

§ 159B-6. Sale of capacity and output by a municipality.

Capacity or output derived by a municipality from its ownership share of a project not then required by such municipality for its own use and for the use of its consumers may be sold or exchanged by such municipality, for such consideration and for such period and upon such other terms and conditions as may be determined by the parties, to any municipality owning electric distribution facilities in this State, to any electric membership corporation or public utility authorized to do business in this State, or to any state, federal or municipal agency which owns electric generation, transmission or distribution facilities. Provided, however, that the foregoing limitations shall not apply to the temporary sale of excess capacity and energy without the State in cases of emergency or when required to fulfill obligations under any pooling or reserve-sharing agreements reasonably related to its needs for power and energy. Provided further, however, that sales of excess capacity or output of a project to electric membership corporations, public utilities, and other persons the interest on whose securities and other obligations is not exempt from taxation by the federal government shall not be made in such amounts, for such periods of time, and under such terms and conditions as will cause the interest on bonds issued to finance the cost of a project to become taxable by the federal government. (1975, c. 186, s. 1.)