

MAINE STATE LEGISLATURE

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116th MAINE LEGISLATURE

FIRST REGULAR SESSION-1993

Legislative Document

No. 1480

S.P. 482

In Senate, May 10, 1993

An Act to Reduce Energy Costs and Improve the State's Air Quality.

Reference to the Committee on Energy and Natural Resources 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 CLEVELAND of Androscoggin.
Cosponsored by Representatives: CASHMAN of Old Town, HOLT of Bath, KONTOS of
Windham.

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

2
4 Sec. 1. 10 MRSA §1415-H is enacted to read:

6 §1415-H. Home energy rating program

8 This section establishes a home energy rating program.

10 1. Mortgages and appraisals. Effective July 1, 1995 a
12 lending institution may not enter into a mortgage contract with a
14 prospective purchaser of a residential dwelling unless that
16 dwelling has received a certified home energy rating under
18 subsection 2 within the previous 5 years. Lending institutions
20 shall notify prospective home buyers of currently available
options to incorporate the cost of the home energy rating into
the mortgage, to award better mortgage terms to energy efficient
homes and to finance cost-effective energy efficiency
improvements identified in the home energy rating. All home
appraisals must reflect home energy ratings under subsection 2
and include those home energy ratings as an addendum.

22 2. Home energy ratings. A certified home energy rating
24 required in subsection 1 must be performed according to a rating
26 system designated by the Department of Economic and Community
Development, Energy Conservation Division and by an energy rater
certified by that division.

28 Sec. 2. 30-A MRSA §5953-C is enacted to read:

30 §5953-C. Loans for energy efficiency improvements in municipal
32 and school buildings

34 This section establishes a program to promote energy
efficiency in municipal and school buildings.

36 1. Efficiency Partners Program. The bank shall establish
38 an Efficiency Partners Program designed to reduce energy costs in
40 municipal and school buildings and to create jobs by financing
42 cost-effective energy efficiency improvements. The bank shall
44 issue a request for proposals for energy savings that could be
achieved through cost-effective improvements to heating and
cooling systems, windows, insulation, lighting and equipment in
municipal and school buildings. Identification of cost-effective
energy savings must be based on a comprehensive energy audit that
has been performed within the previous 5 years.

46 The bank shall solicit proposals from energy service companies
48 and individual vendors of energy service products. The bank
50 shall select an energy service company or group of vendors for
any region of the State to provide energy services in municipal

2 buildings and schools that have been shown to be cost-effective.
3 Whenever the proposals received are otherwise equivalent, the
4 bank shall select an in-state energy service company or vendor.

6 2. **Loan; loan agreements.** Loans from the bank must be
7 structured to ensure to the greatest extent possible that the
8 cost savings achieved by the energy efficiency improvements are
9 sufficient to cover the loan and to achieve a net positive cash
10 flow as early as practical. The rate of interest charged for the
11 loans made through the program authorized in this section must be
12 below the currently available rate of interest charged on
13 commercial loans of equivalent term and use.

14 3. **Energy Payment Equalization Fund.** The bank shall
15 establish a fund called the Energy Payment Equalization Fund. To
16 the extent that the fund has assets available to it through
17 funding by federal, state or local governments, or grants, gifts,
18 donations or payments from any other source, money in the fund
19 may be applied to loans made to municipalities in the Efficiency
20 Partners Program if achieved energy savings are not sufficient to
21 offset the debt service payments on a loan made through the
22 program. This fund may include deposits made by energy service
23 companies or vendors to guarantee their commitment to achieve
24 energy savings sufficient to offset debt service payments. The
25 fund may be used to provide general interest rate reductions or
26 principal reductions on any loan or group of loans made under the
27 program regardless of energy cost savings achieved through the
28 use of the proceeds of the loans or loan.

30 **Sec. 3. 38 MRSA c. 29** is enacted to read:

32 **CHAPTER 29**

34 **MARKET INCENTIVES FOR**

36 **REDUCING EMISSIONS FROM MOBILE SOURCES**

38 **§2501. Market incentives program**

40 The department's Bureau of Air Quality Control shall develop
41 a program of market incentives and consumer information to
42 promote the sale of less polluting vehicles in the State. The
43 program must be designed to enhance the effectiveness of any low
44 emission standards for motor vehicles adopted by the Board of
45 Environmental Protection and to encourage the sale of vehicles
46 with lower carbon dioxide emissions. The program applies to all
47 new passenger cars, light-duty trucks and medium-duty vehicles
48 sold in the State beginning with model year 1995.

2 In designing the program, the bureau shall set market
3 incentive rebates and payments for each grouping of vehicles
4 under low emission standards for motor vehicles adopted by the
5 Board of Environmental Protection. The market incentives must be
6 designed to encourage the sale of vehicles with lower emissions
7 of criteria air pollutants.

8 The bureau shall set market incentives based on each
9 vehicle's carbon dioxide emissions. Rebates and payments must be
10 set at \$22 for each ton of carbon dioxide below or above average
11 levels produced by the vehicle over its estimated lifetime. The
12 market incentives based on criteria air pollutants and the market
13 incentives based on carbon dioxide emissions are added to yield a
14 single schedule of rebates and payments for all new vehicles.

16 **§2502. Market incentives schedule**

18 On May 1, 1995 and at least annually thereafter the
19 department shall publish a schedule of market incentives
20 developed under section 2501 that apply to each vehicle model
21 sold in the State in the ensuing model year. The department
22 shall provide the schedule to all new vehicle dealers and to the
23 Bureau of Motor Vehicles.

24 **§2503. Consumer information**

26 The program established under section 2501 must be designed
27 to increase consumer awareness of the different amounts of
28 pollution produced by different vehicle models. Beginning in
29 model year 1995, each new vehicle sold in the State must
30 prominently display a colored sticker no smaller than 4 inches by
31 6 inches that notifies consumers of the criteria air pollutants
32 and carbon dioxide produced by that vehicle and the market
33 incentive that applies. The Department of Environmental
34 Protection shall establish a schedule and procedure to annually
35 review and approve these colored stickers to ensure their
36 compliance with this section.

38 **§2504. Collection and distribution of market incentives**

40 The Bureau of Motor Vehicles shall collect market incentive
41 payments at the time of vehicle registration. Market incentive
42 rebates must be distributed by the Treasury Department upon
43 receipt of rebate stickers from purchasers of new vehicles.
44 Rebates may be distributed only after sufficient revenues have
45 been collected through payments pursuant to this section and
46 through funds raised under section 2505.

48 **§2505. Funding**

