

# MAINE STATE LEGISLATURE

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GOVERNOR

April 25, 1977


STATE OF MAINE ENERGY POLICY - Promulgation of

The crisis situation which was brought on by the Arab oil embargo of 1973-74, gave most Americans their first realization that the nation and the world were facing severe energy problems. During that period, much was said about a national energy policy and energy independence for the United States. When the embargo was lifted and oil became readily available again, public attention turned away from energy and, once the economic effects of rising energy prices had been absorbed by the overall economic system, many people went back to energy wasteful practices.

The recent energy shortages of this past winter have again focused public attention on the energy issue and President Carter just yesterday announced a National Energy Policy outline for the country as a whole. As a corollary to and refinement of that National Policy, we have prepared an energy policy statement for Maine.

In January of 1977, following a year of study, the State Energy Resources Office produced a Comprehensive Energy PLAN with the Energy Resources Advisory Board and other knowledgeable Maine citizens.

The Policy outlines goals and objectives for Maine's energy future in the areas of Conservation, In-State Energy Resources, Short-term Supply Considerations and Diversification of the State's energy base. The policy statement also makes specific recommendations for programs to address these areas. The Maine Energy POLICY is designed to complement the National Energy Policy and to supplement the National Policy in areas unique to Maine. I challenge all Maine citizens to work together and with our national leaders to address the energy situation we all face and to seek solutions to energy problems at all levels.

  
JAMES B. LONGLEY

STATE OF MAINE ENERGY POLICY STATEMENT

April 25, 1977

## PREFACE

The State of Maine Energy Policy Statement is derived from the historical trends and future scenarios presented in The Maine State Comprehensive Energy Plan and is designed to be consistent with National Energy Policy. Although we have labored long and diligently to develop solutions to Maine's energy problems, we must realize that definitive strategies must evolve at the National level if energy policy is to be substantive.

While State Government is limited in its ability to establish specific energy policies, State Government has a responsibility to prepare an energy policy for Maine that would complement the National policy.

The State energy policies established herein will parallel National Policy to the maximum extent possible, and policy integration should be readily attainable.

If the people of Maine are willing to accept that the Nation has an energy problem, we can work cooperatively to implement National and State policy directives concurrently; a major portion of the battle is that Maine people--the entire Nation--must accept this fact.

## ENERGY POLICY

- I. Energy Policy, as any government policy, should be based on a careful analysis of the situation as it exists and the goals which should be achieved. The policies set forth here are based on the premise that the people of Maine will continue to use some level of energy to maintain their health, welfare, and economic well-being. The real difficult question facing energy planners is: "What is that level?"

To develop policy statements on this premise, future demands should be forecast for various levels of economic activity in the state. This process should also identify the absolute minimum amount of energy which Maine citizens would require to maintain their health and economic well-being. Having made such determinations, it is incumbent upon government to identify those areas where the greatest impact can be made on energy supplies and demands. Finally, specific policies should be developed to bring about the changes necessary to achieve established goals.

The Office of Energy Resources staff has forecast future energy demands for the State. From these projections we have attempted to identify the areas where Maine's government can affect the energy situation to achieve the goals established herein. It must be noted that the energy situation in Maine, and indeed in the world, is very volatile. Therefore, the policies outlined in this document may require modification. It is not foreseen that the overall goals and objectives will change. However, certain events may make it necessary to change the path by which those goals and objectives are attained.

## II. GOALS

To assure, within established environmental standards, a stable energy supply, at competitive prices, adequate and sufficient to maintain the health, safety, general welfare and economic strength of Maine's people.

A few of the terms used in this statement should be explained further:

"...within established environmental standards..." Energy policies developed by the State should not encourage or promote any energy program which would significantly harm the environment of the State. Hard decisions must be made if Maine is to meet energy demands while maintaining the healthful, scenic environment of the State.

"...stable energy supply...adequate..." The supply of energy to the State must be adequate to meet the needs of the people, businesses and industries. It is also important that this supply be stable, as great fluctuations in available energy can create severe hardships on energy users and cause disruptions in the economic fabric of the State. The embargo of 1973-74 and the natural gas shortage of 1976-77 are good examples of this type of disruption.

"...at competitive prices..." As stated before, some energy supply must be secured, no matter what the cost. However, if Maine is to have sustained economic growth, business and industry in the State must be able to obtain energy at competitive prices. This may be difficult in that Maine is geographically "at the end of the pipeline" for most energy sources.

It must be noted that this overall goal will be very difficult to achieve in all its parts, as there are many inherent conflicts between low prices, pure environment, and stable supply. Maine must maintain a close working relationship with Federal Energy and Environmental agencies to avoid conflicts between state policies and national objectives.

### III. OBJECTIVES

1. To conserve energy through the reduction or elimination of processes that waste energy. Energy Conservation can be an important reduction in demand which will benefit the State economically, and help "buy time" until other resources can be developed.
2. To encourage the development of native, renewable resources. The State should promote wood, solar, wind, tidal, hydro, and other native resources even though these may presently have an economic disadvantage.
3. To insure an adequate supply of energy to the people of the State. Working within the framework of Federal Policy, a system should be developed and maintained to assure the proper and equitable allocation and distribution of available energy resources.

4. To diversify the energy supply base in the State and promote a more equitable distribution of energy resources. Maine should reduce its dependence on petroleum as a major energy supply, replacing it with more abundant conventional and renewable sources. Greater diversification of the types of energy supply and the distribution system within Maine should also be encouraged.

#### IV. POLICIES

##### 1. Policies related to Conservation.

It is the Policy of the State of Maine:

- A. To establish and maintain public awareness programs to promote opportunities for voluntary energy conservation.
- B. To evaluate all potential energy conservation ideas and seek implementation of those which will bring about the greatest reduction of energy waste while at the same time not disrupting the State's economy.
- C. To implement mandatory conservation measures in those cases where it is advisable or necessary.
- D. To establish positive incentives for energy conservation as well as penalties for energy waste.
- E. To evaluate the potential for electric energy conservation through load management techniques and alternative rate structures.
- F. To participate in energy conservation programs established by Congress under Federal law.
- G. To promote public funding (including guaranteed industrial financing) of those projects which have demonstrated an effort to improve energy efficiency in production.
- H. To encourage the development and use of Public Transportation Systems (where feasible).

2. Policies related to In-State energy resources.

It is the policy of the State of Maine:

- A. To continue to provide public information on ways to utilize native energy resources.
- B. To investigate the economic and technical feasibility of solar energy for space and domestic hot water heating.
- C. To work with state colleges and universities to investigate and promote utilization of Maine's native energy resources.
- D. To encourage the development of safe, efficient, economical equipment for home heating with wood.
- E. To encourage, through legislation, tax exemption or other economic incentive, at both state and federal levels, the use of solar, wind, and small-scale hydro-electric energy resources.
- F. To seek funding from state, federal, and private sources, and channel these funds, through the Energy Resources Development Fund, to Research Development and Demonstrations Projects concerned with the development and use of Maine's native resources.
- G. To encourage and assist the citizens of Maine to participate in Federal Energy Research, Development and Demonstration Programs.

3. Policies related to adequate short-term supply of conventional energy sources.

It is the policy of the State of Maine:

- A. To create and maintain a complete, up-to-date Energy Emergency Contingency Plan which will allow the Governor to complement Federal Policy through exercising emergency powers which will insure adequate allocation and distribution of available energy supplies and impose necessary restrictions on demand.



- B. To monitor available supplies of all energy sources in order to determine, in advance, any potential shortage.
- C. To maintain a corps of personnel trained in the Federal fuel allocation process which can be brought quickly into service in the event of a petroleum shortage.
- D. To develop and maintain programs which will insure that low-income and elderly persons in the State will not suffer undue hardship because of the economic ramifications of rising energy costs.
- E. To encourage maximum feasible energy emergency preparedness and self-reliance on the part of Maine people.
- F. To encourage the establishment of a Federal Petroleum Reserve in New England.

4. Policies related to Diversification.

It is the policy of the State of Maine:

- A. To encourage improvements of the transportation systems in Maine to ensure that energy sources, such as coal, can be delivered economically and safely to all users throughout the State.
- B. To promote the use of coal for heavy industrial and electric generation uses.
- C. To promote industrial siting and development which allows one facility or process to utilize energy rejected by another facility or process (co-generation).
- D. To encourage Research, Development and Demonstration of alternate energy resources and to make the information produced through such RD&D efforts readily available.
- E. To investigate the potential for further importation of Canadian electric power.
- F. To improve the regulatory process governing energy development in Maine so as to minimize government interference yet insure the protection of Maine's consumers and the State's environment.

- G. To evaluate the possible costs, benefits and supply potential to Maine of energy resources transported or transmitted through, and primarily designated for use outside the State.
  
- H. To take no action which would preclude the development of nuclear electric generation facilities in Maine. However, questions regarding disposal of nuclear wastes, the future availability of nuclear fuels, and the general safety of nuclear facilities must be resolved at the Federal level before new nuclear plants are built in Maine.