

MAINE STATE LEGISLATURE

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129th MAINE LEGISLATURE

FIRST REGULAR SESSION-2019

Legislative Document

No. 912

S.P. 266

In Senate, February 19, 2019

An Act To Establish the Wood Energy Investment Program

Reference to the Committee on Energy, Utilities and Technology suggested and ordered printed.

A handwritten signature in black ink, appearing to read 'D M Grant'.

DAREK M. GRANT
Secretary of the Senate

Presented by President JACKSON of Aroostook.
Cosponsored by Representative FECTEAU of Biddeford and
Senators: DAVIS of Piscataquis, DILL of Penobscot, Representatives: BERRY of
Bowdoinham, DILLINGHAM of Oxford, DUNPHY of Old Town, RILEY of Jay, STEWART
of Presque Isle, WADSWORTH of Hiram.

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

2 **Sec. 1. 35-A MRSA §10124** is enacted to read:

3 **§10124. Wood Energy Investment Program**

4 **1. Establishment; purpose.** The Wood Energy Investment Program is established
5 within the trust to provide incentives and low-interest or no-interest loans in consultation
6 with the Finance Authority of Maine, established in Title 10, chapter 110, in order to
7 strengthen the State's forest products industry and lower energy costs by increasing the
8 efficient use of wood for energy production.

9 **2. Wood energy investment fund.** There is established in the custody of the trust a
10 special nonlapsing fund, to be known as the wood energy investment fund. The wood
11 energy investment fund consists of the following:

12 A. Sums that may be transferred from the commission from the cost recovery fund
13 established in Public Law 2015, chapter 483, section 1, subsection 5;

14 B. Funds that the trust may receive from the State or from the Federal Government
15 or funds from other agreements whose purpose is consistent with this section;

16 C. Principal and interest received from the repayment of loans made from the wood
17 energy investment fund; and

18 D. Interest earned from the investment of wood energy investment fund balances.

19 **3. Program details.** The trust, through the Wood Energy Investment Program
20 established in subsection 1, shall provide incentives and low-interest or no-interest loans
21 to businesses, municipalities, educational institutions and nonprofit entities in the State
22 for the installation of new wood-derived thermal energy or cogeneration projects from the
23 wood energy investment fund established in subsection 2. The trust shall require Wood
24 Energy Investment Program participants to substantially share in the cost of projects
25 funded under this section. The trust shall seek to maximize the Wood Energy Investment
26 Program's impact per dollar of expenditure from the wood energy investment fund and
27 shall set limits it determines prudent on the size of incentives. The trust may not provide
28 incentives or loans from the wood energy investment fund for the refurbishment or
29 maintenance of existing facilities.

30 The trust shall develop activities promoting the Wood Energy Investment Program in
31 consultation with the Finance Authority of Maine, established in Title 10, chapter 110.
32 The trust shall consult with the Finance Authority of Maine, when appropriate, in its
33 decisions to award incentives and loans. To the extent that funding is available, the trust
34 shall offer technical assistance to eligible projects in a manner that is coordinated and
35 consistent with other trust programs.

36 For purposes of this subsection, "new wood-derived thermal energy or cogeneration
37 project" includes, but is not limited to, wood-fueled combined heat and power
38 cogeneration boiler installations; colocation development that increases the efficient use
39 of wood for energy production; conversion of fossil fuel-fired boilers to wood-fueled

1 boilers or boilers using biofuels derived from wood; and the installation of new wood-
2 fueled boilers or boilers using biofuels derived from wood.

3 **Sec. 2. Contract evaluation; fund transfer.** If, in its annual evaluation of a 2-
4 year contract entered into pursuant to Public Law 2015, chapter 483, the Public Utilities
5 Commission finds that an entity that was awarded a contract for biomass resources is not
6 meeting contract requirements and therefore is not qualified to receive the full contract
7 payment or any contract payment, those funds that would have been paid to the entity had
8 contract requirements been met must be transferred to the wood energy investment fund
9 established in the Maine Revised Statutes, Title 35-A, section 10124, subsection 2.
10 Notwithstanding Public Law 2015, chapter 483, section 1, subsection 5, any funds
11 remaining in the cost recovery fund established in Public Law 2015, chapter 483, section
12 1, subsection 5 that are not needed to pay above-market costs for biomass resources must
13 be transferred to the wood energy investment fund.

14 SUMMARY

15 This bill establishes the wood energy investment fund and creates the Wood Energy
16 Investment Program within the Efficiency Maine Trust. The bill specifies that, if the
17 Public Utilities Commission finds that an entity awarded a contract for biomass resources
18 pursuant to Public Law 2015, chapter 483 is not meeting contract requirements and
19 therefore is not qualified to receive the full contract payment or any contract payment,
20 those funds that would have been paid had contract requirements been met must be
21 transferred to the wood energy investment fund. It also specifies that any funds
22 remaining in the cost recovery fund established in Public Law 2015, chapter 483, section
23 1, subsection 5 that are not needed to pay above-market costs for biomass resources must
24 also be transferred by the Public Utilities Commission to the wood energy investment
25 fund. It requires the trust to use funds from the fund, if there are any, to provide
26 incentives and low-interest or no-interest loans for new wood-derived thermal energy or
27 cogeneration projects. It requires that the trust consult with the Finance Authority of
28 Maine, when appropriate, in the development of any Wood Energy Investment Program
29 incentives and the distribution of money from the wood energy investment fund. It
30 prohibits the use of funds for incentives or loans for the refurbishment or maintenance of
31 existing facilities.