

MAINE STATE LEGISLATURE

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Date: 4/3/07

L.D. 645
(Filing No. H-45)

UTILITIES AND ENERGY

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**STATE OF MAINE
HOUSE OF REPRESENTATIVES
123RD LEGISLATURE
FIRST REGULAR SESSION**

COMMITTEE AMENDMENT "A" to H.P. 494, L.D. 645, Bill, "An Act To Promote Municipal Energy Conservation"

Amend the bill by striking out everything after the enacting clause and before the summary and inserting the following:

Sec. 1. 30-A MRSA §5953-C, as corrected by RR 1993, c. 2, §27, is amended to read:

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

This section establishes a program to promote energy efficiency and indoor air quality in municipal and school buildings.

1. Efficiency Partners Program. The bank shall establish the Efficiency Partners Program, referred to in this section as "the program," designed to reduce energy costs in municipal and school buildings and to create jobs by financing energy audits and cost-effective improvements that accomplish energy efficiency while maintaining healthful indoor air quality. The bank shall issue a request for proposals for energy audits of municipal and school buildings and 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 improvements to achieve energy savings under the program must be based on a comprehensive energy audit that has been performed within the previous 5 years by a professional engineer licensed in this State. ~~The audit~~ An energy audit that is financed under the program or is the basis for cost-effective energy efficiency improvements financed under the program must address compliance with the ~~current version of ASHRAE Standard 62, Ventilation for Acceptable Indoor Air Quality, developed by the American Society of Heating, Refrigeration and Air Conditioning Engineers model building energy code~~ adopted by the Public Utilities Commission pursuant to Title 35-A, section 121.

COMMITTEE AMENDMENT

Rate

1 **2. Access to the program.** Municipalities and school administrative units may have
2 access to the ~~Efficiency Partners Program~~ program regardless of whether the municipality
3 or school administrative ~~district~~ unit utilizes a loan pursuant to this section to finance ~~the~~
4 an energy audit or cost-effective energy efficiency improvements.

5 **3. Proposals; contracts.** The bank shall solicit proposals from energy service
6 companies and individual vendors of energy service products. Notwithstanding any
7 provision of the law regarding bidding requirements, ~~for improvements accomplished~~
8 ~~pursuant to this section~~ the bank shall contract with an energy service company or
9 companies or vendor or vendors to provide energy services in municipal and school
10 buildings and schools under the program. Whenever the bid proposals received are
11 substantially equivalent, the bank shall in the contract process select an in-state energy
12 service company or vendor whose primary place of business is within this State. For
13 public school projects, bid proposals for energy ~~savings projects~~ efficiency improvements
14 must include plans and specifications that are adequate to permit review by the agencies
15 listed under Title 20-A, section 15903, subsection 3 and that bear the stamp of a ~~Maine~~
16 registered licensed professional engineer or licensed architect. The agencies listed in
17 Title 20-A, section 15903, subsection 3 shall review the plans and specifications and
18 approve or disapprove them within a reasonable time period.

19 **4. Loan; loan agreements.** Loans from the bank for energy efficiency
20 improvements must be structured to ensure to the greatest extent possible that the cost
21 savings achieved by the energy efficiency improvements are sufficient to cover the loan
22 and to achieve a net positive cash flow as early as practical. The rate of interest charged
23 for ~~the~~ loans made through the program ~~authorized in this section~~ for energy efficiency
24 improvements or energy audits must be below the currently available rate of interest
25 charged on commercial loans of equivalent term and use.

26 **5. Energy Payment Equalization Fund.** The bank shall establish a fund called the
27 Energy Payment Equalization Fund. To the extent that the fund has assets available to it
28 through funding by federal, state or local governments, or grants, gifts, donations or
29 payments from any other source, money in the fund may be applied to loans made to
30 municipalities in the ~~Efficiency Partners Program~~ program if achieved energy savings are
31 not sufficient to offset the debt service payments on a loan made through the program.
32 This fund may include deposits made by energy service companies or vendors to
33 guarantee their commitment to achieve energy savings sufficient to offset debt service
34 payments but may not include any other donations or payments from vendors or
35 interested parties. The fund may be used to provide general interest rate reductions or
36 principal reductions on any loan or group of loans made under the program for energy
37 audits or for energy efficiency improvements regardless of energy cost savings that may
38 be achieved through the use of the proceeds of the loans or loan.

39 **6. Report to the Legislature.** Beginning in 2008, the bank shall report annually by
40 March 1st to the joint standing committee of the Legislature having jurisdiction over
41 utilities and energy matters regarding the program. The report must document program
42 activity during the prior 12 months, including, but not limited to, contracts made with
43 energy service companies or vendors, loans made to municipalities or school
44 administrative units, energy audits conducted and energy efficiency improvements
45 implemented.'

2023

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SUMMARY

This amendment replaces the bill. The amendment modifies the existing Efficiency Partners Program to incorporate financing for energy audits. Under current law, the program is authorized to provide financing for cost-effective energy efficiency improvements to achieve energy cost savings in municipal and school buildings. The amendment also requires that an energy audit conducted under the program address compliance with the model building energy code adopted by the Public Utilities Commission instead of the standards for indoor air quality developed by the American Society of Heating, Refrigeration and Air Conditioning Engineers. The amendment adds provisions to the Efficiency Partners Program law to require the Maine Municipal Bond Bank to report annually on the program to the joint standing committee of the Legislature having jurisdiction over utilities and energy matters. The amendment also makes technical changes to improve consistency and clarity in statutory language.

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FISCAL NOTE REQUIRED
(See attached)



123rd MAINE LEGISLATURE

LD 645

LR 1760(02)

An Act To Promote Municipal Energy Conservation

Fiscal Note for Bill as Amended by Committee Amendment *A*

Committee: Utilities and Energy

Fiscal Note Required: Yes

Fiscal Note

Minor cost increase - Maine Municipal Bond Bank

Fiscal Detail and Notes

This legislation expands the existing Efficiency Partners Program administered by the Maine Municipal Bond Bank (MMBB) to include loans for energy audits. The program is currently statutorily authorized to provide loans through the MMBB for energy efficiency improvements in municipal and school buildings pursuant to 30-A MRSA §5953-C. The program has not been active and has no loans outstanding as of this date. This proposed program expansion to allow loans for energy audits will result in no cost to the State of Maine or the General Fund. The MMBB can absorb the costs associated with meeting the annual report requirement to the Joint Standing Committee on Utilities and Energy.