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An Act To Expand the Availability of Natural Gas to the Citizens of Maine

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

Sec. 1. 10 MRSA §963-A, sub-§10, ¶S, as amended by PL 2009, c. 372, Pt. D, §2, is further amended to read:

S. Any transmission facilities project; and

Sec. 2. 10 MRSA §963-A, sub-§10, ¶T, as enacted by PL 2009, c. 372, Pt. D, §3, is amended to read:

T. An Efficiency Maine project; and

Sec. 3. 10 MRSA §963-A, sub-§10, ¶U is enacted to read:

U. A natural gas service expansion project.

Sec. 4. 10 MRSA §963-A, sub-§31-A, as amended by PL 2001, c. 417, §2, is further amended to read:

31-A. Major business expansion project. "Major business expansion project" means any building, structure, system, machinery, equipment or facility proposed to be constructed, developed, rehabilitated, expanded, modernized or acquired in the State by a business entity that has a projected cost of \$1,000,000 or more, that is projected to result in a net gain of at least 50 job opportunities within the State or the retention of at least 50 jobs, directly or indirectly, and that benefits from financing assistance from the authority including use of a capital reserve fund pursuant to section 1053. A major business expansion project does not include electric rate stabilization projects, natural gas service expansion projects or projects primarily involved in the provision of housing or retail sales to consumers.

Sec. 5. 10 MRSA §963-A, sub-§40-B is enacted to read:

40-B. Natural gas service expansion project. "Natural gas service expansion project" means the development, construction, acquisition, financing and placing in operation of any real estate, fixtures and personal property for the purpose of facilitating the production, generation, transmission, delivery or furnishing of natural gas for light, heat, power or commercial and industrial purposes to persons and businesses located in the State.

Sec. 6. Moral obligation credit enhancement program. No later than January 15, 2012, the Finance Authority of Maine, in consultation with the Public Utilities Commission, shall develop a moral obligation credit enhancement program modeled on the electric rate stabilization projects program established by Public Law 1993, chapter 712 to use the State's credit rating to reduce financing costs of natural gas service expansion projects, as defined pursuant to the Maine Revised Statutes, Title 10, section 963-A, subsection 40-B. The purpose of the program developed pursuant to this section is to provide state financial assistance to qualified projects that do not pose a significant risk of financial

loss to the State and that will support the goals of assisting in the expansion of natural gas service to areas of the State presently unserved by a natural gas utility. No later than January 15, 2012 and prior to initiation of the program, the Finance Authority of Maine shall report to the Joint Standing Committee on Energy, Utilities and Technology and the Joint Standing Committee on Labor, Commerce, Research and Economic Development on the program developed pursuant to this section and shall include in this report recommended legislation, if any, necessary or appropriate for its implementation. The joint standing committees may report out a bill to address the authority's recommendation pursuant to this section.

SUMMARY

This bill provides for the expansion of natural gas service to areas of the State presently unserved by a natural gas utility to reduce the cost of energy for the citizens of the State, including the cost of energy used in space heating and for commercial and industrial purposes. This bill clarifies existing law by explicitly including projects that expand the availability of natural gas within the scope of eligible projects for Finance Authority of Maine assisted financing, and that such projects are not limited by the individual project borrowing cap applicable to major business expansion projects.