



# 126th MAINE LEGISLATURE

## FIRST REGULAR SESSION-2013

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Legislative Document

No. 927

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H.P. 651

House of Representatives, March 7, 2013

### **An Act To Further Energy Independence for the State**

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

*Millicent M. MacFarland*  
MILLICENT M. MacFARLAND  
Clerk

Presented by Representative McGOWAN of York.  
Cosponsored by Representatives: DEVIN of Newcastle, MOONEN of Portland, NOON of Sanford, SHORT of Pittsfield, TIPPING-SPITZ of Orono.

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

2 **Sec. 1. 2 MRSA §9, sub-§3, ¶C,** as amended by PL 2011, c. 400, §1, is repealed.

3 **Sec. 2. 2 MRSA §9, sub-§3, ¶C-1,** as enacted by PL 2009, c. 372, Pt. H, §2, is  
4 amended to read:

5 C-1. By February 1st of each year, prepare and submit to the joint standing  
6 committee of the Legislature having jurisdiction over utilities and energy matters an  
7 annual report that describes the activities of the office during the previous calendar  
8 year in carrying out its duties under this subsection and describes the State's progress  
9 in implementation of the state energy plan prepared pursuant to paragraph € C-2.  
10 After receipt and review of the annual report required under this paragraph, the joint  
11 standing committee of the Legislature having jurisdiction over utilities and energy  
12 matters may submit legislation relating to energy policy;

13 **Sec. 3. 2 MRSA §9, sub-§3, ¶C-2** is enacted to read:

14 C-2. In consultation with the Efficiency Maine Trust Board, established in Title 5,  
15 section 12004-G, subsection 10-C, prepare and submit a comprehensive state energy  
16 plan to the joint standing committee of the Legislature having jurisdiction over  
17 energy matters and the joint standing committee of the Legislature having jurisdiction  
18 over natural resources matters by March 1, 2014 and submit an updated plan every 2  
19 years thereafter. Within the comprehensive state energy plan, the director shall:

20 (1) Facilitate the development and integration of new renewable energy  
21 generation within the State and support the State's renewable resource portfolio  
22 requirements specified in Title 35-A, section 3210 and wind energy development  
23 goals specified in Title 35-A, section 3404 to increase renewable energy  
24 generation by 20% from 2012 levels by 2020;

25 (2) Specify the State's progress in meeting the fossil fuel reduction targets in  
26 subsection 5 and make recommendations, if needed, for additional legislative and  
27 administrative actions to ensure that the State can meet the reduction targets in  
28 subsection 5. The recommendations must include a cost and resource estimate for  
29 technology development needed to meet the reduction targets;

30 (3) Address the association between energy planning and meeting the  
31 greenhouse gas reduction goals in the state climate action plan pursuant to Title  
32 38, section 577 by consulting with the Department of Environmental Protection  
33 to include initiatives to reduce greenhouse gas emissions in the comprehensive  
34 state energy plan; and

35 (4) Identify policy actions needed to facilitate an increase in energy efficiency in  
36 this State by 20% from 2012 levels by 2020.

37 The joint standing committee of the Legislature having jurisdiction over energy  
38 matters may report out legislation by February 1st of each odd numbered year  
39 relating to the content of the plan. The joint standing committee of the Legislature  
40 having jurisdiction over natural resources matters may make recommendations

1 regarding that legislation to the joint standing committee of the Legislature having  
2 jurisdiction over energy matters.

3 **Sec. 4. 2 MRSA §9, sub-§3, ¶J**, as amended by PL 2011, c. 55, §2, is further  
4 amended to read:

5 J. Take action as necessary to carry out the goals and objectives of the state energy  
6 plan prepared pursuant to paragraph € C-2 including lowering the total cost of energy  
7 to consumers in this State.

8 **Sec. 5. 2 MRSA §9, sub-§5**, as enacted by PL 2011, c. 400, §2, is amended to  
9 read:

10 **5. Fossil fuels reduction plan.** The office, with input from stakeholders and in  
11 consultation with the Efficiency Maine Trust, shall develop a plan to reduce the use of  
12 fossil fuels, with a primary focus on reducing oil consumption in all sectors of the  
13 economy in this State. The plan must:

14 A. Be designed to achieve the targets of reducing the State's consumption of fossil  
15 fuels, with a primary focus on reducing oil consumption by at least ~~30%~~ 20% from  
16 ~~2007~~ 2012 levels by ~~2030~~ 2020 and by at least 50% from 2007 levels by 2050;

17 B. Focus on near-term policies and infrastructure changes that set the State on a  
18 reasonable trajectory to meet the ~~2030~~ 2020 and 2050 targets in paragraph A;

19 C. Prioritize the improvement of energy efficiency and the transition to the use of  
20 alternative energy sources for heating and transportation; and

21 D. Draw on existing state data and studies rather than new analyses, including, but  
22 not limited to, analyses and data from the State's climate action plan pursuant to Title  
23 38, section 577 and the progress updates to the climate action plan under Title 38,  
24 section 578, the comprehensive state energy plan pursuant to subsection 3, paragraph  
25 € C-2, the Efficiency Maine Trust's triennial plan pursuant to Title 35-A, section  
26 10104, subsection 4 and analyses completed by the Federal Government, nonprofit  
27 organizations and other stakeholders.

28 **Sec. 6. 2 MRSA §9, sub-§6, ¶A**, as enacted by PL 2011, c. 655, Pt. MM, §4 and  
29 affected by §26, is amended to read:

30 A. The director shall include, in the comprehensive state energy plan under  
31 subsection 3, paragraph € C-2, a report that specifies, in regard to the program, the  
32 expenditure of program funds, the purposes for which the funds were used and the  
33 amount of the funds and the sources from which the funds were derived.

34 **Sec. 7. 35-A MRSA §10104, sub-§4**, as amended by PL 2011, c. 637, §3, is  
35 further amended to read:

36 **4. Triennial plan.** The board shall vote on a detailed, triennial, energy efficiency,  
37 alternative energy resources and conservation plan that includes the quantifiable measures  
38 of performance developed under subsection 3 and make a full report of the vote to the  
39 commission in accordance with this subsection. The triennial plan must provide  
40 integrated planning, program design and implementation strategies for all energy

1 efficiency, alternative energy resources and conservation programs administered by the  
2 trust, including but not limited to the electric efficiency and conservation programs under  
3 section 10110, the natural gas efficiency and conservation programs under section 10111,  
4 the Regional Greenhouse Gas Initiative Trust Fund under section 10109, the Heating  
5 Fuels Efficiency and Weatherization Fund under section 10119 and any state or federal  
6 funds or publicly directed funds accepted by or allocated to the trust for the purposes of  
7 this chapter. The triennial plan must include provisions for the application of appropriate  
8 program funds to support workforce development efforts that are consistent with and  
9 promote the purposes of the trust. Beginning January 1, 2011, the triennial plan must  
10 specify the appropriate participation of the State in national and regional carbon markets.  
11 The plan must be consistent with the comprehensive state energy plan pursuant to Title 2,  
12 section 9, subsection 3, paragraph C-2.

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

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

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

25 B-1. In developing the triennial plan, the trust shall provide the joint standing  
26 committee of the Legislature having jurisdiction over energy matters an opportunity  
27 to provide input on the plan, which may occur at the same time the trust consults with  
28 other entities in the development of the plan.

29 C. The board shall review and approve the triennial plan by affirmative vote of 2/3 of  
30 the trustees upon a finding that the plan is consistent with the statutory authority for  
31 each source of funds that will be used to implement the plan, the state energy  
32 efficiency targets in paragraph F and the best practices of program administration  
33 under subsection 2. The plan must include, but is not limited to, efficiency and  
34 conservation program budget allocations, objectives, targets, measures of  
35 performance, program designs, program implementation strategies, timelines and  
36 other relevant information.

37 D. Prior to submission of the triennial plan to the commission, the trust shall offer to  
38 provide a detailed briefing on the draft plan to the joint standing committee of the  
39 Legislature having jurisdiction over energy matters and, at the request of the  
40 committee, shall provide such a briefing and opportunity for input from the  
41 committee. After providing such opportunity for input and making any changes as a  
42 result of any input received, the board shall deliver the plan to the commission for its  
43 review and approval. The commission shall open a proceeding and issue an order  
44 either approving the plan or rejecting the plan and stating the reasons for the  
45 rejection. The commission shall reject elements of the plan that propose to use funds

1 generated pursuant to sections 3210-C, 10110, 10111 or 10119 if the plan fails to  
2 reasonably explain how these elements of the program would achieve the objectives  
3 and implementation requirements of the programs established under those sections or  
4 the measures of performance under subsection 3. Funds generated under these  
5 statutory authorities may not be used pursuant to the triennial plan unless those  
6 elements of the plan proposing to use the funds have been approved by the  
7 commission. The commission shall approve or reject any elements of the triennial  
8 plan within 60 days of its delivery to the commission. The board, within 15 days of  
9 final commission approval of its plan, shall submit the plan to the joint standing  
10 committee of the Legislature having jurisdiction over energy matters together with  
11 any explanatory or other supporting material as the committee may request and, at the  
12 request of the committee, shall provide a detailed briefing on the final plan. After  
13 receipt of the plan, the joint standing committee of the Legislature having jurisdiction  
14 over energy matters may submit legislation relating to the plan.

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

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

- 22 (1) Weatherizing 100% of residences and 50% of businesses by 2030;
- 23 (2) Reducing peak-load electric energy consumption by 100 megawatts by 2020;
- 24 (3) Reducing the State's consumption of liquid fossil fuels by at least 30% by  
25 2030;
- 26 (4) By 2020, achieving electricity and natural gas savings of at least 30% and  
27 heating fuel savings of at least 20% as defined in and determined pursuant to the  
28 measures of performance ratified by the commission under section 10120;
- 29 (5) Capturing all cost-effective energy efficiency resources available for electric  
30 and natural gas utility ratepayers;
- 31 (6) Saving residential and commercial heating consumers not less than \$3 for  
32 every \$1 of program funds invested by 2020 in cost-effective heating and cooling  
33 measures that cost less than conventional energy supply;
- 34 (7) Building stable private sector jobs providing clean energy and energy  
35 efficiency products and services in the State by 2020; and
- 36 (8) Reducing greenhouse gas emissions from the heating and cooling of buildings  
37 in the State by amounts consistent with the State's goals established in Title 38,  
38 section 576.

39 The trust shall preserve when possible and appropriate the opportunity for carbon  
40 emission reductions to be monetized and sold into a voluntary carbon market. Any  
41 program of the trust that supports weatherization of buildings must be voluntary and

1 may not constitute a mandate that would prevent the sale of emission reductions  
2 generated through weatherization measures into a voluntary carbon market.

3 As used in this paragraph, "heating fuel" means a fossil fuel used for the purposes of  
4 heating buildings or for domestic water heating, including liquefied petroleum gas,  
5 kerosene or #2 heating oil, but not including fuels when used for industrial or  
6 manufacturing processes, and "liquid fossil fuel" means any liquid fossil fuel or  
7 heating fuel used for a purpose other than for transportation.

8 **Sec. 8. 38 MRSA §575, sub-§1**, as enacted by PL 2003, c. 237, §1, is amended to  
9 read:

10 **1. Greenhouse gas emissions inventory for state-owned facilities and state-**  
11 **funded programs.** Create an inventory of greenhouse gas emissions associated with  
12 state-owned facilities and state-funded programs and create a plan for reducing those  
13 emissions to below ~~1990~~ 2010 levels by ~~2010~~ 2020;

14 **Sec. 9. 38 MRSA §576, sub-§2**, as enacted by PL 2003, c. 237, §1, is amended to  
15 read:

16 **2. Reduction by 2020.** In the medium term, reduction to ~~10%~~ 20% below ~~1990~~  
17 2010 levels by January 1, 2020; and

18 **Sec. 10. 38 MRSA §577**, as enacted by PL 2003, c. 237, §1, is amended to read:

19 **§577. Climate action plan**

20 By ~~July 1, 2004~~ March 1, 2014, the department, with input from stakeholders  
21 including the Governor's Energy Office established in Title 2, section 9 and the  
22 Efficiency Maine Trust established in Title 35-A, section 10103, shall adopt a state  
23 climate action plan to meet the reduction goals specified in section 576. The action plan  
24 must address reduction in each sector in cost-effective ways and must allow sustainably  
25 managed forestry, agricultural and other natural resource activities to be used to sequester  
26 greenhouse gas emissions. The department shall submit the action plan to the joint  
27 standing committee of the Legislature having jurisdiction over natural resources matters  
28 and the joint standing committee of the Legislature having jurisdiction over energy  
29 matters.

30 **Sec. 11. 38 MRSA §578**, as amended by PL 2005, c. 144, §1, is further amended  
31 to read:

32 **§578. Progress evaluation**

33 By January 1, ~~2006~~ 2016 and by that date every 2 years thereafter, the department  
34 shall evaluate the State's progress toward meeting the reduction goals specified in section  
35 576, review the cost-effectiveness of the actions taken toward meeting the reduction goals  
36 and shall amend the action plan as necessary to ensure that the State can meet the  
37 reduction goals. The department shall submit a report of its evaluation to the joint  
38 standing committee of the Legislature having jurisdiction over natural resources matters  
39 and the joint standing committee of the Legislature having jurisdiction over energy

1 matters by January 1, 2006 2016 and by that date every 2 years thereafter. The joint  
2 standing committee of the Legislature having jurisdiction over natural resources matters  
3 is authorized to report out legislation relating to the evaluation to the second regular  
4 session of any Legislature. The joint standing committee of the Legislature having  
5 jurisdiction over energy matters may make recommendations to the joint standing  
6 committee of the Legislature having jurisdiction over natural resources matters regarding  
7 that legislation. Starting no earlier than January 1, ~~2008~~ 2018, the department may  
8 recommend to the joint standing committee of the Legislature having jurisdiction over  
9 natural resources matters that the reduction goals specified in section 576 be increased or  
10 decreased.

11 **Sec. 12. 38 MRSA §579, first ¶**, as amended by PL 2007, c. 608, §3, is further  
12 amended to read:

13 The department may participate in the regional greenhouse gas initiative ~~as described~~  
14 ~~in the climate action plan required in section 577 under chapter 3-B.~~ The commissioner  
15 and the members of the Public Utilities Commission are authorized to act as  
16 representatives for the State in the regional organization as defined in section 580-A,  
17 subsection 20, may contract with organizations and entities when such arrangements are  
18 necessary to efficiently carry out the purposes of this section and may coordinate the  
19 State's efforts with other states and jurisdictions participating in that initiative, with  
20 respect to:

21 **SUMMARY**

22 This bill requires a new comprehensive state energy plan to be drafted by the  
23 Governor's Energy Office and a new climate action plan to be drafted by the Department  
24 of Environmental Protection. This bill establishes new fossil fuel reduction, energy  
25 efficiency and renewable energy goals. This bill encourages, and in some cases requires,  
26 consultation between the Governor's Energy Office, the Efficiency Maine Trust, the  
27 Department of Environmental Protection, the joint standing committee of the Legislature  
28 having jurisdiction over natural resources matters and the joint standing committee of the  
29 Legislature having jurisdiction over energy matters in the drafting of the plans or  
30 reporting out of legislation in response to the plans.