

130th MAINE LEGISLATURE

FIRST SPECIAL SESSION-2021

Legislative Document

No. 1498

H.P. 1108

House of Representatives, April 14, 2021

An Act To Prevent Increased Heating Fuel, Natural Gas, Gasoline and Diesel Fuel Pricing in Maine by Prohibiting Adoption of Rules Limiting Greenhouse Gas Emissions

Received by the Clerk of the House on April 12, 2021. Referred to the Committee on Environment and Natural Resources pursuant to Joint Rule 308.2 and ordered printed pursuant to Joint Rule 401.

ROBERT B. HUNT

R(+ B. Hunt

Clerk

Presented by Representative STETKIS of Canaan.

Cosponsored by Representatives: GRIGNON of Athens, MASON of Lisbon, MORRIS of Turner, PERKINS of Oakland, RUDNICKI of Fairfield, THORNE of Carmel, WHITE of Mars Hill.

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

- **Sec. 1. 38 MRSA §576-A, sub-§4,** as enacted by PL 2019, c. 476, §7, is amended to read:
- **4. Monitoring, reporting and compliance rules.** By July 1, 2021 2022, the department shall adopt rules to track and report to the Legislature on gross annual greenhouse gas emissions and net annual greenhouse gas emissions.
- Notwithstanding any provision of section 341-H to the contrary, by September 1, 2021 2022, the board shall adopt rules to ensure compliance with the levels established by subsections 1 to 3 which that:
 - A. Must be consistent with the climate action plan, as updated pursuant to section 577, subsection 1;
 - B. Must prioritize greenhouse gas emissions reductions by sectors that are the most significant sources of greenhouse gas emissions, as identified by the United States Energy Information Administration and in the department's biennial reports submitted under section 578, taking into account gross greenhouse gas emissions reductions achieved by each sector since 1990 measured as a percentage of statewide gross greenhouse gas emissions and taking into account the cost-effectiveness of future gross greenhouse gas emissions reductions by each sector;
 - C. Must be fair and equitable and account for and give significant weight to greenhouse gas emissions reductions already achieved by various sectors; and
 - D. May establish a mechanism for crediting voluntary measures that quantifiably and reliably sequester additional carbon in forests, farms and coastal lands in the State or by the use of materials that sequester additional carbon that prioritizes sequestration that offsets Maine-generated emissions.
- The Department of Transportation, after consultation with the department, may adopt rules as necessary to ensure compliance with the levels established by subsections 1 to 3.
- Rules adopted pursuant to this subsection are routine technical <u>major substantive</u> rules as defined in Title 5, chapter 375, subchapter 2-A.

Sec. 2. 38 MRSA §576-A, sub-§5 is enacted to read:

- <u>5. Exclusions.</u> Notwithstanding subsection 4, the board, the department or the Department of Transportation may not adopt a rule that:
 - A. Increases the cost of heating fuel, natural gas, gasoline or diesel fuel by issuing permits to limit the amount of these fuels sold in the State in order to limit greenhouse gas emissions;
- B. Increases the cost of heating fuel, natural gas, gasoline or diesel fuel by imposing a tax or requiring a permitting fee to reduce greenhouse gas emissions that is based on the carbon emissions of these fuels;
- C. Increases the cost of heating fuel, natural gas, gasoline or diesel fuel by imposing a tax or requiring a permitting fee to reduce greenhouse gas emissions that is based on the carbon emissions of carbon-based fuels as part of a rebate or dividend program; or

D. Causes the State to join a multistate consortium or coalition that requires the State to implement a policy under paragraph A, B or C as a condition of membership.

A proposal to implement by legislation a policy described under paragraph A, B or C may not become law without the Senate and House of Representatives approving legislation both adopting that policy and joining a multistate consortium or coalition described under paragraph D.

SUMMARY

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This bill makes the rules adopted by the Board of Environmental Protection, the Department of Environmental Protection and the Department of Transportation to limit greenhouse gas emissions major substantive rules. It prohibits the adoption by the Board of Environmental Protection, the Department of Environmental Protection or the Department of Transportation of a rule that limits the amount of heating fuel, natural gas, gasoline or diesel fuel sold to limit greenhouse gas emissions, that imposes a tax or requires a permitting fee to reduce greenhouse gas emissions, including a tax or permitting fee that is based on the carbon emissions of any carbon-based fuels as part of a rebate or dividend program, or that causes the State to join a multistate consortium or coalition that requires the State to implement either of those policies as a condition of membership. It also requires that a proposal to implement by legislation a policy limiting the sale of gasoline or diesel fuel to limit greenhouse gas emissions or imposing a tax or permitting fee to reduce greenhouse gas emissions may not become law without the Senate and House of Representatives approving legislation both adopting the policy and joining a multistate consortium or coalition. It also requires that any carbon sequestration policy prioritize the offset of Maine-generated emissions.