

# MAINE STATE LEGISLATURE

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FIRST REGULAR SESSION

ONE HUNDRED AND TENTH LEGISLATURE

**Legislative Document**

**No. 1390**

S. P. 489

In Senate, March 19, 1981

Referred to the Committee on Energy and Natural Resources. Sent down for concurrence and ordered printed.

MAY M. ROSS, Secretary of Senate

Presented by Senator Trafton of Androscoggin.

Cosponsors: Representative Huber of Falmouth, Representative McGowan of Pittsfield and Senator Ault of Kennebec.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED AND EIGHTY-ONE

**AN ACT to Create a Bond Issue for Energy Conservation and Conversion for Small Business.**

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

5 MRSA c. 403 is enacted to read:

**CHAPTER 403**

**SMALL BUSINESS ENERGY CONSERVATION ACT**

**§ 15101. Title**

This chapter shall be known and may be cited as the "Maine Small Business Energy Conservation Act."

**§ 15102. Fund; created**

There is created a Small Business Energy Conservation Fund, called here the fund, not to exceed \$2,500,000, to be financed by a State bond issue or issues, with the unallocated balance invested in accordance with State law. The purpose of the fund is to encourage the transition to facilities and operations with greater energy efficiency by small businesses.

**§ 15103. Eligibility**

Any small business, as defined by the Office of Energy Resources, is eligible to apply for a loan of up to \$10,000 from the fund to purchase and install energy conserving equipment or facilities, including building modifications, but not simple weatherization measures or facilities or equipment using renewable energy sources. Awards shall be restricted to items with a calculated payback period of 7 years or less.

**§ 15104. Awards**

The awards shall be made by the Office of Energy Resources following the recommendations of an open, competitive evaluation by the awards committee. The awards committee shall be composed of 5 members, 2 from the Office of Energy Resources, 2 from the Maine Chamber of Commerce, and one public member, selected by the Governor. The selection criteria shall be detailed in writing by the committee and shall include:

1. Energy savings. Magnitude of energy savings;
2. Visibility. Visibility of the project;
3. Transferability. Transferability of the results;
4. Usage. Usage of facility;
5. Payback time. Shortness of payback time; and
6. Financial need. Financial need of the applicant.

**§ 15105. Energy audit.**

Any applicant must include with the application a statement from a qualified energy auditor, including a summary of the findings of a recent energy audit of the facility in question and a statement of the priority and expected value of the proposed installation.

**§ 15106. Repayment**

The loan shall be amortized for a time not to exceed the payback time, with an interest rate equal to the rate paid by the State on the bonds issued to support the particular loan. Payment of principal and interest shall be made to the State Treasurer in equal quarterly installments over the life of the loan. Moneys so received shall be credited to the fund.

**§ 15107. Reports**

Each recipient shall conduct an energy post audit within one year after installation and report the results to the Office of Energy Resources. The cost of this audit shall be included in the original grant award.

The Office of Energy Resources shall issue an annual report to the Legislature on awards made under this program, the success of various energy saving techniques employed and the overall energy benefits achieved by the program.

**§ 15108. Redemption of bonds**

**Any moneys not lent in the fund 2 years after the effective date of this Act shall be used immediately to reduce the outstanding bonded indebtedness. All the bonds shall be redeemed and the fund terminated not later than 9 years after the effective date of this Act. Any remaining balance shall be credited to the General Fund.**

**STATEMENT OF FACT**

This bill establishes a \$2.5 million, funded by State bonds, for loans to small businesses for the purpose of installing energy-conserving or renewable energy devices or systems.