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

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

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

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

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

§ 1904-A. Liquefied natural gas contracts

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

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

- A. The facility will be located in a rural, low-income community within the State;
- B. A study by an independent 3rd party has been conducted and determines the facility will generate a minimum of 200 direct and indirect jobs exclusive of jobs created for the actual construction of the facility; and
- C. If feasible, the facility will be built by a qualified construction firm based in the State.

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

SUMMARY

This bill allows the Public Utilities Commission to contract for the storage and distribution of liquefied natural gas to provide a source of natural gas during peak winter months. This bill defines a "liquefied natural gas contract" and provides that, prior to entering into a contract, the Public Utilities Commission must ensure that a liquefied natural gas facility will be located in a rural, low-income community within the State, a study has been conducted by an independent 3rd party showing the

construction of the facility will result in a minimum of 200 direct and indirect jobs, exclusive of jobs directly linked to the actual construction of the facility and, if feasible, the facility will be constructed by a qualified construction firm based in the State.

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