

# MAINE STATE LEGISLATURE

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1 (New Draft of H.P. 1713, L.D. 2406)  
2 SECOND SPECIAL SESSION  
3

4 ONE HUNDRED AND TWELFTH LEGISLATURE  
5

6 Legislative Document

No. 2436

8 H.P. 1753

House of Representatives, May 29, 1986

9 Reported by Representative Carter from the Committee on  
10 Appropriations and Financial Affairs and printed under Joint Rule 2. Original  
11 bill sponsored by Representative Nadeau of Lewiston. Cosponsored by  
Representative McGowan of Canaan.

EDWIN H. PERT, Clerk

12  
13 STATE OF MAINE  
14

15 IN THE YEAR OF OUR LORD  
16 NINETEEN HUNDRED AND EIGHTY-SIX  
17

18 AN ACT Making Appropriations and Allocations  
19 for the Expenditure of Funds Received  
20 by the State as a Result of a Federal  
21 Court Order in the Exxon Oil  
22 Overcharge Case.  
23

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

26 Sec. 1. 10 MRSA §969-A, sub-§2-A is enacted to  
27 read:

28 2-A. Interest subsidies. Provide interest rate  
29 subsidies on commercial loans to businesses, farms  
30 and nonprofit organizations;

31 Sec. 2. Establishment of fund. There is estab-  
32 lished a fund entitled "Exxon Fund" within the Office  
33 of Energy Resources. Any funds received by the State  
34 from the Federal Government relating to the oil over-  
35 charge case against Exxon Corporation shall be depos-

1 ited to the fund. Interest accruing on these funds  
2 shall be deposited to the fund to be used for the  
3 same purposes.

4       Sec. 3. Allocations. There is allocated from  
5 the Exxon funds and from any interest earned thereon  
6 for the fiscal year ending June 30, 1987, to the de-  
7 partments listed, the following sum:

8 1986-87

9 AGRICULTURE, FOOD AND RURAL RE-  
10 SOURCES, DEPARTMENT OF

11       Agricultural Technology Transfer  
12       Grant Program  
13       All Other \$200,000

14           Provides funds for the de-  
15           partment to run an "Agri-  
16           cultural Technology Trans-  
17           fer Grant Program" to pro-  
18           vide incentives for trans-  
19           fer of innovative energy  
20           conservation and renewable  
21           resource concepts.

22       Farm Energy Audit Program  
23       All Other 50,000  
24           Provides funds to run a  
25           "Farm Energy Audit" Demon-  
26           stration Program.

27       DEPARTMENT OF AGRICULTURE, FOOD AND  
28       RURAL RESOURCES  
29       TOTAL \$250,000

30 EXECUTIVE DEPARTMENT

31       Community Services, Division of  
32       Energy and Weatherization  
33       All Other \$7,600,000

1 Provides funds to continue  
2 the current Low-income  
3 Weatherization Program con-  
4 sistent with regulations of  
5 the federal "Low Income  
6 Weatherization Assistance  
7 Program." Funds will be  
8 used to weatherize low-  
9 income eligible housing  
10 units.

11	Low-income Home Energy Assistance	
12	All Other	200,000
13	Provides funds to continue	
14	the "Emergency Crisis In-	
15	tervention Program" (ECIP)	
16	to assist low-income per-	
17	sons with emergency fuel	
18	purchases consistent with	
19	regulations of the federal	
20	"Low Income Heating Assist-	
21	ance Program."	
22	Division of Community Ser-	
23	vices	
24	Total	<u>\$7,800,000</u>
25	Energy Resources, Office of	
26	Weatherization Rebates	
27	All Other	\$525,000
28	Provides funds for a demon-	
29	stration program to reim-	
30	burse homeowners for 50% of	
31	the cost of weatherization	
32	materials.	
33	Furnace Modernization Rebate	
34	All Other	525,000

1 Provides funds for a demon-  
2 stration program to reim-  
3 burse homeowners and resi-  
4 dential rental property  
5 owners for 40% of the cost  
6 of modernizing their oil  
7 furnace equipment, oil wa-  
8 ter heater equipment and  
9 controls.

10	Furnace Service Rebate	
11	All Other	350,000
12	Provides funds for a demon-	
13	stration program to reim-	
14	burse homeowners and resi-	
15	dential rental property	
16	owners for 50% of the cost	
17	of normal burner testing	
18	and servicing.	
19	High Efficiency Lighting Rebate	
20	All Other	350,000
21	Provides funds for a demon-	
22	stration program to reim-	
23	burse homeowners, tenants,	
24	residential rental property	
25	owners, businesses, non-	
26	profit entities and units	
27	of government for 50% of	
28	the cost of purchasing high	
29	efficiency replacement	
30	lighting equipment.	
31	Small Business Weatherization and	
32	Furnace Modernization Rebate	
33	All Other	500,000

1	Provides funds for a demon-	
2	stration program for small	
3	businesses with fewer than	
4	20 employees and nonprofit	
5	entities to receive rebates	
6	for 50% of the cost of	
7	weatherizing their struc-	
8	tural facilities or for	
9	modernizing their furnaces	
10	and furnace control equip-	
11	ment.	
12	Community Based Weatherization	
13	All Other	1,000,000
14	Provides funds to conduct a	
15	"Community Based	
16	Weatherization Demonstra-	
17	tion Program," to be imple-	
18	mented by local and region-	
19	al service agencies, to ed-	
20	ucate members of the public	
21	on energy conservation	
22	techniques and to assist	
23	them in applying for as-	
24	sistance programs. Cost	
25	will include	
26	"weatherization kits" to be	
27	distributed.	
28	Schools and Hospitals	
29	All Other	1,000,000
30	Provides funds for grants	
31	to schools and hospitals	
32	qualified under the federal	
33	"Institutional Conservation	
34	Program" of which a portion	
35	is to be allocated to qual-	
36	ified state-owned schools	
37	and hospitals.	
38	Office of Energy Resources	
39	Total	<u>\$4,250,000</u>
40	EXECUTIVE DEPARTMENT	
41	TOTAL	<u>\$12,050,000</u>
42	<u>FINANCE AUTHORITY OF MAINE (FAME)</u>	

1	Energy Conservation Program	
2	All Other	\$2,450,000
3	Provides funds to operate	
4	an energy conservation pro-	
5	gram, by providing interest	
6	subsidies or grants to	
7	businesses, including agri-	
8	cultural businesses, and to	
9	nonprofit entities. FAME	
10	shall promulgate rules in	
11	accordance with the Maine	
12	Administrative Procedure	
13	Act, Maine Revised Stat-	
14	utes, Title 5, chapter 375.	
15	Underground storage tanks	
16	are an eligible item if ap-	
17	proved by the Federal Gov-	
18	ernment.	
19	<u>MAINE STATE HOUSING AUTHORITY</u>	
20	Residential Conservation Energy	
21	Program	
22	All Other	\$1,150,000
23	Provides funds to operate a	
24	residential conservation	
25	energy program for	
26	single-family (1-4 units),	
27	owner-occupied housing	
28	units to include subsidized	
29	low-interest loans or	
30	grants for energy conserva-	
31	tion and heating system	
32	conversion activities.	
33	Nonowner-Occupied Conservation	
34	Energy Program	
35	All Other	600,000

1 Provides funds to operate  
2 an energy conservation pro-  
3 gram for nonowner-occupied  
4 housing units to include  
5 low-interest loans or  
6 grants for energy conserva-  
7 tion and heating system  
8 conversion activities.

9	MAINE STATE HOUSING AUTHORITY	
10	TOTAL	<u>\$ 1,750,000</u>
11		
12	GRAND TOTAL	<u>\$16,500,000</u>

13 Sec. 4. Allowance for state administrative pur-  
14 poses. In the event a federal court order or a  
15 change in federal regulations allows the expenditure  
16 of funds allotted in section 1 of this Act for state  
17 administrative purposes, an allowance for the use of  
18 all funds so allotted, not to exceed 5% of the funds  
19 allocated to each agency, shall be available to each  
20 of the agencies funded under this Act.

21 Sec. 5. Rebate. No single household may receive  
22 more than \$200 in assistance, in total, from any or  
23 all of the rebate programs set out in this Act and no  
24 business or nonprofit entity may receive more than  
25 \$500 in assistance from any or all of the rebate pro-  
26 grams.

27 Sec. 6. Unexpended balances carried forward. Any  
28 unexpended balances of allocations made from this  
29 fund on June 30, 1987, shall not lapse, but shall  
30 carry through June 30, 1989, to be used for the same  
31 purposes. The Governor, through the Office of Energy  
32 Resources, shall report annually to the Legislature,  
33 beginning on December 1, 1987, as to the progress on  
34 the expenditures of funds and to recommendations for  
35 the reallocation of funds.

36 Sec. 7. Low-income weatherization priorities.

37 1. Priorities. For any expenditures for low-  
38 income weatherization assistance pursuant to this  
39 Act, the priorities of the Community Services Divi-  
40 sion shall be as follows:



1 A. Households which are eligible for fuel as-  
2 sistence benefits and which include:

3 (1) An elderly household member;

4 (2) A household member who is handicapped;  
5 or

6 (3) A household member who is under 24  
7 months of age;

8 B. All other low-income households which are el-  
9 igible for fuel assistance benefits; and

10 C. All other low-income households.

11 2. Percentages served. Any agency or organiza-  
12 tion implementing the Low-income Weatherization As-  
13 sistence Program pursuant to this Act shall provide  
14 the division with such evidence as the division may  
15 require that the priorities set out in subsection 1  
16 have been met by serving at least the following per-  
17 centages:

18 A. The percentage of total low-income households  
19 with an elderly member, a handicapped member or a  
20 child under 24 months of age served is equal to  
21 or exceeds the percentage of each of these  
22 group's incidence on each agency's or  
23 organization's waiting list as of July 1st of  
24 each year.

25 STATEMENT OF FACT

26 The State has received \$15,000,000 by federal  
27 court order as a result of litigation between the  
28 Exxon Corporation, the Federal Government, the 50  
29 states and other parties. Exxon was ordered to pay  
30 these funds because of "oil overcharges" in conflict  
31 with federal oil price control laws and regulations.

32 The federal court order requires that the funds,  
33 plus any interest they accrue, be used as restitution  
34 to injured parties and be expended under the guide-  
35 lines of 5 existing federal programs:

1           1. The "State Energy Conservation Plan Program"  
2 (SECP), currently operated by the Office of Energy  
3 Resources;

4           2. The "Energy Extension Service Program" (EES),  
5 currently operated by the Office of Energy Resources;

6           3. The "Institutional Conservation Program"  
7 (ICP), currently operated by the Office of Energy Re-  
8 sources;

9           4. The "Weatherization Assistance Program"  
10 (WAP), currently run by the Division of Community  
11 Services; and

12          5. The "Low Income Heating Assistance Program"  
13 (LIHEAP), currently run by the Division of Community  
14 Services.

15          The federal court order specifies that these  
16 funds may not be used to supplant existing state  
17 funding of program activities and that funds may not  
18 be used for administration of these programs, unless  
19 permitted by federal court or administrative action.

20          After review by a cabinet level committee, it is  
21 recommended that funds be distributed in a series of  
22 programs designed to provide services and direct as-  
23 sistance to consumers, businesses and other institu-  
24 tions.

25          The intent is that these funds be expended over a  
26 3-year period with annual reports to the Legislature  
27 made by the Governor through the Office of Energy Re-  
28 sources.

29

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