

# MAINE STATE LEGISLATURE

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# 121st MAINE LEGISLATURE

## FIRST REGULAR SESSION-2003

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Legislative Document

No. 805

S.P. 284

In Senate, February 20, 2003

### An Act To Create a Sustainable Energy Trust Fund

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Reference to the Committee on Utilities and Energy 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 HALL of Lincoln.

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

4 **Sec. 1. 5 MRSA §3305, sub-§1-A** is enacted to read:

5 1-A. Sustainable energy development program. The office  
6 shall approve demonstration community projects to be funded by  
7 the Finance Authority of Maine pursuant to Title 10, section  
8 1100-Z.

10 **Sec. 2. 5 MRSA §3327, sub-§2. ¶¶E and F,** as enacted by PL 2001.  
11 c. 630, §1, are amended to read:

12 E. Study specific energy issues and problems of state-level  
13 significance in order to develop sound, coordinated  
14 policies; and

15 F. Seek cooperation from federal agencies with jurisdiction  
16 over energy matters to ensure that their programs and  
17 projects serve the best interests of the State; and

18 **Sec. 3. 5 MRSA §3327, sub-§2, ¶G** is enacted to read:

19 G. Provide advice and guidance to the Finance Authority of  
20 Maine in the use of the Sustainable Energy Trust Fund  
21 pursuant to Title 10, section 1100-Z and establish  
22 priorities for use of the funds.

23 **Sec. 4. 10 MRSA c. 110, sub-c. 12** is enacted to read:

24 **SUBCHAPTER 12**

25 **SUSTAINABLE ENERGY TRUST FUND**

26 **§1100-Z. Sustainable Energy Trust Fund**

27 1. Established. The Sustainable Energy Trust Fund,  
28 referred to in this section as "the fund," is a nonlapsing fund  
29 established under the jurisdiction of the authority. Money in  
30 the fund not currently needed to meet the obligations of the  
31 authority as provided in this section may be invested in such a  
32 manner as permitted by law.

33 2. Sources of money. The following money must be paid into  
34 the fund:

35 A. All funds collected by the Public Utilities Commission  
36 pursuant to Title 35-A, section 3210, subsection 7;

37 B. Subject to any pledge, contract or other obligation, all  
38 interest, dividends or other pecuniary gains from investment  
39 of money from the fund;

2           C. Subject to any pledge, contract or other obligation, any  
3           money that the authority receives in repayment of advances  
4           from the fund; and

6           D. Any other money available to the authority and directed  
7           by law or by the authority to be paid into the fund.

8  
9           3. Application of fund. The fund may be applied to provide  
10          loans or other financial assistance, including grants, to support  
11          sustainable energy projects in accordance with this subsection  
12          and subsection 4. The authority may pledge or transfer and  
13          deposit money from the fund as security for and apply the fund to  
14          pay the principal, interest and other amounts due on insured  
15          loans. The authority may provide loans or other financial  
16          assistance, including grants, to support sustainable energy  
17          projects when the authority determines that:

18                   A. In the case of a loan, the applicant demonstrates a  
19                   reasonable likelihood that the applicant will be able to  
20                   repay the loan;

22                   B. In the case of a grant, the project is likely to produce  
23                   substantial societal, environmental or electric ratepayer  
24                   benefits;

26                   C. The project is technologically feasible; and

28                   D. The project will stimulate demand for or the production  
29                   of sustainable, renewable or clean energy technologies.

32          At least 75% of the fund must be applied in a manner that is  
33          consistent with priorities established by the Energy Resources  
34          Council pursuant to Title 5, section 3327, subsection 2,  
35          paragraph G. At least 20% of the fund must be applied to fund  
36          projects described in subsection 4, paragraph E. Up to 5% of the  
37          fund may be used for administrative expenses of the authority in  
38          administering this section, of the Energy Resources Council in  
39          meeting its responsibilities pursuant to Title 5, section 3327,  
40          subsection 2, paragraph G and of the Executive Department, State  
41          Planning Office in meeting its responsibilities pursuant to Title  
42          5, section 3305, subsection 1-A.

44                   4. Sustainable energy projects. The authority, in  
45                   consultation with the Energy Resources Council established under  
46                   Title 5, section 3327, shall adopt rules governing eligibility,  
47                   project feasibility and terms and conditions for loans or other  
48                   financial assistance, including grants, under this section.  
49                   Sustainable energy projects eligible for financial support  
50                   pursuant to this section may include:

2 A. Initiatives to promote or support energy-intensive  
4 sustainable industry clusters or developments, including,  
but not limited to, metal, glass or fiber recycling  
6 facilities;

8 B. Market-development initiatives that promote or support  
10 sustainable, renewable or clean energy technologies,  
including, but not limited to, solar, wind or hydrogen fuel  
12 cell generation cooperatives and other evolving technologies;

14 C. Demonstration projects that promote or support clean  
transportation alternatives, including, but not limited to,  
16 demonstration hydrogen refueling stations and bike paths;

18 D. Sustainable, renewable or clean energy research and  
development projects at the University of Maine System, the  
20 Maine Maritime Academy, the Maine Technical College System  
or private colleges in this State;

22 E. Demonstration community projects approved by the  
Executive Department, State Planning Office pursuant to  
24 Title 5, 3305, subsection 1-A that use sustainable,  
renewable or clean energy technologies and are conducted by  
26 Maine-based nonprofit organizations that qualify under the  
federal Internal Revenue Code, Section 501(c)(3),  
28 consumer-owned electric cooperatives, community-based  
nonprofit organizations and community action programs; and

30 F. Other projects determined by the authority, in  
consultation with the Energy Resources Council, to support  
32 or promote the development of sustainable, renewable or  
clean energy.

34 Rules adopted pursuant to this subsection are routine technical  
36 rules as defined in Title 5, chapter 375, subchapter 2-A.

38 5. Accounts within fund. The authority may divide the fund  
40 into separate accounts as it determines necessary or convenient  
for carrying out this section.

42 **Sec. 5. 35-A MRSA §3210, sub-§5,** as amended by PL 1999, c.  
44 372, §1, is repealed.

46 **Sec. 6. 35-A MRSA §3210, sub-§6,** as enacted by PL 1999, c.  
48 372, §2, is repealed.

48 **Sec. 7. 35-A MRSA §3210, sub-§7** is enacted to read:

50 7. Sustainable Energy Trust Fund; assessment. The  
commission shall annually assess transmission and distribution

2 utilities to collect funds for deposit in the Sustainable Energy  
3 Trust Fund, established in Title 10, section 1100-Z. The amount  
4 of the assessment must be as follows:

6 A. In 2004 and 2005, .05 cent per kilowatt-hour;

8 B. In 2006, .075 cent per kilowatt-hour; and

10 C. In 2007 and thereafter, .1 cent per kilowatt-hour.

12 **Sec. 8. Transfer of money from Renewable Resource Fund to**  
13 **Sustainable Energy Trust Fund.** The Executive Department, State  
14 Planning Office shall transfer all funds in the Renewable  
15 Resource Fund, created by the Maine Revised Statutes, Title 35-A,  
16 section 3210, subsection 6, to the Sustainable Energy Trust Fund  
17 established under Title 10, section 1100-Z.

## 18 SUMMARY

20 This bill does the following:

22 1. Establishes the Sustainable Energy Trust Fund to provide  
23 loans or other financial assistance to support sustainable energy  
24 projects;

26 2. Directs the Finance Authority of Maine, with the advice  
27 and guidance of the Energy Resources Council, to adopt rules  
28 governing eligibility, project feasibility and terms and  
29 conditions for the granting of financial assistance from the  
30 trust fund;

32 3. Directs the Public Utilities Commission to assess  
33 transmission and distribution utilities to collect funds for  
34 deposit in the trust fund;

36 4. Directs that at least 75% of the trust fund must be  
37 spent on projects in accordance with priorities established by  
38 the Energy Resources Council and at least 20% of the funds be  
39 used to support demonstration community projects approved by the  
40 Executive Department, State Planning Office that use sustainable,  
41 renewable or clean energy technologies;

44 5. Permits up to 5% of the trust fund to be used to cover  
45 administrative expenses; and

46 6. Eliminates the Renewable Resource Fund and transfers all  
47 its money into the Sustainable Energy Trust Fund.