

1 H.675

2 Introduced by Representatives Crawford of Burke and Lawrence of Lyndon

3 Referred to Committee on

4 Date:

5 Subject: Public service; electric utilities; municipal electric departments;

6 electric cooperatives; Vermont public power supply authority;

7 powers; bonding

8 Statement of purpose: This bill proposes to give the Vermont Public Power

9 Supply Authority powers similar to that of a corporation, such as the power to

10 enter into contracts and acquire interests and equity, and to give municipalities

11 greater flexibility to contract with the authority by resolution of their

12 legislative bodies rather than an affirmative decision of the voters.

13 An act relating to powers and duties of the Vermont Public Power Supply
14 Authority

15 It is hereby enacted by the General Assembly of the State of Vermont:

16 Sec. 1. 30 V.S.A. § 5012 is amended to read:

17 § 5012. GENERAL POWERS AND DUTIES

18 The authority shall have all of the powers necessary and convenient to carry

19 out this chapter, including without limitation those general powers provided a

1 business corporation by section 1852 of Title 11, and including, without
2 limiting the generality of the foregoing, the power:

3 * * *

4 (12) ~~jointly or~~ jointly with utilities or on its own to plan, finance,
5 acquire, construct, improve, purchase, operate, maintain, use, share costs of,
6 own, lease, sell, dispose of, or otherwise participate in projects or portions of
7 projects, the product or service from them, securities or obligations issued or
8 incurred in connection with the financing of them, or research and
9 development relating to them, within or outside the state. It may also enter
10 into and perform contracts with any person with respect to the foregoing. If
11 the authority acquires or owns an interest as a tenant in common with others in
12 any projects within the state, the surrender or waiver by the other property
13 owner of its right to partition the property for a period not exceeding the period
14 for which the property is used or useful for electric utility purposes shall not be
15 invalid and unenforceable by reason of length of the period, or as unduly
16 restricting the alienation of such property;

17 * * *

18 (17) to make and execute all contracts and agreements and other
19 instruments necessary or convenient in the exercise of the powers and
20 functions of the authority under this chapter; ~~and~~

1 such output and capacity contract and to pay all other amounts payable from or
2 constituting a charge and lien upon those revenues.

3 * * *

4 (e) The authority and any member municipality or cooperative or other
5 utility (whether or not such utility is a member of the authority) that is acting
6 pursuant to a contract with the authority may expend its funds, including
7 without limitation the proceeds of its notes, bonds, or other obligations, for the
8 purposes of modifying demand for electric capacity or energy through
9 conservation or load management by participation in such facilities, projects,
10 and programs as the board of the authority or the legislative body or other
11 governing body or the governing board of the member municipality or
12 cooperative or other utility, as the case may be, determines will effectively
13 accomplish such purposes. Such facilities, projects, and programs may
14 include, but shall not be limited to, providing or financing facilities or projects
15 for conservation or load management, which may be: (i) owned or operated by
16 the authority or any member municipality or cooperative or other utility or by
17 others; (ii) leased or licensed by the authority or any member municipality or
18 cooperative or other utility to others, or financed by ~~laens~~ loans by the
19 authority or any member municipality or cooperative or other utility to others,
20 in either case on such terms and conditions as the board of the authority or the
21 legislative body or other governing body or the governing board of the member

1 municipality or cooperative or other utility, as the case may be, may determine.

2 Any member municipality or cooperative or other utility may issue its notes,
3 bonds or other obligations pursuant to any statutory authority conferring such
4 power for carrying out the purposes of this subsection.

5 Sec. 3. 30 V.S.A. § 5017 is amended to read:

6 § 5017. POWERS OF MUNICIPALITIES

7 A municipality, ~~after an affirmative vote of the qualified voters at any duly~~
8 ~~warned annual or special meeting to be held for that purpose,~~ may by
9 resolution of its legislative body enter into contracts with the authority for the
10 purchase, sale, exchange, or transmission of electric energy and other services,
11 on such terms and for such period of time as the resolution may provide. A
12 municipality may by resolution of its legislative body enter into a contract with
13 the authority related to the issuance of bonds and notes as authorized by
14 section 5031 of this title only after an affirmative vote of the qualified voters at
15 any duly warned annual or special meeting held for that purpose. The required
16 vote may either approve a specific contract with the authority or it may
17 approve generally the right for the municipality to enter into all such contracts
18 with the authority by resolution of its legislative body. A municipality may
19 appropriate electricity-derived revenues received in any year to make payments
20 due during that year under any contract made by the municipality with the
21 authority. Nothing in this section shall be construed to repeal any charter

1 provision or law requiring an election or other condition precedent to the
2 establishment of a municipal electric plant.

3 Sec. 4. 30 V.S.A. § 5031 is amended to read:

4 § 5031. BONDS AND NOTES

5 (a)(1) The authority may issue its negotiable notes and bonds in such
6 principal amount as the authority determines to be necessary to provide
7 sufficient funds for achieving any of its corporate purposes, including the
8 payment of interest on notes and bonds of the authority, establishment of
9 reserves to secure the notes and bonds, and all other expenditures of the
10 authority incident to and necessary or convenient to carry out its corporate
11 purposes and powers. Without limiting the generality of the foregoing, such
12 bonds and notes may be issued for project costs, or the authority's share of
13 costs of projects which may include:

14 * * *

15 (5) The notes and bonds shall be authorized by resolution or resolutions
16 of the authority, shall bear such date or dates and shall mature at such time or
17 times as the resolution or resolutions may provide. The bonds may be issued
18 as serial bonds payable in annual installments or as term bonds or as a
19 combination of them. The resolution or resolutions may provide that the notes
20 and bonds bear interest at a given rate or rates, be in certain denominations, be
21 in temporary, coupon or registered form, carry certain registration privileges,

1 be executed in a given manner, be payable in a given medium of payment, at a
2 place or places within or without the state, and be subject to specified terms of
3 redemption. The authority may participate in any state or federally created or
4 supported bond programs. The notes and bonds of the authority may be sold
5 by the authority, at public or private sale, at such price or prices as the
6 authority shall determine.

7 * * *

8 Sec. 5. EFFECTIVE DATE

9 This act shall take effect July 1, 2010.