

MAINE STATE LEGISLATURE

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124th MAINE LEGISLATURE

FIRST REGULAR SESSION-2009

Legislative Document

No. 1485

H.P. 1038

House of Representatives, June 2, 2009

An Act Regarding Maine's Energy Future

Reported by Report A from the Joint Select Committee on Maine's Energy Future pursuant to Joint Order, H.P. 63.

Millicent M. MacFarland
MILLICENT M. MacFARLAND
Clerk

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

2 PART A

3 Sec. A-1. 5 MRSA §949, sub-§1, ¶D, as amended by PL 2009, c. 122, §5, is
4 further amended to read:

5 D. Director of electric and gas utility industries; and

6 Sec. A-2. 5 MRSA §949, sub-§1, ¶D-1, as enacted by PL 2007, c. 482, §4, is
7 repealed.

8 Sec. A-3. 5 MRSA §3327, as amended by PL 2007, c. 656, Pt. C, §§3 to 5, is
9 repealed.

10 Sec. A-4. 5 MRSA §12004-G, sub-§13-F, as enacted by PL 2007, c. 317, §1, is
11 repealed.

12 Sec. A-5. 5 MRSA §12004-I, sub-§20-B, as enacted by PL 2007, c. 317, §2, is
13 repealed.

14 Sec. A-6. 35-A MRSA §3211-A, as amended by PL 2007, c. 317, §§3 to 13, is
15 repealed.

16 Sec. A-7. 35-A MRSA §3211-C, as amended by PL 2009, c. 88, §1, is repealed.

17 Sec. A-8. 35-A MRSA §4711, as amended by PL 2009, c. 122, §17, is repealed.

18 Sec. A-9. 35-A MRSA c. 95, as amended, is repealed.

19 Sec. A-10. **Effective date.** This Part takes effect July 1, 2010.

20 PART B

21 Sec. B-1. 5 MRSA §12004-G, sub-§10-C is enacted to read:

22 10-C.

23 <u>Energy</u>	<u>Efficiency Maine</u>	<u>Expenses Only</u>	<u>35-A MRSA §10103</u>
24	<u>Trust Board</u>		

25 Sec. B-2. 30-A MRSA §4741, sub-§15, as amended by PL 1991, c. 871, §2, is
26 further amended to read:

27 **15. State weatherization, conservation and fuel assistance agency.** The Maine
28 State Housing Authority is designated the weatherization, energy conservation and fuel
29 assistance agency for the State and, in accordance with Title 35-A, section 10104,
30 subsection 8, may apply for, receive, distribute and administer federal funds on behalf of
31 the State for weatherization, energy conservation and fuel assistance pursuant to the
32 Weatherization Assistance for Low-income Persons Program administered through the

1 United States Department of Energy and the Low-income Home Energy Assistance
2 Program administered through the United States Department of Health and Human
3 Services in accordance with rules adopted under the Maine Administrative Procedure
4 Act;

5 **Sec. B-3. 35-A MRSA c. 97** is enacted to read:

6 **CHAPTER 97**

7 **EFFICIENCY MAINE TRUST ACT**

8 **§10101. Short title**

9 This chapter may be known and cited as "the Efficiency Maine Trust Act."

10 **§10102. Definitions**

11 As used in this chapter, unless the context otherwise indicates, the following terms
12 have the following meanings.

13 **1. Administrative costs.** "Administrative costs" means costs of the trust in carrying
14 out its responsibilities under this chapter, including, but not limited to, costs of:

15 A. Securing necessary expertise;

16 B. Contracting for program delivery; and

17 C. Monitoring and enforcing contractual obligations.

18 **2. Administration fund.** "Administration fund" means the administration fund
19 established pursuant to section 10103, subsection 5.

20 **3. Alternative energy resources.** "Alternative energy resources" means nonfossil
21 fuel energy resources, including, but not limited to, biomass, wood, wood pellets and
22 solar, wind or geothermal resources.

23 **4. Board.** "Board" means the Efficiency Maine Trust Board.

24 **5. Director.** "Director" means the Director of the Efficiency Maine Trust.

25 **6. Forward capacity market.** "Forward capacity market" means the program
26 established by the regional transmission organization that is in effect on the effective date
27 of this subsection and compensates providers of electrical capacity with payments for the
28 availability or reduction of capacity as determined by the regional transmission
29 organization.

30 **7. Program funds.** "Program funds" means any of the funds established pursuant to
31 this chapter, other than the administration fund, to fund Efficiency Maine Trust programs.

32 **8. Regional transmission organization.** "Regional transmission organization"
33 means the independent systems operator that administers and oversees the wholesale
34 electricity markets in which the State participates.

1 9. Triennial plan. "Triennial plan" means the plan required under section 10104,
2 subsection 4.

3 10. Trust. "Trust" means the Efficiency Maine Trust established in section 10103.

4 11. Trustee. "Trustee" means a member of the board.

5 **§10103. Efficiency Maine Trust**

6 1. Establishment; purpose. The Efficiency Maine Trust is established for the
7 purposes of developing, planning, coordinating and implementing energy efficiency and
8 alternative energy resources programs in the State to:

9 A. Provide uniform, integrated planning, program design and administration of
10 programs pursuant to this chapter and any other provisions of law administered by the
11 trust;

12 B. Reduce energy costs and improve security of the state and local economies. The
13 trust shall administer cost-effective energy efficiency programs consistent with
14 applicable requirements of this chapter or other law to help individuals and
15 businesses meet their energy needs at the lowest cost and generally to improve the
16 economic security of the State by:

17 (1) Maximizing the use of cost-effective weatherization and energy efficiency
18 measures, including measures that improve the energy efficiency of energy-using
19 systems, such as heating and cooling systems and system upgrades to energy
20 efficient systems that rely on alternative energy resources;

21 (2) Reducing economic insecurity from overdependence on price-volatile fossil
22 fuels;

23 (3) Increasing new jobs and business development to deliver energy efficiency
24 and alternative energy resources products and services;

25 (4) Enhancing heating benefits for households of all income levels through
26 implementation of cost-effective efficiency programs, including weatherization
27 programs, that will produce comfort, improve indoor air quality, reduce energy
28 costs for those households and reduce the need for future fuel assistance;

29 (5) Simplifying and enhancing consumer access to technical assistance and
30 financial incentives relating to energy efficiency and the use of alternative energy
31 resources by merging or coordinating dispersed programs under a single
32 administrative unit possessing independent management and expertise; and

33 (6) Using cost-effective energy efficiency investments to reduce greenhouse gas
34 emissions;

35 C. Ensure that all expenditures of the trust are cost-effective in terms of avoided
36 energy costs; and

37 D. Actively promote investment in cost-effective energy efficiency measures and
38 systems that use alternative energy resources that reduce overall energy costs for
39 consumers in the State.

1 Nothing in this chapter is intended or may be construed to constitute a mandate that
2 would prevent the sale of carbon emission reductions into a voluntary carbon market.

3 **2. Governance; board.** The trust is governed by the independent Efficiency Maine
4 Trust Board, established in Title 5, section 12004-G, subsection 10-C, in accordance with
5 this section.

6 A. The board consists of the following 9 voting members:

7 (1) The director of the Governor's Office of Energy Independence and Security;

8 (2) The director of the Maine State Housing Authority; and

9 (3) Seven members appointed by the Governor, reviewed by the joint standing
10 committee of the Legislature having jurisdiction over energy matters and
11 approved by the Senate. Among these 7 members must be persons who
12 adequately represent the interests of commercial energy consumers, industrial
13 energy consumers, small business energy consumers, residential energy
14 consumers and low-income energy consumers; among these members must be
15 persons with knowledge of and experience in financial matters and consumer
16 advocacy and who possess substantial management expertise or knowledge of or
17 experience with conservation fund programs, carbon reduction programs or
18 energy efficiency or climate change policy. The requirements of this
19 subparagraph may be met through the appointment of one or more persons who
20 satisfy more than one of the requirements, as long as at any one time the 7
21 members include among them members who adequately represent the identified
22 interests and who possess the required knowledge, expertise and experience.

23 Appointed trustees serve 3-year terms. If an appointed trustee is unable to
24 complete the term, the Governor shall appoint a replacement for the remainder of
25 the unexpired term.

26 B. The board shall elect a chair, a vice-chair, a secretary and a treasurer from among
27 the members. Each officer serves for a one-year term and is eligible for reelection.

28 C. A majority of the trustees constitutes a quorum.

29 D. The board may elect an executive committee of not fewer than 5 trustees who, in
30 intervals between meetings of the board, may transact such business of the trust as the
31 board may authorize from time to time.

32 **3. Administration of trust; director.** The board shall appoint, using a full and
33 competitive search process, a qualified full-time director of the trust. The Director of the
34 Efficiency Maine Trust serves at the pleasure of the board. The director must have
35 demonstrated experience in the planning, design or delivery of energy efficiency
36 programs or the management of organizations that plan, design or deliver those programs.
37 The board shall establish the rate and amount of compensation of the director and all
38 other employees of the trust. The director:

39 A. Serves as the president of the trust and as the liaison between the board and any
40 committee of the Legislature having jurisdiction over energy matters;

41 B. Is responsible for:

1 (1) Establishing an office for the trust;

2 (2) Hiring and organizing staff for the trust and determining their qualifications
3 and duties; and

4 (3) Managing the trust's programs, services and staff and performing other duties
5 as the board considers appropriate; and

6 C. May delegate to employees of the trust any powers and duties that the director
7 considers proper.

8 **4. Program funding.** The board may apply for and receive grants from state,
9 federal and private sources for deposit into appropriate program funds. The board may
10 deposit in appropriate program funds the proceeds of any bonds issued for the purposes of
11 programs administered by the trust. The board may receive and shall deposit in
12 appropriate program funds revenue resulting from any forward capacity market or other
13 capacity payments from the regional transmission organization that may be attributable to
14 projects funded those by funds. The board may also deposit any grants or other funds
15 received by or from any entity with which the trust has an agreement or contract pursuant
16 to this chapter if the board determines that receipt of those funds is consistent with the
17 purposes of this chapter.

18 **5. Administration fund.** The board shall establish an administration fund to be used
19 solely to defray administrative costs. The trust may annually deposit funds authorized to
20 be used for administrative costs under this chapter into the administration fund. Any
21 interest on funds in the administration fund must be credited to the administration fund
22 and any funds unspent in any fiscal year must either remain in the administration fund to
23 be used to defray administrative costs or be transferred to program funds.

24 **§10104. Duties**

25 **1. Generally.** In accordance with this section and other applicable law, the trust
26 administers and disburses funds and coordinates programs to promote energy efficiency
27 and increased use of alternative energy resources in the State. The trust is responsible for
28 accounting for, evaluating and monitoring all activities of the trust and all programs
29 funded in whole or in part by the trust.

30 **2. Programs.** The trust shall plan, design and administer programs to ensure that
31 funds are expended for uses consistent with applicable state and federal law and so that
32 the following principles of administration are met:

33 A. Programs are consumer-oriented such that the processes for participation and
34 program design are targeted to serve the multiple needs of energy consumers in this
35 State;

36 B. The effectiveness of programs is maximized by building up and centralizing
37 expertise, addressing conflicts of interest, mitigating the influence of politics,
38 promoting flexible, timely program management and providing a champion for
39 funding cost-effective energy efficiency;

40 C. The efficiency with which programs are planned, designed, overseen and
41 delivered is maximized; and

1 D. Sufficient checks and balances are provided to ensure consistency with public
2 policy and accountability for meeting the principles set out in paragraphs A to C so
3 that energy efficiency programs in the State are sustainable for the long term.

4 **3. Measures of performance.** The trust shall develop quantifiable measures of
5 performance to which it will hold accountable all recipients of funding from the trust and
6 recipients of funds used to deliver energy efficiency and weatherization programs
7 administered or funded by the trust. Such measures may include, but are not limited to,
8 reduced energy consumption, increased use of alternative energy resources, reduced
9 capacity demand for natural gas, electricity and fossil fuels, reduced carbon dioxide
10 emissions, program and overhead costs and cost-effectiveness, the number of new jobs
11 created by the award of trust funds, the number of energy efficiency trainings or
12 certification courses completed and the amount of sales generated.

13 **4. Triennial plan.** The board shall vote on a detailed, triennial, energy efficiency,
14 alternative energy resources and conservation plan that includes the quantifiable measures
15 of performance developed under subsection 3 and make a full report of the vote to the
16 commission in accordance with this subsection. The triennial plan must provide
17 integrated planning, program design and implementation strategies for all energy
18 efficiency, alternative energy resources and conservation programs administered by the
19 trust, including but not limited to the electric efficiency and conservation programs under
20 section 10110, the natural gas efficiency and conservation programs under section 10111,
21 the Regional Greenhouse Gas Initiative Trust Fund under section 10109, the Heating
22 Fuels Efficiency and Weatherization Fund under section 10119 and any state or federal
23 funds or publicly directed funds accepted by or allocated to the trust for the purposes of
24 this chapter. The triennial plan must include provisions for the application of appropriate
25 program funds to support workforce development efforts that are consistent with and
26 promote the purposes of the trust. The plan must be consistent with the comprehensive
27 state energy plan pursuant to Title 2, section 9, subsection 3, paragraph C.

28 A. The triennial plan must be developed by the trust, in consultation with entities and
29 agencies engaged in delivering efficiency programs in the State, to authorize and
30 govern or coordinate implementation of energy efficiency and weatherization
31 programs in the State.

32 (1) Transmission and distribution utilities and natural gas utilities shall furnish
33 data to the trust that the trust requests under this subsection subject to such
34 confidential treatment as a utility may request and the board determines
35 appropriate pursuant to section 10106. The costs of providing the data are
36 deemed reasonable and prudent expenses of the utilities and are recoverable in
37 rates.

38 B. In developing the triennial plan, the staff of the trust shall consult the board and
39 provide the opportunity for the board to provide input on drafts of the plan.

40 C. The board shall review and approve the triennial plan by affirmative vote of 2/3 of
41 the trustees upon a finding that the plan is consistent with the statutory authority for
42 each source of funds that will be used to implement the plan, the state energy
43 efficiency targets in paragraph F and the best practices of program administration
44 under subsection 2. The plan must include, but is not limited to, efficiency and

1 conservation program budget allocations, objectives, targets, measures of
2 performance, program designs, program implementation strategies, timelines and
3 other relevant information.

4 D. Prior to submission of the triennial plan to the commission, the trust shall offer to
5 provide a detailed briefing on the draft plan to the joint standing committee of the
6 Legislature having jurisdiction over energy matters and, at the request of the
7 committee, shall provide such a briefing and opportunity for input from the
8 committee. After providing such opportunity for input and making any changes as a
9 result of any input received, the board shall deliver the plan to the commission for its
10 review and approval. The commission shall open a proceeding and issue an order
11 either approving the plan, approving the plan with modifications or rejecting
12 elements of the plan that propose to use funds generated pursuant to sections 10110,
13 10111 or 10119 if the plan fails to reasonably explain how these elements of the
14 program would achieve the objectives and implementation requirements of the
15 programs established under those sections or the measures of performance under
16 subsection 3. Funds generated under these statutory authorities may not be used
17 pursuant to the triennial plan unless those elements of the plan proposing to use the
18 funds have been approved by the commission. The commission shall approve or
19 reject any elements of the triennial plan within 60 days of its delivery to the
20 commission. The board, within 15 days of final commission approval of its plan,
21 shall submit the plan to the joint standing committee of the Legislature having
22 jurisdiction over energy matters together with any explanatory or other supporting
23 material as the committee may request and, at the request of the committee, shall
24 provide a detailed briefing on the final plan. After receipt of the plan, the joint
25 standing committee of the Legislature having jurisdiction over energy matters may
26 submit legislation relating to the plan.

27 E. The trust shall determine the period to be covered by the triennial plan except that
28 the period of the plan may not interfere with the delivery of any existing contracts to
29 provide energy efficiency services that were previously procured pursuant to
30 efficiency and conservation programs administered by the commission.

31 F. It is an objective of the triennial plan to design, coordinate and integrate sustained
32 energy efficiency and weatherization programs that are available to all energy
33 consumers in the State, regardless of fuel type, that advance the targets of:

- 34 (1) Weatherizing 100% of residences and 50% of businesses by 2030;
35 (2) Reducing peak-load electric energy consumption by 100 megawatts by 2020;
36 (3) Reducing the State's consumption of liquid fossil fuels by at least 30% by
37 2030;
38 (4) By 2020, achieving electricity and natural gas savings of at least 30% and
39 heating fuel savings of at least 20% as defined in and determined pursuant to the
40 measures of performance ratified by the commission under section 10120;
41 (5) Capturing all cost-effective energy efficiency resources available for electric
42 and natural gas utility ratepayers;

1 (6) Saving residential and commercial heating consumers not less than \$3 for
2 every \$1 of program funds invested by 2020 in cost-effective heating and cooling
3 measures that cost less than conventional energy supply;

4 (7) Building stable private sector jobs providing clean energy and energy
5 efficiency products and services in the State by 2020; and

6 (8) Reducing greenhouse gas emissions from the heating and cooling of buildings
7 in the State by amounts consistent with the State's goals established in Title 38,
8 section 576.

9 The trust shall preserve when possible and appropriate the opportunity for carbon
10 emission reductions to be monetized and sold into a voluntary carbon market. Any
11 program of the trust that supports weatherization of buildings must be voluntary and
12 may not constitute a mandate that would prevent the sale of emission reductions
13 generated through weatherization measures into a voluntary carbon market.

14 **5. Report.** The trust shall report by December 1st of each year to the commission
15 and the joint standing committee of the Legislature having jurisdiction over energy
16 matters. The report must include:

17 A. A description of actions taken by the trust pursuant to this section, including
18 descriptions of all energy efficiency, weatherization and conservation programs
19 implemented during the prior 12 months and all programs that the trust plans to
20 implement during the next 12 months, a description of how the trust determines the
21 cost-effectiveness of each program and its assessment of the cost-effectiveness of
22 programs implemented during the prior 12 months;

23 B. An accounting of:

24 (1) Assessments made on each transmission and distribution utility pursuant to
25 section 10110 during the prior 12 months and projected assessments during the
26 next 12 months and total deposits into and expenditures from the program fund
27 during the prior 12 months and projected deposits into and expenditures from the
28 program funds during the next 12 months;

29 (2) Assessments made pursuant to section 10111 during the prior 12 months and
30 projected assessments during the next 12 months and total deposits into and
31 expenditures from the natural gas conservation fund during the prior 12 months
32 and projected deposits into and expenditures from the natural gas conservation
33 fund during the next 12 months;

34 (3) Any heating fuel assessments made for the purposes of section 10119 during
35 the prior 12 months and projected assessments during the next 12 months and
36 total deposits into and expenditures from the Heating Fuels Efficiency and
37 Weatherization Fund during the prior 12 months and projected deposits into and
38 expenditures from the Heating Fuels Efficiency and Weatherization Fund during
39 the next 12 months;

40 (4) Total funds received and expended by the State on energy efficiency and
41 weatherization pursuant to the Weatherization Assistance for Low-income
42 Persons Program of the United States Department of Energy and the Low-income

1 Home Energy Assistance Program of the United States Department of Health and
2 Human Services;

3 (5) The amount and source of any grants or funds deposited in the program fund
4 pursuant to section 10110 during the previous 12 months and the projected
5 amount and source of any such funds during the next 12 months; and

6 (6) Total deposits into and expenditures from the conservation administration
7 fund under section 10110 during the prior 12 months and projected deposits into
8 and expenditures from the conservation administration fund during the next 12
9 months;

10 C. Any recommendations for changes to the laws relating to energy conservation;
11 and

12 D. The performance of the trust and individual programs and program delivery
13 agents or service providers in meeting the objectives, targets and measures of
14 performance approved by the commission and contained in the triennial plan.

15 The report must be approved by the board before the report is presented to the
16 commission and the joint standing committee of the Legislature having jurisdiction over
17 energy matters.

18 **6. Updated plans.** Within 30 days of completion of the annual report under
19 subsection 5, the director shall submit to the board an annual update plan describing any
20 significant changes to the triennial plan under subsection 4 related to program budget
21 allocations, goals, targets, measures of performance, program designs, implementation
22 strategies, timelines and other relevant information for the year ahead for all funds
23 administered and managed by the trust. The director or any contractor, grantee or agency
24 delivering programs may not execute any significant changes until the changes are
25 approved by the board and, in the case of significant changes to programs using funds
26 generated by assessments under this chapter, until the changes are also approved by the
27 commission using the same standard as for the triennial plan.

28 All annual update plans must be presented to the commission and the joint standing
29 committee of the Legislature having jurisdiction over energy matters.

30 **7. Certification.** The board shall by rule establish certification standards for energy
31 auditors, installers of energy efficiency measures or other service providers that provide
32 services under programs administered by the trust. Rules adopted under this subsection
33 are routine technical rules as defined in Title 5, chapter 375, subchapter 2-A.

34 **8. Approval of Maine State Housing Authority plans.** After July 1, 2010, the
35 Maine State Housing Authority, prior to applying for federal funds on behalf of the State
36 pursuant to Title 30-A, section 4741, subsection 15 for weatherization, energy
37 conservation and fuel assistance pursuant to the Weatherization Assistance for Low-
38 income Persons Program administered through the United States Department of Energy
39 and the Low-income Home Energy Assistance Program administered through the United
40 States Department of Health and Human Services, shall submit to the board for its review
41 and input the authority's implementation plans for the use of such funds. The plans must
42 provide for coordination by the Maine State Housing Authority in its use of such funds
43 with the programs administered by the trust under this chapter. The Maine State Housing

1 Authority shall include in its plans any recommendations of the board to the extent the
2 recommendations are consistent with the applicable federal guidelines governing the use
3 of the funds.

4 **9. Coordination with other entities.** Consistent with the requirements of this
5 chapter and other applicable laws, the board shall coordinate the activities and programs
6 of state agencies and authorities that relate to the purposes of this chapter in order to align
7 such activities and programs with the plans and programs of the trust. For purposes of
8 this subsection, activities and programs of state agencies and authorities that relate to the
9 purposes of this chapter include but are not limited to energy efficiency programs relating
10 to state facilities administered by the Department of Financial and Administrative
11 Services, Bureau of General Services, the adoption, amendment and maintenance of the
12 Maine Uniform Building and Energy Code by the Technical Building Codes and
13 Standards Board, established in Title 5, section 12004-G, subsection 5-A within the
14 Department of Public Safety, energy efficiency or green energy workforce development
15 activities of the Department of Labor or the Maine Jobs Council and energy efficiency
16 and weatherization programs administrated by the Maine State Housing Authority.

17 **10. Independent analysis of programs.** The trust shall arrange for an independent
18 evaluation of each major program implemented under this section. Each major program
19 must be evaluated at least once every 5 years. The evaluation must include an accounting
20 audit of the program and an evaluation of the program's effectiveness in meeting the goals
21 of this section. The evaluations must be conducted by a competent professional with
22 expertise in energy efficiency matters, including the management of cost-effective energy
23 efficiency programs. The trust shall include the results of all evaluations conducted under
24 this subsection in the annual report submitted pursuant to subsection 5. For purposes of
25 this subsection, "major program" means a program with an annual budget of more than
26 \$500,000.

27 **11. Other duties.** The trust shall do all things necessary or convenient to carry out
28 the lawful purposes of the trust.

29 **§10105. Powers, duties and limitations**

30 **1. Funds.** The trust shall administer programs and funds in accordance with this
31 chapter and other applicable laws.

32 **2. Efficiency Maine projects; bonds.** The board shall propose, develop and
33 approve revenue bond projects as Efficiency Maine projects under Title 10, section 963-
34 A, subsection 10-A.

35 **3. Bylaws.** The trust shall adopt bylaws, through the board, consistent with this
36 section for the governance of its affairs.

37 **4. Purchasing agent rules.** Notwithstanding Title 5, section 1831, the trust is not
38 subject to rules adopted by the State Purchasing Agent in selecting service providers
39 pursuant to this chapter. The trust shall consider delivery of programs by means of
40 contracts with service providers that participate in competitive bid processes for
41 providing services within individual market segments or for particular end uses.

1 5. Rules. The board shall adopt rules for establishing and administering the trust and
2 its programs. These rules must include:

3 A. Provisions for the expenditure of trust funds, including, but not limited to, the
4 development of program budgets, criteria for energy efficiency and conservation
5 programs and other consumer benefit programs, the process for project selection and
6 approval, minimum requirements for project monitoring and verification and the cost-
7 effectiveness tests to be used for measuring and comparing program benefits and
8 costs; and

9 B. Provisions for the independent evaluation of program expenditures to ensure cost-
10 effectiveness of projects to improve energy efficiency or to reduce greenhouse gases.

11 Rules adopted pursuant to this subsection are routine technical rules pursuant to Title 5,
12 chapter 375, subchapter 2-A.

13 6. Self-dealing prohibited. In the operation or dissolution of the trust, no part of the
14 net earnings of the trust may benefit any trustee, officer or employee except that the trust
15 may pay reasonable compensation for services rendered and otherwise hold, manage and
16 dispose of its property in furtherance of the purposes of the trust.

17 7. Recommendations; advisory groups. The trust may make recommendations to
18 the Governor, the Legislature and other public officials regarding energy efficiency,
19 weatherization and renewable energy programs. The trust may establish technical
20 advisory groups as needed for the purposes of gathering technical knowledge on any
21 aspect of energy conservation or policy.

22 §10106. Freedom of access; confidentiality

23 The proceedings of the board and records of the trust are subject to the freedom of
24 access laws, Title 1, chapter 13, except as specifically provided in this subsection.

25 1. Confidential records. The following records are designated as confidential for
26 purposes of Title 1, section 402, subsection 3, paragraph A:

27 A. A record obtained or developed by the trust that:

28 (1) A person, including the trust, to whom the record belongs or pertains has
29 requested be designated confidential; and

30 (2) The board has determined contains information that gives the owner or a user
31 an opportunity to obtain business or competitive advantage over another person
32 who does not have access to the information, except through the trust's records,
33 or access to which by others would result in a business or competitive
34 disadvantage, loss of business or other significant detriment, other than loss or
35 denial of financial assistance from the trust, to any person to whom the record
36 belongs or pertains; and

37 B. A financial statement or tax return.

38 The trust shall provide to a legislative committee, on written request signed by the chairs
39 of that committee, any information or records, including information designated
40 confidential under this subsection, specified in the written request. The information or

1 records may be used only for the lawful purposes of the committee and in any action
2 arising out of any investigation conducted by it.

3 **2. Exceptions.** Notwithstanding subsection 1, the following are not confidential and
4 are public records:

5 A. Any otherwise confidential information the confidentiality of which the board
6 determines to have been satisfactorily and effectively waived;

7 B. Any otherwise confidential information that has already lawfully been made
8 available to the public; and

9 C. Impersonal, statistical or general information.

10 **3. Disclosure prohibited; further exceptions.** The director or a trustee, officer,
11 employee, agent, other representative of the trust or other person may not knowingly
12 divulge or disclose records designated confidential by this section, except that the board,
13 in its discretion and in conformity with legislative freedom of access criteria in Title 1,
14 chapter 13, subchapter 1-A, may make or authorize any disclosure of information of the
15 following types or under the following circumstances:

16 A. If necessary in connection with processing any application for, obtaining or
17 maintaining financial assistance for any person;

18 B. To a financing institution or credit reporting service;

19 C. Information necessary to comply with any federal or state law or rule or with any
20 agreement pertaining to financial assistance;

21 D. If necessary to ensure collection of any obligation in which the trust has or may
22 have an interest;

23 E. In any litigation or proceeding in which the trust has appeared, introduction for
24 the record of any information obtained from records designated confidential by this
25 section; and

26 F. Pursuant to a subpoena, request for production of documents, warrant or other
27 order by competent authority, as long as any such order appears to have first been
28 served on the person to whom the confidential information sought pertains or belongs
29 and as long as any such order appears on its face or otherwise to have been issued or
30 made upon lawful authority.

31 **§10107. Conflicts of interest; financial disclosure statements**

32 The director, the trustees and the employees of the trust are "executive employees"
33 for purposes of Title 5, section 18 and the director and trustees are also "executive
34 employees" for purposes of Title 5, sections 18-A and 19.

35 **§10108. Liability**

36 The trust is a governmental entity under the Maine Tort Claims Act, and the liability
37 and immunity of the trust, the trustees, the director and all other employees of the trust
38 are governed by that Act.

1 **§10109. Regional Greenhouse Gas Initiative Trust Fund**

2 **1. Definitions.** As used in this section, unless the context otherwise indicates, the
3 following terms have the following meanings.

4 A. "Carbon dioxide allowance" has the same meaning as in Title 38, section 580-A,
5 subsection 2.

6 B. "Trade association aggregator" means an entity that gathers individual members
7 of a trade association together for the purpose of receiving electrical efficiency
8 services or bidding on electrical efficiency contracts.

9 C. "Trust fund" means the Regional Greenhouse Gas Initiative Trust Fund
10 established in subsection 2.

11 **2. Establishment of Regional Greenhouse Gas Initiative Trust Fund.** The
12 Regional Greenhouse Gas Initiative Trust Fund is established and is the successor to the
13 fund that was established under former section 10008. The trust fund is established to
14 support the goals and implementation of the carbon dioxide cap-and-trade program
15 established under Title 38, section 580-B. The trust fund is established as a nonlapsing
16 fund administered by the trust for the purposes established in this section. The trust is
17 authorized to receive, and shall deposit in the trust fund and expend in accordance with
18 this section, revenue resulting from the sale of carbon dioxide allowances, pursuant to
19 Title 38, section 580-B, and any forward capacity market or other capacity payments
20 from the regional transmission organization that may be attributable to projects funded by
21 the trust under this section. The trust fund may not be used for any other purpose and
22 money in the trust fund is considered to be held in trust for the purposes of benefiting
23 consumers.

24 A. The trustees have a fiduciary duty to the customers of the State's transmission and
25 distribution utilities in the administration of the trust fund. Upon accepting
26 appointment as a trustee, each trustee must acknowledge the fiduciary duty to use the
27 trust fund only for the purposes set forth in this section.

28 B. The trustees shall ensure that the goals and objectives of the trust fund, as
29 established in this section and in rules adopted by the trust, are carried out. The
30 trustees shall represent the interests of the trust fund in the development of the
31 triennial plan.

32 **3. Ceiling on energy efficiency spending.** There is established a ceiling on energy
33 efficiency spending from the trust fund equal to \$5 per carbon dioxide allowance. Until
34 that price ceiling is adjusted or removed, only the first \$5 of each carbon dioxide
35 allowance sold and deposited in the trust fund may be awarded to or directed to qualified
36 projects for purposes of energy efficiency improvements. While the ceiling is in place,
37 revenue received by the trust from an allowance valued above \$5 must be transferred to
38 the commission for use by the commission pursuant to sections 301 and 1322 for rebates
39 to electric ratepayers calculated on a per-kilowatt-hour basis. The commission shall adopt
40 rules to implement this subsection. The rules must establish a system under which
41 proceeds from the sale of carbon dioxide allowances may be returned to electric
42 ratepayers as direct credits on their bills at times of heightened price pressure in regional
43 carbon dioxide allowance markets due to an extraordinary circumstance. Rules adopted

1 under this subsection are routine technical rules as defined in Title 5, chapter 375,
2 subchapter 2-A.

3 **4. Expenditures; projects.** The trust fund must be expended in accordance with this
4 subsection.

5 A. During the years 2009, 2010 and 2011, not less than 85% of the trust fund must
6 be allocated for measures, investments and arrangements that reduce electricity
7 consumption, and not more than 15% must be allocated for fossil fuel conservation
8 measures, investments and arrangements. Subject to the apportionment between fossil
9 fuel and electricity conservation pursuant to this subsection, the trust shall fund
10 conservation programs that give priority to measures with the highest benefit-to-cost
11 ratio, as long as cost-effective collateral efficiency opportunities are not lost, and that:

12 (1) Reliably reduce greenhouse gas production by fossil fuel combustion in the
13 State at the lowest cost in funds from the trust fund per unit of emissions; or

14 (2) Reliably reduce the consumption of electricity in the State at the lowest cost
15 in funds from the trust fund per kilowatt-hour saved.

16 B. Expenditures from the trust fund relating to conservation of electricity and
17 mitigation or reduction of greenhouse gases must be made predominantly on the basis
18 of a competitive bid process for long-term contracts, subject to rules adopted by the
19 board under section 10105. Rules adopted by the board to implement the competitive
20 bid process under this paragraph may not include an avoided cost methodology for
21 compensating successful bidders. Bidders may propose contracts designed to produce
22 greenhouse gas savings or electricity conservation savings, or both, on a unit cost
23 basis. Contracts must be commercially reasonable and may require liquidated
24 damages to ensure performance. Contracts must provide sufficient certainty of
25 payment to enable commercial financing of the conservation measure purchased and
26 its installation.

27 C. The board may target bid competitions in areas or to participants as they consider
28 necessary, as long as the requirements of paragraph A are satisfied.

29 D. Nonelectric savings programs must be used to maximize fossil fuel energy
30 efficiency and conservation and associated greenhouse gas reductions, subject to the
31 apportionment between fossil fuel and electricity conservation set forth in paragraph
32 A.

33 E. The size of a project funded by the trust fund is not limited as long as funds are
34 awarded to maximize energy efficiency and support greenhouse gas reductions and to
35 fully implement the triennial plan.

36 F. No more than \$800,000 of trust fund receipts in any one year may be used for the
37 costs of administering the trust fund pursuant to this section. The limit on
38 administrative costs established in this paragraph does not apply to the following
39 costs that may be funded by the trust fund:

40 (1) Costs of the Department of Environmental Protection for participating in the
41 regional organization as defined in Title 38, section 580-A, subsection 20 and for
42 administering the allowance auction under Title 38, chapter 3-B; and

1 (2) Costs of the Attorney General for activities pertaining to the tracking and
2 monitoring of allowance trading activity and managing and evaluating the trust's
3 funding of conservation programs.

4 G. In order to minimize administrative costs and maximize program participation
5 and effectiveness, the trustees shall, to the greatest extent feasible, coordinate the
6 delivery of and make complementary the energy efficiency programs under this
7 section and other programs under this chapter.

8 H. The trust shall consider delivery of efficiency programs by means of contracts
9 with service providers that participate in competitive bid processes for reducing
10 energy consumption within individual market segments or for particular end uses.

11 I. A trade association aggregator is eligible to participate in competitive bid
12 processes under this subsection.

13 J. Trust fund receipts may fund research approved by the Department of
14 Environmental Protection in an amount of up to \$100,000 per year to develop new
15 categories for carbon dioxide emissions offset projects, as defined in Title 38, section
16 580-A, subsection 6, that are located in the State. Expenditures on research pursuant
17 to this paragraph are not considered administrative costs under paragraph F.

18 **5. Effective date.** This section takes effect July 1, 2010.

19 **§10110. Electric efficiency and conservation programs**

20 **1. Definitions.** As used in this section, unless the context otherwise indicates, the
21 following terms have the following meanings.

22 A. "Administrative costs" means costs of the trust that are funded pursuant to and
23 associated with the implementation of this section, including, but not limited to, costs
24 of program planning and evaluation, costs of securing necessary expertise, costs
25 associated with contract formation and administration and costs of monitoring and
26 enforcing contractual obligations.

27 B. "Administration fund" means the conservation administration fund established by
28 the trust pursuant to subsection 8.

29 C. "Conservation programs" means programs developed by the trust pursuant to this
30 section designed to reduce inefficient electricity use.

31 D. "Prior conservation efforts" means programs to promote conservation undertaken
32 at the direction or with the authorization of the commission prior to March 1, 2002.

33 E. "Program fund" means the conservation program fund established by the trust
34 pursuant to subsection 7.

35 F. "Service provider" means a public or private provider of energy conservation
36 services or an entity selected by the trust to contract with such providers or otherwise
37 arrange the delivery of conservation programs.

38 G. "Trade association aggregator" means an entity that gathers individual members
39 of a trade association together for the purpose of receiving electrical efficiency
40 services or bidding on electrical efficiency contracts.

1 **2. Programs.** The trust shall develop and implement conservation programs to help
2 reduce energy costs for electricity consumers in the State by the maximum amount
3 possible. The trust shall establish and, on a schedule determined by the trust, revise
4 objectives and an overall energy strategy for conservation programs. Conservation
5 programs implemented by the trust must be consistent with the objectives and an overall
6 energy strategy developed by the trust and approved by the commission and be cost-
7 effective, as defined by the board by rule. In defining "cost-effective," the board may
8 consider the extent to which a program promotes sustainable economic development or
9 reduces environmental damage to the extent the board can quantify or otherwise
10 reasonably identify such effects. Consistent with the other requirements of this section,
11 the trust, in adopting and implementing conservation programs, shall seek to encourage
12 efficiency in electricity use, provide incentives for the development of new, energy-
13 efficient business activity in the State and take into account the costs and benefits of
14 energy efficiency and conservation to existing business activity in the State.

15 A. The trust shall consider, without limitation, conservation programs that:

16 (1) Increase consumer awareness of cost-effective options for conserving energy;

17 (2) Create more favorable market conditions for the increased use of energy-
18 efficient products and services;

19 (3) Promote sustainable economic development and reduce environmental
20 damage;

21 (4) Reduce the price of electricity over time for all consumers by achieving
22 reductions in demand for electricity during peak use periods; and

23 (5) Reduce total energy costs for electricity consumers in the State by increasing
24 the efficiency with which electricity is consumed.

25 B. The trust, with regard to the assessment imposed under subsection 4, shall:

26 (1) Target at least 20% of funds to programs for low-income residential
27 consumers, as defined by the board by rule;

28 (2) Target at least 20% of funds to programs for small business consumers, as
29 defined by the board by rule; and

30 (3) To the greatest extent practicable, apportion remaining funds among
31 customer groups and geographic areas in a manner that allows all other customers
32 to have a reasonable opportunity to participate in one or more conservation
33 programs.

34 C. The trust shall hold at least one public hearing and invite, accept, review and
35 consider comments and suggestions from interested parties prior to adopting or
36 substantially revising conservation programs or the objectives and overall strategy for
37 conservation programs.

38 D. The trust shall monitor conservation planning and program development activities
39 in the region and around the country.

40 E. The trust shall implement conservation programs by contracting with service
41 providers in accordance with subsection 3.

1 F. The trust shall monitor and evaluate the delivery of conservation programs by
2 service providers and assess the cost-effectiveness of programs in meeting the
3 objectives and overall strategy established by the trust.

4 G. The trust, to the extent possible, shall coordinate its efforts with other agencies of
5 the State with energy-related responsibilities.

6 H. The trust shall secure sufficient technical and administrative expertise to carry out
7 its responsibilities pursuant to this section by:

8 (1) Contracting with appropriate entities with relevant expertise and experience;

9 (2) Establishing one or more advisory groups composed of persons with relevant
10 expertise and experience; or

11 (3) Any other reasonable means developed by the trust.

12 I. The trust may coordinate its efforts under this section with similar efforts in other
13 states in the northeast region and enter into agreements with public agencies or other
14 entities in or outside of the State for joint or cooperative conservation planning or
15 conservation program delivery, if the trust finds that such coordination or agreements
16 would provide demonstrable benefits to citizens of the State and be consistent with
17 this section, the conservation programs and the objectives and overall strategy for the
18 conservation programs.

19 J. The trust shall encourage school facility managers to complete an energy
20 efficiency training and certification program established and conducted by the trust
21 under this section. To the extent the trust determines necessary and appropriate to
22 meet the goals of this paragraph, the trust may, in accordance with the requirements
23 of this section, establish incentive mechanisms to encourage participation in this
24 program. For purposes of this paragraph, "school facility managers" means persons
25 employed by school administrative units in this State who are responsible for the
26 design or operation of school administrative unit facilities or the heating, ventilation
27 or air conditioning systems or equipment used in such facilities.

28 **3. Implementation.** The trust shall seek to implement the delivery of conservation
29 programs in all regions of the State on an equitable basis and to citizens at all income
30 levels. The trust may arrange the delivery of conservation programs by contracting with
31 service providers. The trust shall select service providers in accordance with this
32 subsection.

33 A. The trust shall select service providers through a competitive bidding process.

34 B. To the extent practicable, the trust shall encourage the development of resources,
35 infrastructure and skills within the State by giving preference to in-state service
36 providers.

37 C. Notwithstanding paragraph A:

38 (1) The trust may select a service provider for one or more conservation
39 programs without employing a competitive bidding process if the trust finds that
40 the selection of the service provider will promote the efficient and effective
41 delivery of conservation programs and is consistent with the objectives and
42 overall strategy of the conservation programs; and

1 (2) For the delivery of conservation programs to low-income residential
2 consumers, the commission, without employing a competitive bidding process,
3 may use the delivery system for the Weatherization Assistance for Low-income
4 Persons Program administered through the United States Department of Energy
5 and the network of for-profit and not-for-profit entities who have held contracts
6 with transmission and distribution utilities to deliver conservation services to
7 low-income and residential customers.

8 In accordance with section 10105, the trust is not subject to rules adopted by the State
9 Purchasing Agent in selecting service providers pursuant to this subsection. The board
10 shall adopt rules establishing procedures governing the selection of service providers
11 under this subsection. The board shall consult with the State Purchasing Agent in
12 developing the rules.

13 A trade association aggregator is eligible to participate in competitive bid processes under
14 this subsection.

15 **4. Funding level; base assessment.** The commission shall assess transmission and
16 distribution utilities to collect funds for conservation programs and administrative costs in
17 accordance with this subsection and shall make other assessments in accordance with
18 subsection 5. The amount of all assessments by the commission under this subsection
19 plus expenditures of a transmission and distribution utility associated with prior
20 conservation efforts must result in conservation expenditures by each transmission and
21 distribution utility, not including expenditures on assessments under subsection 5, that are
22 fixed at a rate of 0.145 cent per kilowatt-hour.

23 **5. Other assessments on transmission and distribution utilities.** In accordance
24 with the triennial plan, the commission shall assess each transmission and distribution
25 utility based on the utility's gross operating revenue as necessary to realize all available
26 energy efficiency and demand reduction resources in this State that are cost-effective,
27 reliable and feasible after consideration of the following:

28 A. The amount of assessments pursuant to subsection 4 and their payment schedule;

29 B. The funding for conservation programs provided by the Regional Greenhouse Gas
30 Initiative Trust Fund pursuant to section 10109;

31 C. The amount of payments received from a forward capacity market as a result of
32 conservation programs funded under this chapter; and

33 D. Any other predictable sources of funding for or investment in conservation
34 programs.

35 For the purposes of this subsection, "gross operating revenue" means revenue derived
36 from filed rates, except from sales for resale. The commission may correct any errors in
37 the assessments under this subsection by means of a credit or debit to the following year's
38 assessment rather than reassessing all utilities in the current year. The commission shall
39 determine the assessments under this subsection annually prior to May 1st and assess
40 each utility for its pro rata share for expenditure, including funds for energy conservation
41 programs, during the fiscal year beginning July 1st. The commission may not charge any
42 assessment under this subsection until the Legislature has approved the commission's
43 budget in accordance with section 116. The commission shall separately identify any

1 recommended assessment under this subsection in its presentation of budget
2 recommendations contained in any current services budget legislation and any
3 supplemental budget legislation to the joint standing committee of the Legislature having
4 jurisdiction over public utilities matters pursuant to section 116. Each utility shall pay the
5 assessment charged to that utility under this subsection on the same schedule that
6 payment of assessments under subsection 4 is required.

7 **6. Transmission and subtransmission voltage level.** After July 1, 2007, electricity
8 customers receiving service at transmission and subtransmission voltage levels are not
9 eligible for new conservation programs undertaken under this section, and those
10 customers are not required to pay in rates any amount associated with the assessment
11 imposed on transmission and distribution utilities under subsection 4 or subsection 5. To
12 remove the amount of the assessment under subsection 4, the commission shall reduce the
13 rates of such customers by 0.145 cent per kilowatt-hour. For the purposes of this section,
14 "transmission voltage levels" means 44 kilovolts or more, and "subtransmission voltage
15 levels" means 34.5 kilovolts.

16 **7. Conservation program fund.** The trust shall establish a conservation program
17 fund to be used solely for conservation programs.

18 A. The commission shall deposit all assessments collected pursuant to this section,
19 other than funds deposited in the administration fund, into the program fund.

20 B. Any interest earned on funds in the program fund must be credited to the program
21 fund.

22 C. Funds not spent in any fiscal year remain in the program fund to be used for
23 conservation programs.

24 D. The commission or the trust may apply for and receive grants from state, federal
25 and private sources for deposit in the program fund and also may deposit in the
26 program fund any grants or other funds received by or from any entity with which the
27 commission or trust has an agreement or contract pursuant to this section if the
28 commission receives prior written consent from the trust that receipt of those funds
29 would be consistent with the purposes of this section. If the commission or trust
30 receives any funds pursuant to this paragraph, it shall establish a separate account
31 within the program fund to receive the funds and shall keep those funds and any
32 interest earned on those funds segregated from other funds in the program fund.

33 **8. Conservation administration fund.** The trust shall establish a conservation
34 administration fund to be used solely to defray administrative costs. The commission, at
35 the direction of the trust, may annually deposit funds collected pursuant to this section
36 into the administration fund up to a maximum in any fiscal year of up to 9% of total funds
37 received pursuant to subsections 4 and 5. Any interest on funds in the administration
38 fund must be credited to the administration fund and any funds unspent in any fiscal year
39 must either remain in the administration fund to be used to defray administrative costs or
40 be transferred to the program fund.

41 **9. Prior conservation efforts.** Except as otherwise directed by the commission,
42 transmission and distribution utilities shall continue to administer contracts associated
43 with prior conservation efforts. Such contracts may not be renewed, extended or

1 otherwise modified by transmission and distribution utilities in a manner that results in
2 any increased expenditures associated with those contracts.

3 **10. Funds held in trust.** All funds collected from electricity consumers pursuant to
4 this section are collected under the authority and for the purposes of this section and are
5 deemed to be held in trust for the purposes of benefiting electricity consumers. In the
6 event funds are not expended or contracted for expenditure within 2 years of being
7 collected from consumers, the commission shall return the value of those funds to
8 consumers by appropriate reductions in the assessment collected pursuant to subsection 4.

9 **11. Resolution of disputes.** Upon receipt of an appropriate filing by a party to a
10 contract relating to prior conservation efforts, the commission shall adjudicate a dispute
11 relating to the interpretation or administration of the contract by the transmission and
12 distribution utility.

13 In the case of a dispute filed after April 5, 2002, the commission shall refer the dispute to
14 commercial arbitration in accordance with this paragraph. Each party to the contract shall
15 select an arbitrator who is not a current employee of the party. The selected arbitrators
16 shall then select a 3rd arbitrator. If the arbitrators cannot agree on the 3rd arbitrator, each
17 party shall submit to the commission a list of at least 3 arbitrators who have no previous
18 or current interest in the contract and, to the extent practicable, have special competence
19 and experience with respect to the subject matter involved in the dispute. The
20 commission shall choose the 3rd arbitrator from among the persons on the lists provided
21 by the parties. After their selection, the arbitrators shall promptly hear and determine the
22 controversy pursuant to the rules of the American Arbitration Association for the conduct
23 of commercial arbitration proceedings, except that if such rules conflict with any
24 procedural rules established by the commission or applicable provisions of the laws of
25 this State relating to arbitration, the applicable commission rules or provisions of state
26 law govern the arbitration. The arbitrators shall submit their decision to the commission.

27 A. The commission shall accept or reject the decision within 30 days of its
28 submission, unless the commission requires additional time, in which case it may
29 extend its review for another 30 days.

30 B. If the commission does not reject the decision within 30 days or, if it extends its
31 review period an additional 30 days, within 60 days, the decision is deemed accepted.

32 C. If the commission rejects the decision, the commission shall adjudicate the
33 dispute.

34 A decision by the commission under this subsection, including a decision by the
35 arbitrators that is deemed accepted by the commission pursuant to paragraph B, is
36 enforceable in a court of law.

37 **12. Ratemaking and cost recovery.** The assessments charged to transmission and
38 distribution utilities under this section are just and reasonable costs for rate-making
39 purposes and must be reflected in the rates of transmission and distribution utilities.

40 **13. Rules.** The trust shall adopt rules necessary to implement this section. Rules
41 adopted under this section are routine technical rules as defined in Title 5, chapter 375,
42 subchapter 2-A.

1 14. Effective date. This section takes effect July 1, 2010.

2 §10111. Natural gas conservation program

3 1. Program established. In accordance with the goals and objectives of the triennial
4 plan, the trust shall establish a cost-effective conservation program to promote the
5 efficient use of natural gas. Each gas utility in the State that serves at least 5,000
6 residential customers shall contribute data and other relevant information to assist in the
7 development of the program. In determining whether the program is cost-effective, the
8 trust may consider whether it promotes sustainable economic development or reduces
9 greenhouse gas emissions to the extent the trust can quantify or otherwise reasonably
10 identify such effects. The trust shall seek to encourage efficiency in natural gas use,
11 provide incentives for the development of new, energy-efficient business activity in the
12 State and take into account the cost and benefits of energy efficiency and conservation to
13 existing business activity in the State.

14 A. The trust shall consider, without limitation, a natural gas conservation program
15 that:

16 (1) Increases consumer awareness of cost-effective options for conserving
17 energy;

18 (2) Creates more favorable market conditions for the increased use of efficient
19 products and services; and

20 (3) Promotes sustainable economic development and reduces environmental
21 damage.

22 B. The trust shall apportion available funds such that:

23 (1) A reasonable percentage of the available funds is directed to programs for
24 low-income residential consumers, as defined by the trust. The trust shall
25 establish the percentage based on an assessment of the opportunity for cost-
26 effective conservation measures for such consumers, including an assessment of
27 the number of low-income residential consumers that may be eligible for such
28 programs;

29 (2) A reasonable percentage of the available funds is directed to programs for
30 small business consumers, as defined by the trust. The trust shall establish the
31 percentage based on an assessment of the opportunity for cost-effective
32 conservation measures for such consumers. In defining "small business" for the
33 purposes of this subparagraph, the trust shall consider definitions of that term
34 used for other programs in this State that assist small businesses; and

35 (3) To the greatest extent practicable, the remaining available funds are
36 apportioned in a manner that allows all other consumers to have a reasonable
37 opportunity to participate in one or more conservation programs.

38 2. Funding level. The natural gas conservation fund, which is a nonlapsing fund, is
39 established to carry out the purposes of this section. The commission shall assess each
40 gas utility that serves at least 5,000 residential customers an amount that is no less than
41 3% of the gas utility's delivery revenues as defined by commission rule. In accordance

1 with the triennial plan, the commission may assess a higher amount. All amounts
2 collected under this subsection must be transferred to the natural gas conservation fund.
3 Any interest on funds in the fund must be credited to the fund. Funds not spent in any
4 fiscal year remain in the fund to be used for the purposes of this section.

5 The assessments charged to gas utilities under this section are just and reasonable costs
6 for rate-making purposes and must be reflected in the rates of gas utilities.

7 All funds collected pursuant to this section are collected under the authority and for the
8 purposes of this section and are deemed to be held in trust for the purposes of benefiting
9 natural gas consumers. In the event funds are not expended or contracted for expenditure
10 within 2 years of being collected from consumers, the commission shall return the value
11 of those funds to consumers by appropriate reductions in the assessment collected
12 pursuant to this subsection.

13 Rules adopted by the commission under this subsection are routine technical rules as
14 defined in Title 5, chapter 375, subchapter 2-A.

15 3. Rules. The trust may adopt rules necessary to implement this section. Rules
16 adopted by the trust under this subsection are routine technical rules as defined in Title 5,
17 chapter 375, subchapter 2-A.

18 4. Effective date. This section takes effect July 1, 2010.

19 **§10112. Solar and wind energy rebate program**

20 1. Definitions. As used in this section, unless the context otherwise indicates, the
21 following terms have the following meanings.

22 A. "Qualified solar energy system" means a solar photovoltaic system or a solar
23 thermal system.

24 B. "Qualified solar thermal water system installer" means a person who has been
25 certified by the trust to install solar thermal systems designed to heat water and who
26 holds a current license from the State as a master plumber, as a master oil burner
27 technician or as a propane and natural gas technician or has been certified as a type II,
28 type III or universal heating, ventilation and air conditioning refrigeration technician
29 through a certification program approved by the United States Environmental
30 Protection Agency.

31 C. "Qualified wind energy system" means any device, such as a wind charger,
32 windmill or wind turbine and associated facilities, with a peak generating capacity of
33 100 kilowatts or less that converts wind energy to electrical energy for use primarily
34 in a residence, public facility or place of business that is located in an area with
35 demonstrated wind power potential.

36 D. "Solar photovoltaic system" means a solar energy device with a peak generating
37 capacity of 100 kilowatts or less used for generating electricity for use in a residence
38 or place of business.

39 E. "Solar thermal system" means a configuration of solar collectors and a pump, heat
40 exchanger and storage tank or fans designed to heat water or air for the purpose of

1 space heating, domestic water heating or both space and domestic water heating.
2 Solar thermal system types include forced circulation, integral collector storage,
3 thermosyphon and self-pumping systems.

4 **2. Solar and wind energy rebate program.** To the extent that funds are available
5 in the fund established in subsection 5 and the requirements of subsection 3 are satisfied,
6 an owner or tenant of residential or commercial property located in the State is entitled to
7 a rebate for a qualified solar energy system that is installed in accordance with this
8 subsection after July 1, 2005 that will be connected to the electrical grid or a qualified
9 wind energy system that is installed in accordance with this subsection after January 1,
10 2009 that will be connected to the electrical grid. The trust shall set rebate levels for
11 qualified solar energy systems and qualified wind energy systems. In setting rebate levels,
12 the trust may consider market demand for qualified solar energy systems and qualified
13 wind energy systems, program implementation experience and other factors relevant to
14 the solar and wind energy rebate program.

15 A. To qualify for a rebate, a solar photovoltaic system must be installed by a master
16 electrician who has been certified by a North American board of certified energy
17 practitioners or by a master electrician working in conjunction with a person who has
18 been certified by a North American board of certified energy practitioners.

19 B. To qualify for a rebate, a solar thermal system designed to heat water must be
20 installed by a qualified solar thermal water system installer and, if the solar thermal
21 system is designed to heat potable water, it must be installed by a qualified solar
22 thermal water system installer who holds a current license as a master plumber or by
23 a qualified solar thermal water system installer working in conjunction with a master
24 plumber.

25 C. To qualify for a rebate, the electrical components of a qualified wind energy
26 system must be installed by a master electrician or by a factory-trained and approved
27 dealer for the qualified wind energy system working under the supervision of a
28 master electrician.

29 In the case of a newly constructed residence, the rebate must be available to the original
30 owner or occupant.

31 **3. Energy audit requirement; solar photovoltaic system.** To qualify for a rebate
32 for a solar photovoltaic system under this section, an owner or tenant of residential or
33 commercial property located in the State must demonstrate to the satisfaction of the trust
34 that an energy audit has been completed.

35 **4. Limitation to residents of State.** Participation in the solar and wind energy
36 rebate program established in this section is limited to residents of the State.

37 **5. Funding.** The commission shall assess transmission and distribution utilities to
38 collect funds for the solar and wind energy rebate program established in this section. The
39 amount of all assessments by the commission under this subsection must result in total
40 program expenditures by each transmission and distribution utility that do not exceed
41 0.005 cent per kilowatt-hour. To the extent practicable, the commission shall establish
42 and collect the assessment in a manner that is consistent with the assessment made under
43 section 10110. There is established a solar and wind energy rebate program fund to be

1 used by the trust solely for the purposes of this section. All assessments made under this
2 section must be transferred to the solar and wind energy rebate program fund. Any
3 interest on funds in the fund must be credited to the fund. Funds not spent in any fiscal
4 year remain in the fund to be used for the purposes of this section. The trust shall
5 determine the allotment of the fund in each fiscal year between solar photovoltaic system
6 rebates, solar thermal system rebates and qualified wind energy system rebates, with a
7 minimum of 20% of the fund provided to each of the 3 types of rebates.

8 6. Effective date. This section takes effect July 1, 2010.

9 7. Repeal. This section is repealed December 31, 2010.

10 **§10113. Training for installers of solar equipment**

11 1. Installation training. To the extent that funds and resources allow, the trust shall
12 establish training programs for installers of solar equipment that most effectively meet the
13 needs of the public. The trust:

14 A. May develop separate programs for different solar technologies or applications
15 when the trust determines that the skills or training for the installation of those
16 technologies or applications merit the distinction;

17 B. Shall confer with the Plumbers' Examining Board and the Electricians' Examining
18 Board when it develops the course content and requirements;

19 C. Shall determine the content of the training, the hours required for course
20 completion and the manner in which applicants must demonstrate proficiency in solar
21 equipment installation;

22 D. Shall issue a certificate of completion to individuals who meet the requirements
23 the trust has established;

24 E. May establish reasonable course fees. All fees must be paid to the Treasurer of
25 State to be used by the trust for the purposes of this section;

26 F. Shall determine terms for the expiration and renewal of an applicant's certificate
27 of completion; and

28 G. Shall determine an appropriate means of maintaining recognition of the training
29 received by persons holding certificates issued pursuant to former section 10002 or
30 former Title 32, chapter 87.

31 2. Qualifications for installing solar equipment. A certificate of completion
32 issued by the trust pursuant to subsection 1 does not exempt the holder from any
33 applicable licensing requirements for activities involved in installing solar equipment,
34 including but not limited to licensing requirements established in Title 32, chapter 17 or
35 49.

36 3. Effective date. This section takes effect July 1, 2010.

1 **§10114. Training for energy auditors**

2 **1. Auditor training.** To the extent that funds and resources allow, the trust shall set
3 standards for training programs for energy auditors that most effectively meet the needs
4 of the public and that satisfy the requirements of funding sources. For the purposes of this
5 subsection, an energy auditor is a person who is trained to prepare a report that delineates
6 the energy consumption characteristics of a building, identifies appropriate energy
7 efficiency operations and maintenance procedures and recommends appropriate energy
8 efficiency measures. The trust:

9 A. May develop separate programs for audits of different building types and
10 functions when the trust determines that the skills or training needed to perform these
11 audits merit the distinction;

12 B. Shall determine the content of the training, the hours required for course
13 completion and the manner in which applicants must demonstrate proficiency in
14 energy auditing;

15 C. Shall issue a certificate of completion to individuals who meet the requirements
16 the trust has established;

17 D. May establish reasonable course fees. All fees collected by the trust must be used
18 for the purposes of this section;

19 E. Shall determine terms for the expiration and renewal of an applicant's certificate
20 of completion;

21 F. Shall determine an appropriate means of maintaining recognition of the training
22 received by persons holding a certification;

23 G. Shall work with state agencies and other interested parties to establish
24 certification standards for energy auditors who perform work under programs
25 administered by the trust; and

26 H. Shall recognize other established training programs that offer certification
27 consistent with the trust's energy auditor training standards.

28 **2. Effective date.** This section takes effect July 1, 2010.

29 **§10115. Federal energy programs**

30 **1. Programs.** The trust shall oversee and administer:

31 A. The United States Department of Energy State Energy Program; and

32 B. Other federally funded programs and projects related to trust programs.

33 **2. Effective date.** This section takes effect July 1, 2010.

34 **§10116. Energy Conservation Small Business Revolving Loan Program**

35 **1. Program and fund.** The trust shall establish the Energy Conservation Small
36 Business Revolving Loan Program, referred to in this subsection as "the program," and
37 the Energy Conservation Small Business Revolving Loan Fund, referred to in this

1 subsection as "the fund." The fund consists of federal capitalization grants and awards
2 made to the State for the purposes for which the fund is established; any amounts that the
3 trust deposits in the fund from the assessment on transmission and distribution utilities
4 pursuant to section 10110 or from other program funds, to the extent that use of such
5 funds for the program will be consistent with the requirements governing the use of such
6 funds; principal and interest received from the repayment of loans made from the fund;
7 any interest earned on investment of fund balances; and other funds from any public or
8 private source received for the purposes for which the fund is established. The fund is a
9 nonlapsing revolving fund account.

10 A. The trust shall credit all repayments of loans made to businesses, including
11 interest, penalties and other fees and charges related to fund loans, to the fund
12 account.

13 B. Money in the fund not needed to meet the current obligations of the program must
14 be deposited with the Treasurer of State to the credit of the fund account and may be
15 invested in such manner as is provided by law. Interest received on that investment
16 must be credited to the fund account.

17 C. At the end of each fiscal year, all unencumbered balances in the fund account may
18 be carried forward to be used for the purposes specified in this subsection.

19 2. Effective date. This section takes effect July 1, 2010.

20 **§10117. Energy efficiency of rental properties**

21 1. Residential energy efficiency disclosure statement. The trust and the Maine
22 State Housing Authority shall prepare a residential energy efficiency disclosure statement
23 form for landlords and other lessors of residential properties to use to disclose to tenants
24 and lessees information about the energy efficiency of the property in order to comply
25 with Title 14, section 6030-C. The trust and the Maine State Housing Authority shall post
26 and maintain the statement form required by this subsection on the Internet in a format
27 that is easily accessible by the public.

28 2. Suggested energy efficiency standards. The trust and the Maine State Housing
29 Authority shall prepare suggested energy efficiency standards for landlords and other
30 lessors of residential property that is used by a tenant or lessee as a primary residence.
31 The trust and the Maine State Housing Authority shall post and maintain the standards
32 required by this subsection on the Internet in a format that is easily accessible by the
33 public.

34 3. Effective date. This section takes effect July 1, 2010.

35 **§10118. Public information and outreach**

36 1. General. The trust shall provide to the public information about renewable
37 energy technologies and energy efficiency practices. In providing this information, the
38 trust shall consider:

39 A. The aspects of renewable energy technologies and energy efficiency practices
40 about which the public needs information;

1 B. The most effective means of providing the information; and

2 C. The members of the public who would most benefit from the information.

3 2. Funding. The trust may seek federal funding for the purposes of this section and,
4 to the extent necessary, may charge reasonable fees to cover the costs of training or other
5 services provided pursuant to this section. All fees must be paid to the trust and used to
6 reimburse the trust for its expenses in providing the service for which the fee is charged.

7 3. Effective date. This section takes effect July 1, 2010.

8 **§10119. Heating Fuels Efficiency and Weatherization Fund**

9 1. Fund established; use of money. The Heating Fuels Efficiency and
10 Weatherization Fund, referred to in this section as "the fund" is established. The fund is a
11 nonlapsing fund and is administered by the trust in accordance with this section. Any
12 interest earned on funds in the fund must be credited to the fund, and funds not spent in
13 any fiscal year remain in the fund to be used in accordance with this section. The trust
14 may receive and deposit in the fund funds from the following sources:

15 A. Any funds collected from an assessment on heating fuels;

16 B. Federal funds and awards may be used for the purposes of this section;

17 C. The proceeds of any bonds issued for the purposes of this section;

18 D. Principal and interest received from the repayment of loans made from the fund;

19 E. Any interest earned on investment of fund balances; and

20 F. Any other funds from public or private sources received in support of the purposes
21 for which the fund is established.

22 The trust may annually deposit funds received pursuant to this section into the
23 administration fund, to a maximum in any fiscal year of 10% of the revenues received
24 under this section.

25 2. Program. All funds deposited in the fund must be administered by the trust in
26 accordance with the following.

27 A. All funds deposited in the fund must be administered by the trust to reduce
28 heating fuel consumption consistent with the purpose and targets of the trust and the
29 triennial plan to achieve the following goal:

30 (1) By 2030, to provide cost-effective energy efficiency and weatherization
31 measures to substantially all homes and businesses whose owners wish to
32 participate in programs established by the trust under this section.

33 B. Funds from the fund may be used only for programs that provide cost-effective
34 energy efficiency and weatherization measures for the benefit of heating fuel
35 customers or to efficiency service providers serving those customers and in
36 accordance with the following.

1 (1) Program categories must include low-income, single-family and 2-family
2 residential units, multifamily residential units, small business, commercial and
3 institutional and such other categories as the trust determines appropriate;

4 (2) Within program categories, the trust may differentiate between programs for
5 new construction and existing buildings; and

6 (3) Cost-effective energy efficiency measures must include measures that
7 improve the energy efficiency of energy-using systems, such as heating and
8 cooling systems, through system upgrades or conversions, including conversions
9 to energy-efficient systems that rely on renewable energy sources or systems that
10 rely on effective energy efficiency technologies.

11 C. Program designs approved by the trust must contain:

12 (1) Incentives to consumers to purchase and install cost-effective efficiency and
13 weatherization products and services identified by a certified energy auditor,
14 except in the case of programs to deliver education, training or certifications;

15 (2) A schedule of customer copayments and loan options for prescribed products
16 and services. Programs for low-income consumers may provide exemptions from
17 the copayment and schedule;

18 (3) A plan for integrating delivery of heating fuel efficiency and weatherization
19 measures with electric efficiency measures; and

20 (4) A system for the equitable allocation of costs among the contributing funds or
21 subaccounts administered by the trust when more than one efficiency opportunity
22 is identified.

23 D. Other eligible program measures may include, but are not limited to, training or
24 certification of energy auditors, insulation installers, mechanical heating system
25 installers and maintenance technicians and building energy inspectors.

26 3. Rulemaking. The board may adopt rules to implement this section. Rules
27 adopted pursuant to this subsection are routine technical rules as defined in Title 5,
28 chapter 375, subchapter 2-A.

29 4. Effective date. This section takes effect July 1, 2010.

30 §10120. Commission oversight of Efficiency Maine Trust

31 1. Measures of performance. The trust shall incorporate measures of performance
32 in the triennial plan. The measures of performance must define the electricity, natural gas
33 and heating fuel savings targets established in section 10104, subsection 4, paragraph F
34 and specify the measures for assessing progress in meeting the targets. The commission
35 shall ratify measures of performance incorporated in the triennial plan if it finds that these
36 measures satisfy the requirements of this chapter, including the principles described in
37 section 10104, subsection 2, and are in the public interest. The commission and the trust
38 may revise one or more of the measures of performance in the triennial plan at any time
39 by mutual agreement.

1 **2. Regulation.** The trust may not expend any funds from assessments made under
2 this chapter until the commission approves the triennial plan. The commission upon
3 recommendation of the Public Advocate or the Attorney General may open an
4 investigation of practices or acts of the trust. If the commission, upon investigation, finds
5 that the trust has failed to comply with any requirement of this chapter or other
6 requirements of law in the use or expenditure of any funds from assessments made under
7 this chapter, the commission may issue an appropriate order directing the trust to take
8 necessary actions to bring the trust into compliance with the law and may suspend or
9 limit the authority of the trust to expend or encumber any funds derived from assessments
10 made under this chapter until the commission finds the trust has come into compliance
11 with the law. The commission may adopt rules to implement this subsection. Rules
12 adopted pursuant to this subsection are routine technical rules as defined in Title 5,
13 chapter 375, subchapter 2-A.

14 **3. Oversight and evaluation fund.** The commission may establish an oversight and
15 evaluation fund to be used solely to defray the commission's projected costs of overseeing
16 the trust, including but not limited to reviewing and approving the triennial plan and
17 contracting with expert 3rd-party resources to provide technical assistance or impartial
18 evaluation of the performance of energy efficiency programs administered by the trust.
19 The commission may assess the trust an amount not to exceed 1% of the total funds
20 administered by the trust, and the trust shall transfer that amount to the commission to be
21 deposited into the oversight and evaluation fund. Any interest on funds in the oversight
22 and evaluation fund must be credited to the oversight and evaluation fund and any funds
23 unspent in any fiscal year must either remain in the oversight and evaluation fund to be
24 used for the purposes specified in this subsection or be transferred to the trust for deposit
25 in appropriate program funds.

26 **Sec. B-4. 38 MRSA §580-B, sub-§7,** as enacted by PL 2007, c. 317, §17, is
27 amended to read:

28 **7. Allocation of carbon dioxide emissions allowances.** The department shall
29 allocate 100% of the annual carbon dioxide emissions allowances for public benefit to
30 produce funds for carbon reduction and energy conservation, as specified in Title 35-A,
31 section ~~40008~~ 10109. Except as provided in subsection 8, the department shall sell the
32 carbon dioxide emissions allowances at public auction, in accordance with rules adopted
33 under subsection 4. Revenue resulting from the sale of allowances must be deposited in
34 the ~~Energy and Carbon Savings~~ Regional Greenhouse Gas Initiative Trust Fund
35 established under Title 35-A, section ~~40008~~ 10109.

36 **Sec. B-5. 38 MRSA §580-B, sub-§7-A,** as enacted by PL 2007, c. 608, §7, is
37 amended to read:

38 **7-A. Voluntary renewable energy market set-aside.** The department shall set
39 aside a portion of the State's annual carbon dioxide emissions budget in a voluntary
40 renewable market set-aside account. The allowances from this account must be retired in
41 an amount equal to the amount of carbon dioxide emissions reduced by the voluntary
42 purchase of eligible renewable energy credits by persons in the State up to the amount
43 held in the set-aside account. For purposes of this subsection, "eligible renewable energy

1 credits" means renewable energy credits generated within the states that are participating
2 in the regional greenhouse gas initiative.

3 Before February 1, 2010, the portion of the State's annual carbon dioxide emissions
4 budget that is set aside in a voluntary renewable market set-aside account pursuant to this
5 subsection may not exceed 2% of that budget. The department shall report to the joint
6 standing committee of the Legislature having jurisdiction over utilities and energy
7 matters by January 15, 2010 as to whether that 2% cap is appropriate. By January 31,
8 2010, the ~~Energy and Carbon Savings~~ Efficiency Maine Trust, established under Title 35-
9 A, section ~~10008 10103~~, in consultation with the department, shall establish the cap on
10 the portion of the State's annual carbon dioxide emissions budget that is set aside in a set-
11 aside account.

12 **Sec. B-6. 38 MRSA §580-B, sub-§10**, as enacted by PL 2007, c. 317, §17, is
13 amended to read:

14 **10. Annual report.** The department and the trustees of the ~~Energy and Carbon~~
15 ~~Savings~~ Efficiency Maine Trust established pursuant to Title 35-A, section ~~10008 10103~~
16 shall submit a joint report to the joint standing committees of the Legislature having
17 jurisdiction over natural resources matters and utilities and energy matters by March 15,
18 2009 and each year thereafter. The report must assess and address:

19 A. The reductions of greenhouse gas emissions from carbon dioxide budget units,
20 conservation programs funded by the ~~Energy and Carbon Savings~~ Regional
21 Greenhouse Gas Initiative Trust Fund pursuant to Title 35-A, section ~~10008 10109~~
22 and carbon dioxide emissions offset projects;

23 B. The improvements in overall carbon dioxide emissions and energy efficiency
24 from sources that emit greenhouse gases including electrical generation and fossil
25 fuel fired units;

26 C. The maximization of savings through systemic energy improvements statewide;

27 D. Research and support of new carbon dioxide offset allowance categories for
28 development in the State;

29 E. Management and cost-effectiveness of the State's energy conservation and carbon
30 reduction programs and efforts funded by the ~~Energy and Carbon Savings~~ Regional
31 Greenhouse Gas Initiative Trust Fund, established pursuant to Title 35-A, section
32 ~~10008 10109~~; and

33 F. The extent to which funds from the ~~Energy and Carbon Savings~~ Regional
34 Greenhouse Gas Initiative Trust Fund, established pursuant to Title 35-A, section
35 ~~10008 10109~~, serve customers from all classes of the State's transmission and
36 distribution utilities; and

37 G. The revenues and expenditures of the Regional Greenhouse Gas Initiative Trust
38 Fund, established pursuant to Title 35-A, section 10109.

39 The department and the trustees of the ~~Energy and Carbon Savings~~ Efficiency Maine
40 Trust may include in the report any proposed changes to the program established under
41 this chapter.

1 The joint standing committee of the Legislature having jurisdiction over natural resources
2 matters may submit legislation relating to areas within the committee's jurisdiction in
3 connection with the program. The joint standing committee of the Legislature having
4 jurisdiction over utilities and energy matters may submit legislation relating to areas
5 within the committee's jurisdiction in connection with the program.

6 **PART C**

7 **Sec. C-1. 5 MRSA §17001, sub-§40**, as amended by PL 2007, c. 134, §3, is
8 further amended to read:

9 **40. State employee.** "State employee" means any regular classified or unclassified
10 officer or employee in a department, any employee of the Maine Community College
11 System except those who make the election provided under Title 20-A, section 12722,
12 any employee of the Maine Educational Center for the Deaf and Hard of Hearing and the
13 Governor Baxter School for the Deaf except as provided in Title 20-A, section 7407,
14 subsection 3-A, any employee of the Maine Military Authority, any employee of the
15 Northern New England Passenger Rail Authority, any employee of the Maine Port
16 Authority, any employee of the Efficiency Maine Trust who on June 30, 2009 is an
17 employee of the Public Utilities Commission energy efficiency or renewable energy
18 programs who elects to remain a state employee, any employee of the Efficiency Maine
19 Trust who accepts employment with the Efficiency Maine Trust prior to July 1, 2010 who
20 was a state employee immediately prior to accepting such employment who elects to
21 remain a state employee and any employee transferred from the Division of Higher
22 Education Services to the Finance Authority of Maine who elects to be treated as a state
23 employee, but does not include:

24 A. A judge, as defined in Title 4, section 1201 or 1301, who is now or later may be
25 entitled to retirement benefits under Title 4, chapter 27 or 29;

26 B. A member of the State Police who is now entitled to retirement benefits under
27 Title 25, chapter 195; or

28 C. A Legislator who is now or later may be entitled to retirement benefits under Title
29 3, chapter 29.

30 **Sec. C-2. Transition.** The following provisions apply to the establishment of the
31 Efficiency Maine Trust pursuant to the Maine Revised Statutes, Title 35-A, chapter 97.

32 **1. Board appointed.** Within 30 days of the effective date of this Act, the Governor
33 shall post nominations for the appointment of the members of the Efficiency Maine Trust
34 Board. Within 30 days after Senate confirmation of board members the board shall
35 appoint the Director of the Efficiency Maine Trust, and within 90 days of the board
36 members' confirmation the board shall establish bylaws.

37 **2. Staggered terms.** Notwithstanding Title 35-A, section 10103, subsection 2, in
38 making the initial appointments of members to the Efficiency Maine Trust Board
39 pursuant to section 10103, subsection 2, paragraph A, the Governor shall appoint 2
40 members to serve an initial term of one year, 2 members to serve an initial term of 2 years
41 and 3 members to serve an initial term of 3 years. Members appointed to initial 3-year

1 terms must include persons who represent the interests of business consumers and
2 individual consumers.

3 **3. Triennial plan.** The Director of the Efficiency Maine Trust shall hire or contract
4 staff as needed to support the Efficiency Maine Trust and to prepare the triennial plan
5 according to Title 35-A, section 10104 for commission approval by July 1, 2010. The
6 Efficiency Maine Trust may study existing rules, conduct research, appoint technical
7 advisory groups and hold public meetings in preparation for transitioning to the new
8 structure and to support the development of the triennial plan.

9 **4. Interim budget.** The Director of the Efficiency Maine Trust shall prepare a
10 budget for the period between October 1, 2009 and July 1, 2010 and submit it to the
11 Efficiency Maine Trust Board for approval. The Efficiency Maine Trust Board shall
12 submit the approved budget to the Public Utilities Commission, which shall provide full
13 funding for the activities indicated in the budget from the Public Utilities Commission
14 Reimbursement Fund established under Title 35-A, section 117. Use of such funds for
15 such purposes is deemed by the Legislature to be consistent with the purposes of the
16 Public Utilities Commission Reimbursement Fund. The commission and the Efficiency
17 Maine Trust may enter into any arrangements necessary to achieve a smooth and efficient
18 transition under this Act.

19 **5. Rules.** On July 1, 2010, all rules adopted by the Public Utilities Commission
20 pursuant to Title 35-A, sections 3211-A, 3211-C and 4711 and Title 35-A, chapter 95 and
21 rules adopted by the Energy and Carbon Savings Trust pursuant to Title 35-A, section
22 10008 are deemed to be rules of the Efficiency Maine Trust and continue in effect until
23 amended or rescinded by the Efficiency Maine Trust.

24 **6. Contracts.** All contracts of the Public Utilities Commission entered into pursuant
25 to Title 35-A, sections 3211-A and 3211-C and Title 35-A, chapter 95 remain in effect,
26 and the commission shall administer those contracts in accordance with the law in effect
27 at the time the contracts were entered into except as otherwise may be directed by the
28 Efficiency Maine Trust. On July 1, 2010, the Efficiency Maine Trust is the successor to
29 the conservation programs managed under the name Efficiency Maine at the Public
30 Utilities Commission. Contracts that are in place on July-1, 2010 may be extended for up
31 to 2 years, subject to the approval of the trust, in order to maintain a smooth transition to
32 the new program structure.

33 **7. Transfer of funds.** All accrued expenditures, assets, liabilities, balances or
34 appropriations, allocations, transfers, revenues or other available funds in an account or
35 subdivision of an account pertinent to energy efficiency, energy conservation or
36 renewable energy programs must be transferred to the corresponding account in the
37 Efficiency Maine Trust by July 1, 2010. After July 1, 2010, fees that are collected under
38 Title 35-A, chapter 97 must be transferred to the Efficiency Maine Trust on a monthly
39 basis.

40 **8. Program staff and contracting.** The Director of the Efficiency Maine Trust shall
41 hire program management staff and contract for services to implement this Act. In hiring
42 and contracting, the director shall give preference to state employees and contractors who

1 were employed by the Public Utilities Commission and working on energy efficiency and
2 renewable energy programs as of June 30, 2009.

3 **9. Employees of the Public Utilities Commission.** Employees of the Public
4 Utilities Commission energy efficiency or renewable energy programs on June 30, 2009
5 who accept employment with the Efficiency Maine Trust may, at their option, elect
6 whether to continue as state employees or to work under new agreements. Other persons
7 who accept employment with the Efficiency Maine Trust prior to July 1, 2010 who were
8 state employees immediately prior to accepting such employment may, at their option,
9 elect whether to continue as state employees or to work under new agreements. Persons
10 who accept employment with the Efficiency Maine Trust and who elect to remain state
11 employees under this subsection retain their employee rights, privileges and benefits,
12 including sick leave, vacation and seniority, provided under the Civil Service Law or
13 collective bargaining agreements. Persons who accept employment with the Efficiency
14 Maine Trust and who elect to remain state employees under this subsection remain
15 members of the Maine Public Employees Retirement System as long as they continue as
16 state employees, and the Efficiency Maine Trust shall reimburse the State for all costs
17 related to employees who elect to remain state employees, including the employer's share
18 of contributions to the Maine Public Employees Retirement System. Positions of
19 employees who remain state employees under this subsection are terminated when
20 vacated by those employees, unless filled by other persons eligible to remain state
21 employees under this subsection who elect to remain state employees. Positions similar
22 to those terminated may be established by the Efficiency Maine Trust. For employees
23 who are not offered or who do not accept employment at the Efficiency Maine Trust, the
24 Department of Administrative and Financial Services, Bureau of Human Resources shall
25 provide employment assistance. Nothing in this Act may be construed to interfere with
26 the rights of employees of the Efficiency Maine Trust to organize for collective
27 bargaining purposes in accordance with applicable law.

28 **10. Records.** All records pertaining to duties that are performed by the Public
29 Utilities Commission and are transferred to the Efficiency Maine Trust effective July 1,
30 2010 must be transferred to the Efficiency Maine Trust by July 1, 2010.

31 **11. Property and equipment.** All property and equipment pertaining to the duties
32 that are performed by the Public Utilities Commission and are transferred to the
33 Efficiency Maine Trust effective July 1, 2010 must be transferred to the Efficiency Maine
34 Trust by July 1, 2010.

35 **12. American Recovery and Reinvestment Act.** Funds that are allocated to the
36 State pursuant to the federal American Recovery and Reinvestment Act of 2009, Public
37 Law 111-5 prior to July 1, 2010 to programs or funds that are repealed in Part A of this
38 Act must be transferred by July 1, 2010 to the corresponding funds or programs
39 established in Part B of this Act. The Public Utilities Commission staff shall cooperate
40 with, consult with and jointly plan with the Director of the Efficiency Maine Trust for the
41 expansion of existing programs and establishment of new programs related to new
42 funding for the state energy program resulting from the federal American Recovery and
43 Reinvestment Act of 2009, Public Law 111-5.

1 10-A. Efficiency Maine project. "Efficiency Maine project" means a project
2 approved by the Efficiency Maine Trust Board, as established in Title 5, section 12004-G,
3 subsection 10-C, to carry out the purposes of Title 35-A, chapter 97 relating to increasing
4 energy efficiency or conservation.

5 **Sec. D-5. 10 MRSA §1043, sub-§2, ¶K,** as amended by PL 2003, c. 506, §3, is
6 further amended to read:

7 K. In the case of a paper industry job retention project, the applicant is creditworthy
8 and there is a strong likelihood that the revenue obligation securities will be repaid
9 through the revenues of the project and any other sources of revenues and collateral
10 pledged to the repayment of those securities. To assist in making its determination
11 the authority may engage, at the borrower's expense, independent consultants to assist
12 in the evaluation of the project. In making this determination, the authority shall
13 consider factors it considers necessary to measure and evaluate the sufficiency of the
14 pledged revenues to repay the securities, including:

15 (1) Whether individuals or entities obligated to repay the securities have
16 demonstrated sufficient revenues from the project or from other sources to repay
17 the securities and a strong probability that those revenues will continue to be
18 available for the term of the securities;

19 (2) Whether the applicant demonstrates a strong probability that the project will
20 continue to operate and to provide the public benefits projected to be created for
21 the term of the securities;

22 (3) Whether the applicant demonstrates that the benefits projected to be created
23 by the project are enhanced through the use of financial assistance from the
24 authority;

25 (4) Whether the applicant's creditworthiness is demonstrated by such factors as
26 historical financial performance, management ability and the applicant's plan for
27 marketing products or service and its ability to access conventional financing;

28 (5) Whether the applicant meets or exceeds industry average financial
29 performance ratios commonly accepted in determining creditworthiness in that
30 industry. In assessing projected financial performance, the authority must
31 consider the value and effect of any contractual labor cost reductions that will be
32 in effect at the time the financial assistance is provided;

33 (6) Whether collateral securing the repayment obligation, valued in place and in
34 use, is reasonably sufficient under the circumstances;

35 (7) Whether the owner will make an important equity contribution to the project.
36 If the applicant requests financing assistance from the authority in an amount
37 greater than \$25,000,000, the amount financed by the authority may not exceed
38 \$25,000,000 plus 50% of the total project costs in excess of \$25,000,000. If
39 other financing is subordinate to the financing provided by the authority, the
40 amount financed by the authority may not exceed \$25,000,000 plus 70% of the
41 total project costs in excess of \$25,000,000; and

1 (8) Whether the applicant demonstrates that the need for authority assistance is
2 due to the reduced cost and increased flexibility of the financing for the project
3 that result from the authority assistance and not from an inability to obtain
4 necessary financing without the capital reserve fund security provided by the
5 authority; and

6 **Sec. D-6. 10 MRSA §1043, sub-§2, ¶L,** as enacted by PL 2003, c. 506, §4, is
7 amended to read:

8 **L.** In the case of transmission facilities projects, the applicant is creditworthy and
9 there is a strong likelihood that the revenue obligation securities will be repaid
10 through the revenues of the project and any other source of revenues and collateral
11 pledged to the repayment of those securities. In order to make this determination, the
12 authority shall consider such factors as it considers necessary and appropriate in light
13 of the special purpose or other nature of the business entity owning the project to
14 measure and evaluate the project and the sufficiency of the pledged revenues to repay
15 the obligations, including:

16 (1) Whether the individuals or entities obligated to repay the obligations have
17 demonstrated sufficient revenues from the project or from other sources to repay
18 the obligations and a strong probability that those revenues will continue to be
19 available for the term of the revenue obligation securities;

20 (2) Whether the applicant demonstrates a strong probability that the project will
21 continue to operate and provide the public benefits projected to be created for the
22 term of the revenue obligation securities;

23 (3) Whether the applicant demonstrates that the benefits projected to be created
24 by the project are enhanced through the use of financing assistance from the
25 authority;

26 (4) Whether the applicant's creditworthiness is demonstrated by factors such as
27 its historical financial performance, management ability, plan for marketing its
28 product or service and ability to access conventional financing;

29 (5) Whether the applicant meets or exceeds industry average financial
30 performance ratios commonly accepted in determining creditworthiness in that
31 industry;

32 (6) Whether the applicant demonstrates that the need for authority assistance is
33 due to the reduced cost and increased flexibility of the financing for the project
34 that result from authority assistance and not from an inability to obtain necessary
35 financing without the capital reserve fund security provided by the authority;

36 (7) Whether collateral securing the repayment obligation is reasonably sufficient
37 under the circumstances;

38 (8) Whether the proposed project enhances the opportunities for economic
39 development;

40 (9) The effect that the proposed project financing has on the authority's financial
41 resources; and

1 (10) Whether the Northern Maine Transmission Corporation, as established in
2 section 9202, has recommended the project.

3 Upon request by the authority, state agencies, including but not limited to the Public
4 Utilities Commission, shall provide necessary assistance to the authority in evaluating
5 the feasibility of the project and its importance for northern Maine. In providing
6 assistance, the Public Utilities Commission shall consider whether the proposed
7 project enhances the competitiveness of the wholesale and retail energy market; how
8 the proposed project is likely to affect energy prices for Maine residents; whether the
9 proposed project will augment or enhance the reliability and stability of the grid; and
10 whether there is likely to be a long-term need for the product as produced by the
11 proposed project.

12 The authority may establish, pursuant to rules adopted in accordance with Title 5,
13 chapter 375, subchapter 2, application procedures, approval criteria and reasonable
14 fees for transmission facilities projects. Rules adopted by the authority under this
15 paragraph are routine technical rules pursuant to Title 5, chapter 375, subchapter 2-A.
16 In addition, the authority may require the applicant to pay the reasonable costs of an
17 evaluation of the project risks by an independent consultant. If the authority directs
18 the applicant to pay for such an independent evaluation of the project, the authority
19 shall make every reasonable effort, in its discretion, to minimize the cost of the
20 evaluation and any delay such an evaluation may cause in authority action.

21 The authority may not finance any project involving an electric transmission line
22 capable of operating at 69 kilovolts or more unless the Public Utilities Commission
23 has issued a certificate of public convenience for the construction of the line pursuant
24 to Title 35-A, section 3132-; and

25 **Sec. D-7. 10 MRSA §1043, sub-§2, ¶M** is enacted to read:

26 M. In the case of an Efficiency Maine project, as defined in section 963-A,
27 subsection 10-A, there is a reasonable likelihood that the income, proceeds, revenues
28 and funds of Efficiency Maine Trust derived from or held for activities under Title
29 35-A, chapter 97 or otherwise pledged to payment of the bonds will be sufficient to
30 pay the principal, the interest and all other amounts that may at any time become due
31 and payable under the bonds. In making this determination, the authority shall
32 consider Efficiency Maine Trust's analysis of the proposed bond issue and the
33 revenues to make payments on the bonds and may require such information,
34 projections, studies and independent analyses as it considers necessary or desirable
35 and may charge Efficiency Maine Trust reasonable fees and expenses. The authority
36 may require that it be indemnified, defended and held harmless by Efficiency Maine
37 Trust for any liability or cause of action arising out of or with respect to the bonds.
38 The principal and interest of bonds must be made payable solely from the income,
39 proceeds, revenues and funds of Efficiency Maine Trust derived from or held for
40 activities under Title 35-A, chapter 97 or other provision of law. Payment of the
41 principal and interest of bonds may be further secured by a pledge of a loan, grant or
42 contribution from the Federal Government or other source in aid of activities of
43 Efficiency Maine Trust under Title 35-A, chapter 97.

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PART E

Sec. E-1. 30-A MRSA c. 201, sub-c. 7-A is enacted to read:

SUBCHAPTER 7-A

MAINE ENERGY, HOUSING AND ECONOMIC RECOVERY
PROGRAM

§4861. Definitions

As used in this subchapter, unless the context otherwise indicates, the following terms have the following meanings.

1. Authority. "Authority" means the Maine State Housing Authority.

2. Fund. "Fund" means the Maine Energy, Housing and Economic Recovery Fund established in section 4863.

3. Program. "Program" means the Maine Energy, Housing and Economic Recovery Program established in section 4862.

§4862. Maine Energy, Housing and Economic Recovery Program

1. Operator of program. The Maine Energy, Housing and Economic Recovery Program is established. The authority shall operate the program. The program may be operated in conjunction with other programs of the authority.

2. Purposes of the program. The program is established to:

A. Establish stable, reliable, long-term capital funding sources dedicated to providing affordable housing for families in the State;

B. Substantially increase the supply of housing that is affordable, safe, appropriately sized and located near jobs and services;

C. Improve the energy efficiency of residential housing in the State through construction of new units, replacement of older substandard units and substantial rehabilitation of existing units;

D. Stimulate the State's economy and create jobs through investment in the construction and rehabilitation of affordable rental housing;

E. Replace hazardous, unhealthy and inefficient manufactured homes that do not meet the United States Department of Housing and Urban Development standards under 24 Code of Federal Regulations, Part 3280; and

F. Reduce the State's greenhouse gas emissions, lower dependence on foreign oil and ease the energy burden on households in the State by increasing the energy efficiency of housing in the State.

1 **3. Program elements.** The authority shall achieve the purposes of the program by
2 applying the resources of the program to support construction or substantial rehabilitation
3 of multifamily affordable rental housing units and replacement of manufactured housing
4 units that do not meet the United States Department of Housing and Urban Development
5 regulations under 24 Code of Federal Regulations, Part 3280. The authority in allocating
6 the resources of the program shall seek to achieve the following targets over time:

7 A. At least 30% to the construction or substantial rehabilitation of multifamily
8 affordable rental housing units serving seniors, as defined by the authority;

9 B. At least 30% to the construction or substantial rehabilitation of multifamily
10 affordable rental housing units serving persons of any age;

11 C. At least 10% to the construction or substantial rehabilitation of multifamily
12 affordable rental housing units serving populations with special needs, as defined by
13 the authority; and

14 D. At least 10% to the replacement of manufactured housing units that do not meet
15 the United States Department of Housing and Urban Development regulations under
16 24 Code of Federal Regulations, Part 3280.

17 In designing and implementing the program, the authority shall provide for the needs of
18 rural communities through flexible standards for development size and income eligibility.
19 No more than 30% of program resources may be allocated to projects of all types under
20 these flexible standards.

21 **§4863. Maine Energy, Housing and Economic Recovery Fund**

22 The Maine Energy, Housing and Economic Recovery Fund is established under the
23 jurisdiction and control of the authority. The fund is nonlapsing and may be invested in
24 the same manner as permitted for investment of other state funds.

25 **1. Use of fund.** Money in the fund may be applied by the authority:

26 A. To reduce the rate of interest on or the principal amount of such mortgage loans
27 as the authority determines;

28 B. To make mortgage loans and such other types of loans or grants as the authority
29 determines;

30 C. To fund reserve funds for, pay capitalized interest on, pay costs of issuance of or
31 otherwise secure and facilitate the sale of the bonds issued under section 4864;

32 D. To pay the administrative costs of the program;

33 E. To pay, in whole or in part, principal, interest, sinking fund payments or other
34 costs on bonds issued by the authority under section 4864 for the purposes of this
35 program; and

36 F. In any other reasonable manner to support the purposes of the program.

37 **2. Sources of funds.** The fund consists of:

38 A. All money transferred to the fund pursuant to Title 36, section 4641-B, subsection
39 4-A;

1 B. Subject to any pledge, contract or other obligation under this subchapter, any
2 money the authority receives in repayment of advances from the fund;

3 C. Subject to any pledge, contract or other obligation under this subchapter, all
4 interest, dividends and pecuniary gains from the investment of money of the fund;
5 and

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

8 3. Fund as security. Money in the fund may, in whole or in part, be pledged or
9 transferred and deposited as security for and applied in payment of principal of, interest
10 on or redemption premiums on bonds issued under section 4864 for the purposes of this
11 subchapter.

12 4. Division of fund. The authority may divide the fund into any separate accounts
13 that it finds necessary to accomplish the purposes of this subchapter.

14 5. Reporting. Not later than March 1, 2011 and March 1st of each year thereafter,
15 the director of the authority shall report to the joint standing committee of the Legislature
16 having jurisdiction over affordable housing matters on the status of the fund. The report
17 must include, but is not limited to, the amount of revenue bonds issued under this
18 subchapter, the type, location and cost of projects receiving bond proceeds, the number of
19 housing units created by each project, the number of direct construction jobs created or
20 maintained by each project, the amount of direct construction wages paid in creating or
21 maintaining those jobs and the total amount of building materials purchased in the
22 development of each project.

23 **§4864. Bonds**

24 Beginning in fiscal year 2010-11, pursuant to its authority under this chapter, the
25 authority may issue revenue bonds from time to time, to be known as Maine Energy,
26 Housing and Economic Recovery Fund revenue bonds, to carry out the purposes of the
27 program. Notwithstanding any other provision of law, the authority may have in the
28 aggregate principal amount outstanding at any one time Maine Energy, Housing and
29 Economic Recovery Fund revenue bonds up to but not exceeding \$200,000,000,
30 excluding refunding bonds. The authority may issue in any fiscal year revenue bonds
31 under this subchapter in an amount of \$30,000,000 or more, as determined appropriate by
32 the authority for the purposes of the program.

33 **Sec. E-2. 36 MRSA §4641-B, sub-§4,** as repealed and replaced by PL 2007, c.
34 539, Pt. WW, §2, is repealed.

35 **Sec. E-3. 36 MRSA §4641-B, sub-§4-A** is enacted to read:

36 4-A. Distribution of State's share of proceeds. The State Tax Assessor shall pay
37 all net receipts received pursuant to this section to the Treasurer of State and shall at the
38 same time provide the Treasurer of State with documentation showing the amount of
39 revenues derived from the tax imposed by section 4641-A, subsection 1 and the amount
40 of revenues derived from the tax imposed by section 4641-A, subsection 2.

1 A. In fiscal year 2009-10, the Treasurer of State shall:

2 (1) Credit to the General Fund 50% of the revenues derived from the tax
3 imposed by section 4641-A, subsection 1; and

4 (2) Credit an additional \$3,320,000 of the revenues derived from the tax imposed
5 by section 4641-A, subsection 1 to the General Fund, after which the Treasurer of
6 State shall pay on a monthly basis the remaining revenues derived from the tax
7 imposed by section 4641-A, subsection 1 to the Maine State Housing Authority,
8 which shall deposit the funds in the Maine Energy, Housing and Economic
9 Recovery Fund created in Title 30-A, section 4863.

10 B. In fiscal year 2010-11, the Treasurer of State shall:

11 (1) Credit to the General Fund 50% of the revenues derived from the tax
12 imposed by section 4641-A, subsection 1; and

13 (2) Credit an additional \$3,720,000 of the revenues derived from the tax imposed
14 by section 4641-A, subsection 1 to the General Fund, after which the Treasurer of
15 State shall pay on a monthly basis the remaining revenues derived from the tax
16 imposed by section 4641-A, subsection 1 to the Maine State Housing Authority,
17 which shall deposit the funds in the Maine Energy, Housing and Economic
18 Recovery Fund created in Title 30-A, section 4863.

19 C. In fiscal year 2011-12, the Treasurer of State shall credit the revenues derived
20 from the tax imposed pursuant to section 4641-A, subsection 1 in accordance with
21 this paragraph.

22 (1) At the beginning of the fiscal year, the Maine State Housing Authority shall
23 certify to the Treasurer of State the amount that is necessary and sufficient to
24 meet the authority's obligations relating to bonds issued or planned to be issued
25 by the authority under Title 30-A, section 4864.

26 (2) On a monthly basis the Treasurer of State shall apply 50% of the revenues in
27 accordance with this subparagraph. The Treasurer shall first pay revenues
28 available under this subparagraph to the Maine State Housing Authority, which
29 shall deposit the funds in the Maine Energy, Housing and Economic Recovery
30 Fund established in Title 30-A, section 4863, until the amount paid equals the
31 amount certified by the Maine State Housing Authority under subparagraph (1),
32 after which the Treasurer of State shall credit any remaining revenues available
33 under this subparagraph to the General Fund.

34 (3) On a monthly basis the Treasurer of State shall apply 50% of the revenues in
35 accordance with this subparagraph. The Treasurer of State shall first credit
36 \$3,830,000 of the revenues available under this subparagraph to the General
37 Fund, after which the Treasurer of State shall pay any remaining revenues
38 available under this subparagraph to the Maine State Housing Authority, which
39 shall deposit the funds in the Housing Opportunities for Maine Fund created in
40 Title 30-A, section 4853.

41 D. In fiscal year 2012-13, the Treasurer of State shall credit the revenues derived
42 from the tax imposed pursuant to section 4641-A, subsection 1 in accordance with
43 this paragraph.

1 (1) At the beginning of the fiscal year, the Maine State Housing Authority shall
2 certify to the Treasurer of State the amount that is necessary and sufficient to
3 meet the authority's obligations relating to bonds issued or planned to be issued
4 by the authority under Title 30-A, section 4864.

5 (2) On a monthly basis the Treasurer of State shall apply 50% of the revenues in
6 accordance with this subparagraph. The Treasurer shall first pay revenues
7 available under this subparagraph to the Maine State Housing Authority, which
8 shall deposit the funds in the Maine Energy, Housing and Economic Recovery
9 Fund established in Title 30-A, section 4863, until the amount paid equals the
10 amount certified by the Maine State Housing Authority under subparagraph (1),
11 after which the Treasurer of State shall credit any remaining revenues available
12 under this subparagraph to the General Fund.

13 (3) On a monthly basis the Treasurer of State shall apply 50% of the revenues in
14 accordance with this subparagraph. The Treasurer of State shall first credit
15 \$3,950,000 of the revenues available under this subparagraph to the General
16 Fund, after which the Treasurer of State shall pay any remaining revenues
17 available under this subparagraph to the Maine State Housing Authority, which
18 shall deposit the funds in the Housing Opportunities for Maine Fund created in
19 Title 30-A, section 4853.

20 E. In fiscal year 2013-14 and each fiscal year thereafter, the Treasurer of State shall
21 credit the revenues derived from the tax imposed pursuant to section 4641-A,
22 subsection 1 in accordance with this paragraph.

23 (1) At the beginning of the fiscal year, the Maine State Housing Authority shall
24 certify to the Treasurer of State the amount that is necessary and sufficient to
25 meet the authority's obligations relating to bonds issued or planned to be issued
26 by the authority under Title 30-A, section 4864.

27 (2) On a monthly basis the Treasurer of State shall apply 50% of the revenues in
28 accordance with this subparagraph. The Treasurer shall first pay revenues
29 available under this subparagraph to the Maine State Housing Authority, which
30 shall deposit the funds in the Maine Energy, Housing and Economic Recovery
31 Fund established in Title 30-A, section 4863, until the amount paid equals the
32 amount certified by the Maine State Housing Authority under subparagraph (1),
33 after which the Treasurer of State shall credit any remaining revenues available
34 under this subparagraph to the General Fund.

35 (3) On a monthly basis, the Treasurer of State shall credit 50% of the revenue to
36 the Maine State Housing Authority, which shall deposit the funds in the Housing
37 Opportunities for Maine Fund created in Title 30-A, section 4853.

38 F. Neither the Governor nor the Legislature may divert the revenues payable to the
39 Housing Opportunities for Maine Fund to any other fund or for any other use. Any
40 proposal to enact or amend a law to allow distribution of less than 1/2 of the revenues
41 derived from the tax imposed by section 4641-A, subsection 1 to the Housing
42 Opportunities for Maine Fund established in Title 30-A, section 4853, as adjusted
43 under this subsection, must be submitted to the Legislative Council and to the joint

1 standing committee of the Legislature having jurisdiction over affordable housing
2 matters at least 30 days prior to any vote or public hearing on the proposal.

3 G. The Treasurer of State shall credit to the General Fund all of the revenues derived
4 from the tax imposed by section 4641-A, subsection 2.

5 **Sec. E-4. Report.** By March 1, 2010, the Director of the Maine State Housing
6 Authority shall report to the Joint Standing Committee on Business and Economic
7 Development regarding the authority's actions taken to implement the provisions of the
8 Maine Revised Statutes, Title 30-A, chapter 201, subchapter 7-A.

9 **PART F**

10 **Sec. F-1. 5 MRSA §282, sub-§7,** as amended by PL 2001, c. 333, §2, is further
11 amended to read:

12 **7. Value of fringe benefits.** To ensure that all publications that state the salary of an
13 employee or of a position in State Government also include a statement of the dollar
14 value of the fringe benefit package provided. For purposes of this subsection, "fringe
15 benefits" includes an employer's cost of an employee's health insurance, dental insurance
16 and retirement but does not include the amount paid to cover any unfunded liability; and

17 **Sec. F-2. 5 MRSA §282, sub-§8,** as enacted by PL 2001, c. 333, §3, is amended
18 to read:

19 **8. Serve as director of Clean Government Initiative.** To serve as a director, along
20 with the Commissioner of Environmental Protection, of the Clean Government Initiative
21 established in Title 38, section 343-H; and

22 **Sec. F-3. 5 MRSA §282, sub-§9** is enacted to read:

23 **9. Energy independence fund; revenues from occupancy of state assets.** To
24 establish an energy independence fund for revenues derived from the use of state assets
25 for energy transmission systems. Each fiscal year, the first \$50,000,000 in revenues
26 collected from such use must be transferred by the Treasurer of State to the Efficiency
27 Maine Trust for deposit by the trust in program funds pursuant to Title 35-A, section
28 10103, subsection 4. After the initial transfer each fiscal year, the Treasurer shall deposit
29 additional revenues received into an energy independence fund, which must be used for
30 the following purposes:

31 A. To ensure the methodical transition to energy independence and security for the
32 people, communities, economy and environment of the State;

33 B. To invest in and transform the ways homes and businesses are heated, energy is
34 used and people and cargo are transported;

35 C. To gain independence from foreign oil and to maximize energy efficiency, to
36 enhance renewable energy sources and to invest in an economic development strategy
37 to ensure a vibrant, environmentally sound and prosperous future; and

38 D. To reduce energy costs statewide.

1 **Sec. F-4. Commission established.** The Commission to Study Energy
2 Infrastructure, referred to in this section as "the commission," is established.

3 **1. Membership.** The commission consists of 13 members appointed as follows:

4 A. Three members of the Senate appointed by the President of the Senate, including
5 members from each of the 2 parties holding the largest number of seats in the
6 Legislature;

7 B. Five members of the House of Representatives appointed by the Speaker of the
8 House, including members from each of the 2 parties holding the largest number of
9 seats in the Legislature; and

10 C. Five members appointed by the Governor.

11 **2. Chairs.** The first-named Senate member is the Senate chair and the first-named
12 House of Representatives member is the House chair of the commission.

13 **3. Appointments; convening.** All appointments must be made no later than 30 days
14 following the effective date of this section. The appointing authorities shall notify the
15 Executive Director of the Legislative Council once all appointments have been
16 completed. Within 15 days after appointment of all members, the chairs shall call and
17 convene the first meeting of the commission.

18 **4. Duties; corridors; plan.** The commission shall examine the feasibility and effects
19 of the State entering into agreements for leasing or otherwise allowing the use of state-
20 owned lands or assets, including submerged lands, the rights-of-way of the state highway
21 system, the federal interstate highway system, state-owned or state-controlled rail
22 corridors or other state transportation corridors, for the installation of lines, cables,
23 pipelines or other structures for the transmission of energy resources, communication
24 transmission systems or related facilities. The commission shall develop a plan
25 governing such agreements that addresses at least the following:

26 A. Appropriate valuation, pricing and allocation methodologies to maximize the
27 long-term public value through the most efficient and effective use of the state-owned
28 lands and assets; and

29 B. The potential effect of such agreements on renewable energy development in the
30 State, on the development of other energy projects in the State, including but not
31 limited to liquefied natural gas terminals, on energy consumers and ratepayers and on
32 natural resources and the environment.

33 The commission shall also examine the policy issues relating to the construction or
34 installation in this State of energy facilities greater than 75 miles in length. The
35 commission shall evaluate the need for changes in methods of taxation to ensure
36 protection of the public health, safety and welfare.

37 In developing the plan, the commission shall review and analyze relevant reports and
38 information, including but not limited to the information, analysis and results of the New
39 England States Regional Energy Blueprint being prepared by ISO-NE for the New
40 England Governors and the New England States' Committee on Electricity. The
41 commission shall also examine and monitor proposed or pending federal energy

1 legislation that may significantly affect energy policy in this State. The commission may
2 also consider ways in which the State's electric transmission systems, including new
3 lines, system upgrades or the development of a smart-grid, or the development of natural
4 gas systems, including pipelines and liquefied natural gas terminals, can help the State
5 achieve its energy goals.

6 **5. Staff; consultants; other assistance.** The Legislative Council shall provide
7 staffing services to the commission. The commission shall seek input from relevant
8 agencies, stakeholders and persons with expertise. All agencies with relevant expertise
9 shall provide technical or other assistance requested by the commission. The commission
10 may retain consultants and other experts to assist the commission in its work.

11 **6. Report.** No later than December 2, 2009, the commission shall submit a report
12 that includes its findings and recommendations, including suggested legislation, for
13 presentation to the Second Regular Session of the 124th Legislature. The Joint Standing
14 Committee on Utilities and Energy may submit a bill related to the subject matter of the
15 report to the Second Regular Session of the 124th Legislature after receipt of the report.

16 **Sec. F-5. Legislative review of corridor plans.**

17 **1. Definitions.** For purposes of this section, the following terms have the following
18 meanings:

19 A. "Energy facilities" means lines, cables, pipelines or other structures for the
20 transmission of energy resources, including but not limited to electricity, natural gas
21 or oil.

22 B. "Significant occupancy agreement" means an occupancy agreement that:

23 (1) Involves a high-voltage direct current electric transmission line;

24 (2) Involves energy facilities greater than 75 miles in length; or

25 (3) Is substantially different from any previous occupancy agreement entered into
26 by a state authority, including, but not limited to, with respect to the type of
27 transportation corridors to be occupied, the manner of occupancy by energy
28 facilities, the physical extent of occupancy by energy facilities, the type of energy
29 facilities involved or the amount or calculation of any required consideration.

30 C. "State authority" includes but is not limited to the Governor, the Department of
31 Transportation, the Maine Turnpike Authority or any other state entity, agency or
32 authority.

33 D. "Transportation corridors" means the state highway system, the federal interstate
34 highway system, state-owned or state-controlled rail corridors or other state
35 transportation corridors.

36 **2. Prohibition.** A state authority may not enter into a significant occupancy
37 agreement allowing the installation of energy facilities in state transportation corridors
38 until a law approving a plan governing such agreements is enacted. A state authority may
39 not issue a permit for an energy facility greater than 75 miles in length until this section is
40 repealed. A state authority may not sell or lease state lands for the installation of an

1 energy facility greater than 75 miles in length until a law approving a plan governing the
2 sale or lease of state lands for such installations is enacted. Notwithstanding any other
3 statutory provision or exemption, any person proposing to construct a transmission line
4 greater than 75 miles in length and operating at greater than 69 kilovolts must obtain a
5 certificate of public convenience and necessity as required by the Maine Revised Statutes,
6 Title 35-A, section 3132.

7 **3. Limitations; exceptions.** Nothing in this section prohibits a state authority from
8 undertaking feasibility studies or exploratory negotiations for a significant occupancy
9 agreement. Nothing in this section prohibits a state authority from entering into a limited
10 agreement to engage in further negotiations regarding a significant occupancy agreement
11 after enactment of law approving a plan governing such agreements, provided that any
12 such limited agreement is subject to the express condition that all such further
13 negotiations will occur only if permitted by and only in accordance with all provisions,
14 terms, conditions and limitations of that plan. A state authority shall ensure that any
15 study, negotiation or preliminary agreement is undertaken or entered into with the full
16 awareness of all parties of the provisions of this section. Nothing in this section
17 prohibits a state authority from entering into an agreement allowing occupancy of state
18 transportation corridors by energy facilities for which an application for a certificate of
19 public convenience or necessity was pending before the Public Utilities Commission on
20 April 1, 2009, provided the occupancy agreement does not involve substantially different
21 terms or conditions from any previous occupancy agreement entered into by a state
22 authority with respect to the type of transportation corridors to be occupied, the manner
23 of occupancy, the physical extent of occupancy or the amount or calculation of any
24 required consideration. Nothing in this section prohibits a state authority from issuing
25 permits for energy facilities for which an application for a certificate of public
26 convenience or necessity was pending before the Public Utilities Commission on April 1,
27 2009. Nothing in this section is intended to apply to the operation, maintenance or
28 alteration of licensed or permitted operating pipeline facilities or their appurtenances,
29 including but not limited to tanks, piers, pumps and valves, that were installed prior to the
30 effective date of this Act, even if such operation, maintenance or alteration activity
31 requires a permit from a state authority. Nothing in this section prohibits any state
32 authority from entering into a submerged lands lease for any pier and appurtenances
33 related to a licensed marine oil terminal facility, as long as the application for such lease
34 was pending prior to the effective date of this Act. Nothing in this section amends or
35 alters the jurisdiction of any state authority or agency, including but not limited to the
36 Public Utilities Commission and the Board of Environmental Protection, regarding the
37 siting or determination of need for any energy facilities that may be the subject of a
38 significant occupancy agreement or exempts any energy facilities from obtaining
39 approvals required by applicable law. Nothing in this section prohibits a state authority
40 from issuing a permit or license pursuant to authority delegated to the State by federal
41 law.

42 **4. Repeal.** This section is repealed upon the effective date of a law approving plans
43 in accordance with subsection 2 that specifically indicates legislative intent to repeal this
44 section or 90 days after the adjournment of the Second Regular Session of the 124th
45 Legislature, whichever is earlier.

1 Reinvestment and Recovery Act of 2009. The report must include recommended
2 legislation to implement the proposed plan on a sustained, long-term basis.

3 The Joint Standing Committee on Utilities and Energy may submit legislation on the
4 subject matter of the report to the Second Regular Session of the 124th Legislature.

5 **PART H**

6 **Sec. H-1. 2 MRSA §9, sub-§2-A** is enacted to read:

7 2-A. Powers. The director may request from the Efficiency Maine Trust, established
8 in Title 35-A, chapter 97, and the trust may provide from funds available to it funding
9 sufficient to carry out the duties of the office under section 3 and any other applicable
10 law.

11 **Sec. H-2. 2 MRSA §9, sub-§3**, as enacted by PL 2007, c. 656, Pt. C, §1, is
12 amended to read:

13 **3. Duties.** The director is responsible for the execution of the duties of the office.
14 The director shall:

15 A. ~~Chair~~ Serve as a member of the Energy Resources Council Efficiency Maine
16 Trust Board, established under Title 5, section 3327 12004-G, subsection 10-C;

17 B. In collaboration with the ~~Energy Resources Council and other~~ relevant state
18 agencies, coordinate state energy policy and actively foster cooperation with the
19 Efficiency Maine Trust, established in Title 35-A, chapter 97;

20 C. ~~Prepare~~ In consultation with the Efficiency Maine Trust Board, established in
21 Title 5, section 12004-G, subsection 10-C, prepare and submit a comprehensive state
22 energy plan to the Governor and the Legislature by January 15, 2009 and every 2
23 years thereafter;

24 C-1. By February 1st of each year, prepare and submit to the joint standing
25 committee of the Legislature having jurisdiction over utilities and energy matters an
26 annual report that describes the activities of the office during the previous calendar
27 year in carrying out its duties under this subsection and describes the State's progress
28 in implementation of the state energy plan prepared pursuant to paragraph C. After
29 receipt and review of the annual report required under this paragraph, the joint
30 standing committee of the Legislature having jurisdiction over utilities and energy
31 matters may submit legislation relating to energy policy;

32 D. In collaboration with other relevant state agencies, private industry and nonprofit
33 organizations, collect and analyze energy data, including, but not limited to, data on
34 energy supply, demand and costs in this State with consideration of all available
35 energy sources;

36 E. Coordinate the dissemination of energy information to the public and the media;

37 F. Provide technical assistance and information to the Governor and the Legislature
38 regarding the State's short-range and long-range energy needs and the resources to
39 meet those needs;

1 G. Seek funds and partnerships with public and private sources to support the goals
2 of the office, including, but not limited to, promoting energy efficiency, demand-side
3 management and distributed generation;

4 H. Work with transmission and distribution utilities, state agencies involved in the
5 permitting of energy generation facilities and other relevant entities to negotiate
6 agreements that create value for electricity consumers with developers of renewable
7 generation who are interested in building energy generation facilities or developing or
8 utilizing energy transmission infrastructure in this State. This paragraph does not
9 authorize the director to be a signatory to any such agreement unless that authority is
10 otherwise granted by law. The director shall report on activities undertaken pursuant
11 to this paragraph by February 1, 2009, and annually thereafter, to the joint standing
12 committee of the Legislature having jurisdiction over utilities and energy matters;

13 I. Monitor energy transmission capacity planning and policy affecting this State and
14 the regulatory approval process for the development of energy infrastructure pursuant
15 to Title 35-A, section 122 and make recommendations to the Governor and the
16 Legislature as necessary for changes to the relevant laws and rules to facilitate energy
17 infrastructure planning and development; and

18 J. Take action as necessary to carry out the goals and objectives of the state energy
19 plan prepared pursuant to paragraph C.

20 **PART I**

21 **Sec. I-1. Task force established.** The Commissioner of Administrative and
22 Financial Services shall establish a task force, referred to in this Part as "the task force,"
23 to advance energy efficiency, conservation and independence at state facilities. The
24 members of the task force include:

- 25 1. The Commissioner of Administrative and Financial Services, who serves as chair;
- 26 2. The Director of the Governor's Office of Energy Independence and Security
27 within the Executive Department or the director's designee;
- 28 3. The Commissioner of Environmental Protection or the commissioner's designee;
- 29 4. The director of the property management division within the Department of
30 Administrative and Financial Services;
- 31 5. The chair of the Public Utilities Commission or the chair's designee;
- 32 6. The Director of the State Planning Office within the Executive Department or the
33 director's designee; and
- 34 7. Other individuals appointed by the Commissioner of Administrative and Financial
35 Services to serve on the task force who have demonstrated an interest in the energy issues
36 of the State from the private, public or nonprofit sector.

37 **Sec. I-2. Chair to convene task force.** The task force shall meet at times and
38 places called by the chair. The task force may accept staffing, financial and other

1 administrative or program support from the agencies of State Government or from outside
2 sources as it determines appropriate to its duties. Members serve without compensation.

3 **Sec. I-3. Task force responsibilities.** The task force shall examine ways of
4 advancing the goals of improving energy efficiency, increasing energy conservation and
5 increasing the energy independence of the State by better management of state facilities.
6 The task force shall develop recommendations that, to the extent possible, do not require
7 additional state positions or increased appropriations from the General Fund.

8 **Sec. I-4. Reporting date established.** The task force shall report its findings
9 and recommendations to the Governor and to the Joint Standing Committee on State and
10 Local Government and to the Joint Standing Committee on Utilities and Energy no later
11 than December 1, 2009.

12 **Sec. I-5. Authority to submit legislation.** The task force is authorized to
13 submit legislation to the Second Regular Session of the 124th Legislature.

14 **PART J**

15 **Sec. J-1. Appropriations and allocations.** The following appropriations and
16 allocations are made.

17 **EFFICIENCY MAINE TRUST**

18 **Conservation Administration Fund 0966**

19 Initiative: Allocates funds to reflect the transfer of the Conservation Administration Fund
20 program from the Public Utilities Commission to the Efficiency Maine Trust.

21	FEDERAL EXPENDITURES FUND	2009-10	2010-11
22	All Other	\$0	\$432,774
23			
24	FEDERAL EXPENDITURES FUND TOTAL	\$0	\$432,774
25	OTHER SPECIAL REVENUE FUNDS	2009-10	2010-11
26	All Other	\$0	\$1,200,000
27			
28	OTHER SPECIAL REVENUE FUNDS TOTAL	\$0	\$1,200,000
29	FEDERAL EXPENDITURES FUND ARRA	2009-10	2010-11
30	All Other	\$0	\$4,576,500
31			
32	FEDERAL EXPENDITURES FUND ARRA TOTAL	\$0	\$4,576,500

1	FEDERAL BLOCK GRANT FUND ARRA	2009-10	2010-11
2	All Other	\$0	\$557,725
3			
4	FEDERAL BLOCK GRANT FUND ARRA TOTAL	<u>\$0</u>	<u>\$557,725</u>

5 **Conservation Program Fund 0967**

6 Initiative: Allocates funds to reflect the transfer of the Conservation Program Fund
7 program from the Public Utilities Commission to the Efficiency Maine Trust.

8	OTHER SPECIAL REVENUE FUNDS	2009-10	2010-11
9	All Other	\$0	\$14,135,334
10			
11	OTHER SPECIAL REVENUE FUNDS TOTAL	<u>\$0</u>	<u>\$14,135,334</u>

12 **Efficiency Maine Trust N081**

13 Initiative: Allocates funds to reflect the elimination of the Maine Energy Conservation
14 Board at the Public Utilities Commission and the transfer of related funds to the
15 Efficiency Maine Trust.

16	OTHER SPECIAL REVENUE FUNDS	2009-10	2010-11
17	All Other	\$0	\$263,400
18			
19	OTHER SPECIAL REVENUE FUNDS TOTAL	<u>\$0</u>	<u>\$263,400</u>

20 **Efficiency Maine Trust N081**

21 Initiative: Allocates funds to reflect a transfer from the reimbursement fund at the Public
22 Utilities Commission to the Efficiency Maine Trust for the trust's operating costs during
23 the transition year in fiscal year 2009-10.

24	OTHER SPECIAL REVENUE FUNDS	2009-10	2010-11
25	All Other	\$700,000	\$0
26			
27	OTHER SPECIAL REVENUE FUNDS TOTAL	<u>\$700,000</u>	<u>\$0</u>

28 **Energy and Carbon Savings Trust Fund N027**

29 Initiative: Allocates funds to reflect the transfer of the Energy and Carbon Savings Trust
30 Fund program from the Public Utilities Commission to the Efficiency Maine Trust.

31	OTHER SPECIAL REVENUE FUNDS	2009-10	2010-11
32	All Other	\$0	\$30,000,000
33			

1 OTHER SPECIAL REVENUE FUNDS TOTAL \$0 \$30,000,000

2 **Energy Conservation Small Business Revolving Loan Fund N087**

3 Initiative: Allocates funds to reflect the transfer of the Energy Conservation Small
4 Business Revolving Loan Fund from the Public Utilities Commission to the Efficiency
5 Maine Trust.

6	OTHER SPECIAL REVENUE FUNDS	2009-10	2010-11
7	All Other	\$0	\$410,000
8			
9	OTHER SPECIAL REVENUE FUNDS TOTAL	\$0	\$410,000

10 **Heating Fuels Efficiency and Weatherization Fund N088**

11 Initiative: Provides a base allocation to authorize expenditures of any funds received for
12 the program.

13	OTHER SPECIAL REVENUE FUNDS	2009-10	2010-11
14	All Other	\$0	\$500
15			
16	OTHER SPECIAL REVENUE FUNDS TOTAL	\$0	\$500

17 **Natural Gas Conservation Fund N085**

18 Initiative: Allocates funds from an assessment of up to 3% of certain gas utilities' delivery
19 revenues.

20	OTHER SPECIAL REVENUE FUNDS	2009-10	2010-11
21	All Other	\$0	\$891,000
22			
23	OTHER SPECIAL REVENUE FUNDS TOTAL	\$0	\$891,000

24 **Solar Rebate Program Fund Z012**

25 Initiative: Allocates funds to reflect the transfer of the Solar Rebate Program Fund from
26 the Public Utilities Commission to the Efficiency Maine Trust.

27	OTHER SPECIAL REVENUE FUNDS	2009-10	2010-11
28	All Other	\$0	\$750,000
29			
30	OTHER SPECIAL REVENUE FUNDS TOTAL	\$0	\$750,000

31 **Solar Rebate Program Fund Z012**

1 Initiative: Allocates funds to reflect the transfer of the Solar Rebate Program Fund from
 2 the Public Utilities Commission to the Efficiency Maine Trust.

3	FEDERAL EXPENDITURES FUND ARRA	2009-10	2010-11
4	All Other	\$0	\$500,000
5			
6	FEDERAL EXPENDITURES FUND ARRA TOTAL	<u>\$0</u>	<u>\$500,000</u>

7	EFFICIENCY MAINE TRUST		
8	DEPARTMENT TOTALS	2009-10	2010-11
9			
10	FEDERAL EXPENDITURES FUND	\$0	\$432,774
11	OTHER SPECIAL REVENUE FUNDS	\$700,000	\$47,650,234
12	FEDERAL EXPENDITURES FUND ARRA	\$0	\$5,076,500
13	FEDERAL BLOCK GRANT FUND ARRA	\$0	\$557,725
14			
15	DEPARTMENT TOTAL - ALL FUNDS	<u>\$700,000</u>	<u>\$53,717,233</u>

16 **PUBLIC UTILITIES COMMISSION**

17 **Conservation Administration Fund 0966**

18 Initiative: Deallocates funds to reflect the transfer of 17 positions and associated costs of
 19 the Conservation Administration Fund program at the Public Utilities Commission to the
 20 Efficiency Maine Trust.

21	FEDERAL EXPENDITURES FUND	2009-10	2010-11
22	POSITIONS - LEGISLATIVE COUNT	0.000	(2.000)
23	Personal Services	\$0	(\$137,054)
24	All Other	\$0	(\$295,720)
25			
26	FEDERAL EXPENDITURES FUND TOTAL	<u>\$0</u>	<u>(\$432,774)</u>

27	OTHER SPECIAL REVENUE FUNDS	2009-10	2010-11
28	POSITIONS - FTE COUNT	0.000	(9.000)
29	Personal Services	\$0	(\$921,469)
30	All Other	\$0	(\$278,531)
31			
32	OTHER SPECIAL REVENUE FUNDS TOTAL	<u>\$0</u>	<u>(\$1,200,000)</u>

1	FEDERAL EXPENDITURES FUND ARRA	2009-10	2010-11
2	Personal Services	\$0	(\$421,302)
3	All Other	\$0	(\$4,155,198)
4			
5	FEDERAL EXPENDITURES FUND ARRA TOTAL	<u>\$0</u>	<u>(\$4,576,500)</u>

6	FEDERAL BLOCK GRANT FUND ARRA	2009-10	2010-11
7	Personal Services	\$0	(\$132,393)
8	All Other	\$0	(\$425,332)
9			
10	FEDERAL BLOCK GRANT FUND ARRA TOTAL	<u>\$0</u>	<u>(\$557,725)</u>

11 **Conservation Administration Fund 0966**

12 Initiative: Deallocates funds to reflect the transfer of the Energy Conservation Small
13 Business Revolving Loan Fund from the Public Utilities Commission to the Efficiency
14 Maine Trust.

15	OTHER SPECIAL REVENUE FUNDS	2009-10	2010-11
16	All Other	\$0	(\$410,000)
17			
18	OTHER SPECIAL REVENUE FUNDS TOTAL	<u>\$0</u>	<u>(\$410,000)</u>

19 **Conservation Program Fund 0967**

20 Initiative: Deallocates funds to reflect the transfer of the Conservation Program Fund
21 program at the Public Utilities Commission to the Efficiency Maine Trust.

22	OTHER SPECIAL REVENUE FUNDS	2009-10	2010-11
23	All Other	\$0	(\$14,135,334)
24			
25	OTHER SPECIAL REVENUE FUNDS TOTAL	<u>\$0</u>	<u>(\$14,135,334)</u>

26 **Energy and Carbon Savings Trust Fund N027**

27 Initiative: Deallocates funds to reflect the transfer of the Energy and Carbon Savings
28 Trust Fund program from the Public Utilities Commission to the Efficiency Maine Trust.

29	OTHER SPECIAL REVENUE FUNDS	2009-10	2010-11
30	All Other	\$0	(\$30,000,000)
31			
32	OTHER SPECIAL REVENUE FUNDS TOTAL	<u>\$0</u>	<u>(\$30,000,000)</u>

33 **Maine Energy Conservation Board Z076**

1 Initiative: Deallocates funds to reflect the elimination of the Maine Energy Conservation
2 Board at the Public Utilities Commission and the transfer of related funds to the
3 Efficiency Maine Trust.

4	OTHER SPECIAL REVENUE FUNDS	2009-10	2010-11
5	All Other	\$0	(\$263,400)
6			
7	OTHER SPECIAL REVENUE FUNDS TOTAL	<u>\$0</u>	<u>(\$263,400)</u>

8 **Oversight and Evaluation Fund N089**

9 Initiative: Provides a base allocation to authorize expenditures of funds that may be
10 assessed for the commission to oversee and evaluate the Efficiency Maine Trust.

11	OTHER SPECIAL REVENUE FUNDS	2009-10	2010-11
12	All Other	\$0	\$500
13			
14	OTHER SPECIAL REVENUE FUNDS TOTAL	<u>\$0</u>	<u>\$500</u>

15 **Solar Rebate Program Fund Z012**

16 Initiative: Deallocates funds to reflect the transfer of the Solar Rebate Program Fund from
17 the Public Utilities Commission to the Efficiency Maine Trust.

18	OTHER SPECIAL REVENUE FUNDS	2009-10	2010-11
19	All Other	\$0	(\$750,000)
20			
21	OTHER SPECIAL REVENUE FUNDS TOTAL	<u>\$0</u>	<u>(\$750,000)</u>

22 **Solar Rebate Program Fund Z012**

23 Initiative: Deallocates funds to reflect the transfer of the Solar Rebate Program Fund from
24 the Public Utilities Commission to the Efficiency Maine Trust.

25	FEDERAL EXPENDITURES FUND ARRA	2009-10	2010-11
26	All Other	\$0	(\$500,000)
27			
28	FEDERAL EXPENDITURES FUND ARRA TOTAL	<u>\$0</u>	<u>(\$500,000)</u>

29	PUBLIC UTILITIES COMMISSION		
30	DEPARTMENT TOTALS	2009-10	2010-11
31			
32	FEDERAL EXPENDITURES FUND	\$0	(\$432,774)

1	OTHER SPECIAL REVENUE FUNDS	\$0	(\$46,758,234)
2	FEDERAL EXPENDITURES FUND ARRA	\$0	(\$5,076,500)
3	FEDERAL BLOCK GRANT FUND ARRA	\$0	(\$557,725)
4			
5	DEPARTMENT TOTAL - ALL FUNDS	\$0	(\$52,825,233)

6	SECTION TOTALS	2009-10	2010-11
7			
8	FEDERAL EXPENDITURES FUND	\$0	\$0
9	OTHER SPECIAL REVENUE FUNDS	\$700,000	\$892,000
10	FEDERAL EXPENDITURES FUND ARRA	\$0	\$0
11	FEDERAL BLOCK GRANT FUND ARRA	\$0	\$0
12			
13	SECTION TOTAL - ALL FUNDS	\$700,000	\$892,000

14 **SUMMARY**

15 This bill, which is the majority report of the Joint Select Committee on Maine's
 16 Energy Future submitted pursuant to Joint Order 2009, House Paper 63, does the
 17 following.

18 **PART A**

19 This Part repeals various energy efficiency and renewable energy programs in current
 20 law, which are transferred to a new entity established in Part B.

21 **PART B**

22 This Part the establishes the Efficiency Maine Trust to operate an integrated suite of
 23 energy efficiency and renewable energy programs including the those funded by the
 24 Regional Greenhouse Gas Initiative Trust Fund, electric energy conservation programs,
 25 natural gas energy conservation programs, federal energy programs other than low-
 26 income weatherization and fuel assistance programs, and efficiency and weatherization
 27 programs. This Part requires the development of a triennial plan governing the programs
 28 as well as measures of performance and independent evaluation of all major programs.

29 **PART C**

30 This Part provides for a transition from the current energy efficiency program
 31 administration structure to the new Efficiency Maine Trust. It also provides for the
 32 development of a proposal for ongoing sustainable funding to support the State's energy
 33 efficiency and alternative energy resources goals.

34 **PART D**

1 This Part provides for the issuance of revenue bonds by the Finance Authority of
2 Maine on behalf of the Efficiency Maine Trust for energy efficiency and conservation
3 projects.

4 **PART E**

5 This Part establishes within the Maine State Housing Authority the Maine Energy,
6 Housing and Economic Recovery Program and the Maine Energy, Housing and
7 Economic Recovery Fund to support the construction and substantial rehabilitation of
8 multifamily affordable rental housing units as well as the replacement of manufactured
9 housing units that do not meet the United States Department of Housing and Urban
10 Development regulations under 24 Code of Federal Regulations, Part 3280. It directs that
11 a portion of the revenues derived from the real estate transfer tax be deposited in a new
12 fund to provide funds for the Maine Energy, Housing and Economic Recovery Program.
13 Deposits begin in fiscal year 2011-12, when amounts are transferred as necessary to meet
14 the obligations of the Maine State Housing Authority with respect to revenue bonds
15 issued for the Maine Energy, Housing and Economic Recovery Program. It authorizes
16 the issuance of revenue bonds by the Maine State Housing Authority for the purposes of
17 the Maine Energy, Housing and Economic Recovery Program. The authority may have at
18 any time an aggregate principal amount outstanding on such bonds of up to but not
19 exceeding \$200,000,000. The authority may issue revenue bonds in an amount of at least
20 \$30,000,000 in fiscal year 2010-11 and may issue additional amounts as appropriate for
21 the purposes of the program.

22 **PART F**

23 This Part requires that the first \$50,000,000 of revenue derived from the use of state
24 assets for energy transmission be transferred to the Efficiency Maine Trust to fund its
25 programs. It also provides for a study of issues related to energy corridors and the
26 development of plans relating to state actions relating to significant new energy facilities.
27 It also requires that the Legislature approve plans regarding such state actions, including
28 permitting, leasing or sale of lands or significant occupancy agreements for the
29 installation of significant new energy facilities, before such state actions are taken. The
30 requirement includes various exceptions and is repealed 90 days after the adjournment of
31 the Second Regular Session of the 124th Legislature. This Part also provides for the
32 study.

33 **PART G**

34 This Part directs the Department of Labor, the Public Utilities Commission and the
35 Maine State Housing Authority to develop a specific green workforce development plan.

36 **PART H**

37 This Part modifies the responsibilities of the Governor's Office of Energy
38 Independence and Security.

39 **PART I**



124th MAINE LEGISLATURE

LD 1485

LR 1989(01)

An Act Regarding Maine's Energy Future

Fiscal Note for Original Bill

Committee: Joint Select Committee on Maine's Energy Future

Fiscal Note Required: Yes

Fiscal Note

Legislative Cost/Study

	2009-10	2010-11	Projections 2011-12	Projections 2012-13
Net Cost (Savings)				
General Fund	\$0	\$0	\$3,000,000	\$3,000,000
Appropriations/Allocations				
Federal Expenditures Fund	\$0	\$0	\$0	\$0
Other Special Revenue Funds	\$900,000	\$892,000	\$3,892,000	\$3,892,000
Federal Expenditures Fund ARRA	\$0	\$0	\$0	\$0
Federal Block Grant Fund ARRA	\$0	\$0	\$0	\$0
Revenue				
General Fund	\$0	\$0	(\$3,000,000)	(\$3,000,000)
Other Special Revenue Funds	\$0	\$891,000	\$3,891,000	\$3,891,000
Transfers				
Other Special Revenue Funds	\$0	\$0	\$0	\$0
Federal Expenditures Fund ARRA	\$0	\$0	\$0	\$0

Fiscal Detail and Notes

This bill establishes the Efficiency Maine Trust (EMT) for the purposes of developing, planning, coordinating and implementing energy efficiency and alternative energy resource programs in the State. The EMT will assume responsibility for the following programs currently under the Public Utilities Commission (PUC) as of July 1, 2010: the Energy Carbon Savings Trust Fund, the Conservation Program Fund, the Conservation Administration Fund, the Solar and Wind Energy Rebate Program Fund, the Energy Conservation Small Business Revolving Loan Fund, all of the PUC monies received for programs under the American Recovery and Reinvestment Act of 2009 (ARRA). Any funds under the Maine Conservation Energy Board, which is repealed as of July 1, 2010, are also transferred to the EMT.

Additional funds managed by EMT will be the Natural Gas Conservation Fund (NGCF) and the Heating Fuels Efficiency and Weatherization Fund (HFEW). The NGCF is created as a nonlapsing fund established to promote the efficient use of natural gas. An assessment of no less than 3% of natural gas utilities' delivery revenues will be applied on each gas utility that serves at least 5,000 residential customers. The revenue expected from this assessment is \$891,000 annually. The HFEW is created as a nonlapsing fund established to reduce heating fuel consumption consistent with the purpose of the EMT and the triennial plan to be developed. The funding source for HFEW is expected to be federal funds, awards or proceeds from any bonds, repayment of loans and any other private or public source available. A base allocation of \$500 has been provided to authorize the expenditure of any funds received.

This bill establishes an Oversight and Evaluation Fund program at the Public Utilities Commission to be used solely to defray the commission's projected costs of overseeing the trust. An amount not to exceed 1% of the total funds administered by the EMT trust may be used for the oversight and evaluation fund. A base allocation of \$500 is included for the commission in the event that an assessment is implemented and expenditures incurred in fiscal year 2010-11.

The PUC Conservation Administration Fund is transferred to the EMT, including 2 Federal Expenditures Fund positions, 9 Other Special Revenue Funds positions and 6 limited-period positions funded by the American Recovery and Reinvestment Act of 2009 for a total of 17 positions and associated costs. The bill includes deallocations and allocations to accomplish these transfers.

Additionally, a \$700,000 allocation is provided in 2009-10 to the EMT's administrative fund to cover costs associated with the initial year of the Trust. A corresponding deallocation and transfer from the PUC Reimbursement account provides the \$700,000.

This bill includes a \$200,000 Other Special Revenue Funds allocation to the Legislature for the Commission to Study Energy Infrastructure. A transfer from the Public Utilities Commission Reimbursement account provides the funding for the study.

All transfers to the Efficiency Maine Trust must be made as of July 1, 2010. After July 1, 2010, fees collected under Title 35-A, chapter 97 must be transferred to the Efficiency Maine Trust on a monthly basis. Any additional increases or allocations necessary to the Efficiency Maine Trust will be made by financial order.

This bill establishes the Maine Energy, Housing and Economic Recovery Program within the Maine State Housing Authority (MSHA) to support the construction and substantial rehabilitation of eligible rental housing units as well as the replacement of certain manufactured housing units. This bill creates the Maine Energy, Housing and Economic Recovery Fund as a dedicated Other Special Revenue Funds account within MSHA for funds received to support the purposes of the program including funds transferred by the Treasurer from the General Fund portion of the Real Estate Transfer Tax.

This legislation authorizes MSHA to issue revenue bonds to carry out the purposes of the program beginning in fiscal year 2010-11 and limits the aggregate principal amount outstanding at any one time from these revenue bonds to \$200,000,000, excluding refunding bonds. This legislation also authorizes the use of the General Fund portion of the Real Estate Transfer Tax to pay for the Maine State Housing Authority's obligations relating to the bonds issued planned to be issued for the purposes of the program beginning in fiscal year 2011-12. This fiscal note assumes that MSHA will issue \$30,000,000 per year in revenue bonds and that the amount of funds to be paid to MSHA from the General Fund share of the Real Estate Transfer Tax for the costs of the bonds issued will be \$3,000,000 per year beginning in fiscal year 2011-12. The actual amount of funds to be transferred annually by the Treasurer to MSHA can not be determined at this time and will depend on the actual amount certified by MSHA to be necessary and sufficient to pay for the costs of the program.

The Center for Workforce Research and Information within the Department of Labor has indicated that it will incur additional costs of approximately \$18,000 to \$25,000 per year to determine the number of new jobs created by this legislation. Because this bill is silent as to who will be responsible for making that determination, this fiscal note does not provide General Fund appropriations to the Center for these costs. Instead, this fiscal note assumes that the Trust will contract for those services and will provide the necessary funding for the project. Additional costs to the Department of Labor to work with the Public Utilities Commission and the Maine State Housing Authority to perform the required assessment and develop the required plan can be absorbed within existing budgeted resources.

Additional costs to the Governor's Office of Energy Independence and Security, the Finance Authority of Maine, the University of Maine System, the Plumber's Examining Board and the Electrician's Examining Board within the Department of Professional and Financial Regulation, the Department of Education, the Department of Environmental Protection, the Public Utilities Commission and the State Planning Office can be absorbed within existing budgeted resources.