



# 131st MAINE LEGISLATURE

LD 818

LR 1769(02)

## An Act to Establish an Emergency Fuel Reserve

Fiscal Note for Bill as Amended by Committee Amendment " "

Committee: Innovation, Development, Economic Advancement and Business

Fiscal Note Required: Yes

### Fiscal Note

	FY 2023-24	FY 2024-25	Projections FY 2025-26	Projections FY 2026-27
<b>Net Cost (Savings)</b>				
General Fund	\$18,747,600	\$18,747,600	\$18,747,600	\$18,747,600
<b>Appropriations/Allocations</b>				
General Fund	\$18,747,600	\$18,747,600	\$18,747,600	\$18,747,600

### Fiscal Detail and Notes

This bill requires the Governor's Energy Office (GEO) to contract with one or more petroleum companies to purchase and guarantee the availability of an emergency reserve of #2 heating oil used for heating residential, industrial or commercial space or water. The reserve is required to be large enough to provide heating oil to residents of Maine for a period of 30 days. Fuel may be purchased in annual increments until the reserve reaches its 30-day goal by January 1, 2029. The bill includes ongoing General Fund appropriations of \$500,000 to the GEO starting in fiscal year 2023-24 for contracted services to store and manage the reserve. It also includes ongoing General Fund appropriations of \$18,247,600 beginning in fiscal year 2023-24 for the annual incremental purchase of fuel oil. These purchases are the amounts needed over 6 years to bring the reserve up to its full 30-day capacity. They do not include any additional amounts to make up for any fuel used during this period. This estimate incorporates the assumptions listed below.

<b>30 day supply at time of peak demand (coldest)</b>	31,920,000	gallons
<b>Price assumption</b>	\$3.43	per gallon
<b>Total cost for reserve</b>	\$109,485,600	30 days
<b>Annual purchase</b>	\$18,247,600	for 6 years
<b>Storage and management</b>	\$500,000	every year
<b>Appropriations needed</b>	\$18,747,600	annually for 6 years