

# MAINE STATE LEGISLATURE

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# 118th MAINE LEGISLATURE

## FIRST REGULAR SESSION-1997

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Legislative Document

No. 891

S.P. 283

In Senate, February 6, 1997

**Resolve, to Authorize and Fund an Independent Study of the Economic Impacts of Increased Natural Gas Availability and Use in the State.**

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Reference to the Committee on Business and Economic Development suggested and ordered printed.

A handwritten signature in cursive script that reads "Joy J. O'Brien".

JOY J. O'BRIEN  
Secretary of the Senate

Presented by Senator KILKELLY of Lincoln.  
Cosponsored by Representative MADORE of Augusta and  
Senators: CLEVELAND of Androscoggin, DAGGETT of Kennebec, Representatives:  
BUNKER of Kossuth Township, CLARK of Millinocket, COWGER of Hallowell, PIEH of  
Bremen, RINES of Wiscasset, SKOGLUND of St. George.

**Sec. 1. State Planning Office authorized to commission study.**

2 **Resolved:** That the State Planning Office is directed to  
4 commission an independent consultant to study the expected  
6 impacts of different levels of natural gas use within the State  
from 1997 to 2006; and be it further

8 **Sec. 2. Competitive bidding procedure to choose independent  
consultant. Resolved:** That the independent consultant  
10 commissioned by the State Planning Office must be chosen by a  
12 competitive bidding procedure pursuant to the Maine Revised  
Statutes, Title 5, chapter 155, subchapter I-A; and be it further

14 **Sec. 3. Study. Resolved:** That the independent consultant chosen  
16 by the State Planning Office is directed to conduct a study of  
the expected impacts of different levels of natural gas use  
18 within the State from 1997 to 2006 and shall examine at a minimum  
the following:

20 1. The expected capacity and volume of natural gas that  
22 will be available for use within the State, as opposed to  
transmission across the State to other markets, under different  
price, demand and regulatory conditions;

24 2. The expected impact of natural gas on overall energy  
26 costs in the State at different levels of gas pricing and  
availability, including possible competitive responses of  
28 providers of other fuels and the impact of reduced energy costs  
on overall energy consumption and conservation;

30 3. The impact of natural gas availability on electrical  
32 utility generating costs and power purchase contracts, including  
an assessment of the capital costs of conversion to natural gas  
34 fuel, and the comparative operating costs of existing fossil  
fuel, nuclear and biomass generating plants;

36 4. The direct impacts on the State's manufacturing industry  
38 competitiveness of different levels of natural gas pricing and  
use, including the impacts on investment, production and  
40 employment at existing plants and the possible increased  
attractiveness of locations within the State for new investment;

42 5. The potential for attracting new industries, including  
44 glass manufacturing, ferrous and nonferrous metals production,  
recycling, metals processing and coating and ceramic, chemical  
46 and food processing industries that depend on natural gas, but  
are not able to locate in most of the State at present because  
48 natural gas is not available;

50 6. The indirect impacts of increased manufacturing  
competitiveness with other states, including impacts on

2 employment, education, vocational training, research,  
3 transportation, land use regulation, zoning, air quality, water  
4 quality and the levels of overall energy use and conservation;

6 7. The negative impacts of conversion to natural gas on  
7 existing industries, including the transportation and  
8 distribution of fuel oil, coal and biomass, and the possible  
9 employment and environmental consequences of reduced use of wood  
10 fiber in cogeneration and by independent power producers; and

12 8. The overall impact on the State's economic growth rate  
13 of different levels of natural gas availability, pricing and use  
14 over the 10-year period from 1997 to 2006; and be it further

16 **Sec. 4. Study report. Resolved:** That the independent consultant  
17 shall submit the study report to the Legislature by January 1,  
18 1999; and be it further

20 **Sec. 5. Appropriation. Resolved:** That the following funds are  
21 appropriated from the General Fund to carry out the purposes of  
22 this resolve.

23 **1997-98**

24 **EXECUTIVE DEPARTMENT**

25 **State Planning Office**

27 All Other \$200,000

29 Provides funds to hire a consultant to  
30 conduct a study of the economic consequences  
31 of increased natural gas use in the State.

32 **SUMMARY**

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38 This resolve requires the State Planning Office to hire an  
39 independent consultant to conduct a study of the economic  
40 consequences of increased natural gas use in Maine.