

MAINE STATE LEGISLATURE

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127th MAINE LEGISLATURE

FIRST REGULAR SESSION-2015

Legislative Document

No. 881

H.P. 600

House of Representatives, March 12, 2015

An Act To Allow the Public Utilities Commission To Contract for Liquefied Natural Gas Storage and Distribution

Reference to the Committee on Energy, Utilities and Technology suggested and ordered printed.

A handwritten signature in cursive script that reads "R B. Hunt".

ROBERT B. HUNT
Clerk

Presented by Representative HOBBS of Saco.

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

2 **Sec. 1. 35-A MRSA §1902, sub-§3-A** is enacted to read:

3 **3-A. Liquefied natural gas contract or LNG contract.** "Liquefied natural gas
4 contract" or "LNG contract" means a contract for liquefied natural gas stored and
5 distributed at a central storage and production facility that has the capability of
6 distributing natural gas directly to electricity generators fueled by natural gas during
7 periods of peak system electricity usage.

8 **Sec. 2. 35-A MRSA §1904-A** is enacted to read:

9 **§1904-A. Liquefied natural gas contracts**

10 The commission in consultation with the Public Advocate and Governor's Energy
11 Office may execute an LNG contract in accordance with this section. The commission
12 may execute a contract only with a liquefied natural gas facility capable of providing a
13 minimum of 100,000 dekatherms per day of natural gas to electricity generation plants
14 fueled by natural gas. Distribution may be by either pipeline or direct trucking.

15 **1. LNG contract requirements.** Before executing an LNG contract, the
16 commission shall ensure the following requirements are met:

17 A. The facility will be located in a rural, low-income community within the State;

18 B. A study by an independent 3rd party has been conducted and determines the
19 facility will generate a minimum of 200 direct and indirect jobs exclusive of jobs
20 created for the actual construction of the facility; and

21 C. If feasible, the facility will be built by a qualified construction firm based in the
22 State.

23 **2. Approval by the Governor.** The commission may not execute or direct the
24 execution of an LNG contract unless the Governor has in writing approved the execution
25 of the LNG contract.

26 **SUMMARY**

27 This bill allows the Public Utilities Commission to contract for the storage and
28 distribution of liquefied natural gas to provide a source of natural gas during peak winter
29 months. This bill defines a "liquefied natural gas contract" and provides that, prior to
30 entering into a contract, the Public Utilities Commission must ensure that a liquefied
31 natural gas facility will be located in a rural, low-income community within the State, a
32 study has been conducted by an independent 3rd party showing the construction of the
33 facility will result in a minimum of 200 direct and indirect jobs, exclusive of jobs directly
34 linked to the actual construction of the facility and, if feasible, the facility will be
35 constructed by a qualified construction firm based in the State.

36 This bill also requires that before the Public Utilities Commission executes or directs
37 the execution of an LNG contract, the Governor must approve in writing the contract.