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L.D. 2126 (Filing No. H-**79**%)

NATURAL RESOURCES

Reproduced and distributed under the direction of the Clerk of the House.

STATE OF MAINE HOUSE OF REPRESENTATIVES **123RD LEGISLATURE**

SECOND REGULAR SESSION

- COMMITTEE AMENDMENT "H" to-H.P. 1506, L.D. 2126, Bill, "An Act To 9 Minimize Carbon Dioxide Emissions from New Coal-powered Industrial and Electrical 10 11 Generating Facilities in the State"
- 12 Amend the bill by striking out everything after the enacting clause and inserting the 13 following:
- 14 'Sec. 1. 38 MRSA §585-K is enacted to read:

15 §585-K. Greenhouse gas emission standards; moratorium

- 1. Definitions. As used in this section, unless the context otherwise indicates, the 16 17 following terms have the following meanings.
- 18 A. "Coal gasification facility" means a facility that uses a process other than the 19 biological degradation of waste to convert carbonaceous materials into a synthesis 20 gas or a product made from synthesis gas, including, without limitation, electricity,
- 21 liquid fuels and chemicals.
- 22 B. "Greenhouse gas" has the same meaning as set forth in section 574.

23 2. Greenhouse gas emission standards. The board shall establish by rule, and may 24 thereafter amend, standards for the emission of greenhouse gases derived from coal gasification facilities that commence operations after August 1, 2008. Rules established 25 pursuant to this subsection are major substantive rules as defined in Title 5, chapter 375, 26 27 subchapter 2-A.

- 28 3. Moratorium. Between the effective date of this subsection and the earlier of the 29 effective date of rules authorized pursuant to subsection 2 and August 1, 2011, the 30 department may not issue any license or permit to a coal gasification facility that is not 31 licensed under this chapter prior to August 1, 2008.
- 32 Net emissions and carbon capture and sequestration. In calculating 33 greenhouse gas emissions, carbon dioxide that is captured and used for a commercial

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COMMITTEE AMENDMENT

COMMITTEE AMENDMENT "A" to H.P. 1506, L.D. 2126

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1 purpose or that is permanently disposed of in geological formations in compliance with

2 all applicable laws and rules may not be counted as emissions from the emission source.

5. Air emission license requirements apply. The licensing requirements in section

590 and the prohibition in section 591 apply with regard to the standards established by
 the board pursuant to subsection 2. The lack of ambient air quality standards for
 greenhouse gases does not supersede or invalidate this section.

6. Criteria and procedures. The criteria and procedures in sections 585 and 585-A
govern the establishment of greenhouse gas emission standards under this section.
Emission standards established pursuant to subsection 2 must be designed to achieve the
goals of this chapter and chapter 3-A.

7. Construction; absence of limitation. Nothing in this section may be construed
 to limit the authority of the department or any agency or any political subdivision of the
 State to regulate any pollutant or air contaminant or to establish emission standards
 pursuant to section 585.

15 Sec. 2. 38 MRSA §591, first ¶, as affected by PL 1989, c. 890, Pt. A, §40 and 16 amended by Pt. B, §166, is further amended to read:

No person may discharge air contaminants into ambient air within a region in such
manner as to violate ambient air quality standards established under this chapter or
emission standards established pursuant to section 585 or section, 585-B or 585-K.

20 Sec. 3. Major substantive rules. Major substantive rules that are provisionally 21 adopted pursuant to the Maine Revised Statutes, Title 38, section 585-K must be 22 submitted to the Legislature by January 5, 2011 for review by the joint standing 23 committee of the Legislature having jurisdiction over natural resources matters.'

SUMMARY

The amendment requires the Board of Environmental Protection to establish greenhouse gas emission standards for coal gasification facilities that generate electricity or liquid fuels. Rules to establish the standards are major substantive rules and must be submitted to the Legislature for review by January 5, 2011.

Until the effective date of the major substantive rules authorized by the Legislature or
 until August 1, 2011, whichever is earlier, a moratorium is placed on the authorization of
 coal gasification facilities.

The amendment provides for the discounting of carbon dioxide emissions that are captured and permanently isolated from the atmosphere in compliance with all applicable laws and rules in the calculation of greenhouse gas emissions.

FISCAL NOTE REQUIRED (See attached)

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COMMITTEE AMENDMENT



123rd MAINE LEGISLATURE

LD 2126

LR 3033(02)

An Act To Minimize Carbon Dioxide Emissions from New Coal-powered Industrial and Electrical Generating Facilities in the State

> Fiscal Note for Bill as Amended by Committee Amendment "A" Committee: Natural Resources Fiscal Note Required: Yes

> > **Fiscal Note**

Minor cost increase - General Fund Minor cost increase - Other Special Revenue Funds Minor revenue decrease - Other Special Revenue Funds

'iscal Detail and Notes

The additional costs associated with rulemaking can be absorbed by the Department of Environmental Protection. The licensing moratorium for certain coal gasification facilities may result in a minor loss of prospective licensing fee revenue to the Maine Environmental Protection Fund.