §2 (AMD). PL 2005, c. 677, §§B1,2 (AMD). PL 2009, c. 329, Pt. A, §3 (AMD). PL 2021, c. 604, §2 (AMD).

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