

MAINE STATE LEGISLATURE

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119th MAINE LEGISLATURE

SECOND REGULAR SESSION-2000

Legislative Document

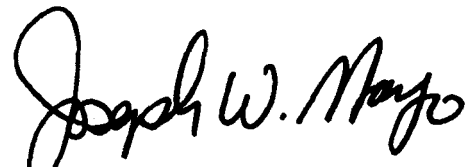
No. 2668

H.P. 1922

House of Representatives, April 3, 2000

An Act to Create a Heating Oil Emergency Management Program.

Reported by Representative DAVIDSON for the Joint Standing Committee on Utilities and Energy pursuant to Joint Order H.P. 1821.


JOSEPH W. MAYO, Clerk

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

4 **Sec. 1. 5 MRSA §3307-C, sub-§2, ¶B,** as enacted by PL 1989, c.
501, Pt. DD, §13 is amended to read:

6 B. The quantities of each petroleum product delivery
7 expected into the State within 15 days of the reporting date
8 or within any longer period established by the director.

10 **Sec. 2. 5 MRSA §3307-C, sub-§3, ¶¶B and C,** as enacted by PL
1989, c. 501, Pt. DD, §13, are amended to read:

12 B. Anticipated deliveries of all petroleum products in this
14 State during the following calendar month or during any
16 longer period established by the director; and

18 C. Allocation fractions for all petroleum products for the
19 following month or for any longer period established by the
20 director.

22 **Sec. 3. 5 MRSA §3307-C, sub-§5** is enacted to read:

24 **5. Reporting of State Planning Office.** The State Planning
25 Office shall provide reports to the joint standing committee of
26 the Legislature having jurisdiction over utilities and energy
27 matters as follows:

28 A. Annually no later than the first business day in
29 January, a report on petroleum products identifying for each
30 petroleum product:

32 (1) The most recent statewide storage inventory of the
33 product;

34 (2) The historic trend of the statewide storage
35 inventory over the prior 12 months; and

36 (3) Any anticipated reductions, curtailments or
37 shortfalls in product deliveries or storage inventories
38 in the coming months; and

40 B. If the State Planning Office determines, based on
41 available information, that there is or may be a significant
42 shortfall in supply inventories or anticipated deliveries
43 into the State of home heating oil, a report including:

44 (1) The information that suggests a supply shortfall;

45 (2) Current and anticipated inventories of home
46 heating oil storage supplies; and

2 (3) Any recommendations of the State Planning Office
3 for actions by the State in response to the anticipated
4 supply shortfall.

6 **Sec. 2. 30-A MRSA §4994** is enacted to read:

8 **§4994. Heating oil price increases**

10 1. Initial trigger. If home heating oil prices increase
11 more than 40% in any 14-day period during the home heating
12 season, the authority shall immediately:

14 A. Estimate funds needed to provide adequate assistance to
15 residents eligible at that time to receive fuel assistance
16 under this subchapter; and

18 B. Notify the Governor, the joint standing committee of the
19 Legislature having jurisdiction over utilities and energy
20 matters, the joint standing committee of the Legislature
21 having jurisdiction over business and economic development
22 matters and the joint standing committee of the Legislature
23 having jurisdiction over appropriations and financial
24 affairs of the estimated funding need.

26 2. Higher trigger. If home heating oil prices increase more
27 than 50% in any 14-day period during the home heating season, the
28 authority shall immediately:

30 A. Estimate funds needed to provide adequate assistance:

32 (1) To residents eligible at that time to receive fuel
33 assistance under this subchapter; and

34 (2) To residents not eligible at that time to receive
35 fuel assistance under this subchapter but who, as a
36 result of the oil price increase, require fuel
37 assistance under this subchapter; and

40 B. Notify the Governor, the joint standing committee of the
41 Legislature having jurisdiction over utilities and energy
42 matters, the joint standing committee of the Legislature
43 having jurisdiction over business and economic development
44 matters and the joint standing committee of the Legislature
45 having jurisdiction over appropriations and financial
46 affairs of the estimated funding need.

48 3. Governor's obligation. If the Governor receives
49 notification of a funding need pursuant to this section, the
50 Governor shall:

- 2 A. If the Legislature is in session, submit emergency
 legislation that provides the needed funding;
- 4
- 6 B. Petition the Federal Government to release sufficient
 funds to the State to meet the needs identified by the
 authority; and
- 8
- 10 C. Contact the governors in the northeast region and the
 Maine Congressional Delegation to encourage a unified effort
 to petition the Federal Government to release sufficient
 funds to the meet the needs of consumers.
- 12

14

FISCAL NOTE

16

18 The State Planning Office within the Executive Department
 will incur some minor additional costs to submit annual reports
 pertaining to petroleum products to the Legislature. These costs
 20 can be absorbed within the office's existing budgeted resources.

22 The additional costs associated with estimating the funding
 needed to provide adequate fuel assistance to residents of Maine
 24 in the event of a sharp increase in heating oil prices and
 providing the required notifications can be absorbed by the Maine
 26 State Housing Authority utilizing existing budgeted resources.

28

SUMMARY

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32 This bill, reported by the Joint Standing Committee on
 Utilities and Energy pursuant to joint order, does the following:

34 1. Requires the State Planning Office to report to the
 Joint Standing Committee on Utilities and Energy:

36

- 38 A. Annually on petroleum product inventories; and
- 40 B. On any significant heating oil supply inventory
 shortfalls that the office anticipates based on information
 available to it; and
- 42

44 2. Establishes a heating oil crises response mechanism
 under which, in the event of sharp increases in heating oil
 prices, the Maine State Housing Authority is required to estimate
 46 the funding needed to provide adequate fuel assistance to
 residents. The authority is required to provide this information
 48 to the Legislature and to the Governor. The Governor is directed
 to submit for legislative consideration emergency legislation to
 50 appropriate the needed funding and to work with the state

2 Congressional Delegation and the governors of the northeastern states to petition the Federal Government to release sufficient funds to meet the anticipated need.