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ENERGY, UTILITIES AND TECHNOLOGY

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**STATE OF MAINE
HOUSE OF REPRESENTATIVES
130TH LEGISLATURE
FIRST SPECIAL SESSION**

COMMITTEE AMENDMENT “ ” to H.P. 1159, L.D. 1554, “An Act To Provide Climate Change Transition Assistance for Maine's Energy-intensive Businesses”

Amend the bill by striking out everything after the enacting clause and inserting the following:

Sec. 1. 35-A MRSA §10109, sub-§3-A, as amended by PL 2017, c. 282, §1, is repealed.

Sec. 2. 35-A MRSA §10109, sub-§4, as amended by PL 2019, c. 69, §1, is further amended to read:

4. Expenditures; projects. Except for ~~transfers required under subsection 3-A and~~ other costs authorized in accordance with this chapter, funds in the trust fund must be expended in accordance with this subsection.

A. Trust funds must be allocated for measures, investments, loans, technical assistance and arrangements that reduce electricity consumption, increase energy efficiency or reduce greenhouse gas emissions and lower energy costs at commercial or industrial facilities and for investment in measures that lower residential heating energy demand and reduce greenhouse gas emissions. The measures that lower residential heating demand must be fuel-neutral and may include, but are not limited to, energy efficiency improvements to residential buildings and upgrades to efficient heating systems that will reduce residential energy costs and greenhouse gas emissions, as determined by the board. The trust shall ensure that measures to reduce the cost of residential heating are available for low-income households as defined by the trust. When promoting electricity cost and consumption reduction, the trust may consider measures at commercial and industrial facilities that also lower peak capacity demand. Subject to the apportionment pursuant to this subsection, the trust shall fund conservation programs that give priority to measures with the highest benefit-to-cost ratio, as long as cost-effective collateral efficiency opportunities are not lost, and that:

COMMITTEE AMENDMENT

- 1 (1) Reliably reduce greenhouse gas production and heating energy costs by fossil
2 fuel combustion in the State at the lowest cost in funds from the trust fund per unit
3 of emissions; or
- 4 (2) Reliably increase the efficiency with which energy in the State is consumed at
5 the lowest cost in funds from the trust fund per unit of energy saved.
- 6 B. Expenditures from the trust fund relating to conservation of electricity and
7 mitigation or reduction of greenhouse gases must be made predominantly on the basis
8 of a competitive bid process for long-term contracts, subject to rules adopted by the
9 board under section 10105. Rules adopted by the board to implement the competitive
10 bid process under this paragraph may not include an avoided cost methodology for
11 compensating successful bidders. Bidders may propose contracts designed to produce
12 greenhouse gas savings or electricity conservation savings, or both, on a unit cost basis.
13 Contracts must be commercially reasonable and may require liquidated damages to
14 ensure performance. Contracts must provide sufficient certainty of payment to enable
15 commercial financing of the conservation measure purchased and its installation.
- 16 C. The board may target bid competitions in areas or to participants as they consider
17 necessary, as long as the requirements of paragraph A are satisfied.
- 18 D. Community-based renewable energy projects, as defined in section 3602,
19 subsection 1, may apply for funding from the trust to the extent they are eligible under
20 paragraph A.
- 21 E. The size of a project funded by the trust fund is not limited as long as funds are
22 awarded to maximize energy efficiency and support greenhouse gas reductions and to
23 fully implement the triennial plan.
- 24 F. No more than \$800,000 of trust fund receipts in any one year may be used for the
25 costs of administering the trust fund pursuant to this section. The limit on
26 administrative costs established in this paragraph does not apply to the following costs
27 that may be funded by the trust fund:
- 28 (1) Costs of the Department of Environmental Protection for participating in the
29 regional organization as defined in Title 38, section 580-A, subsection 20 and for
30 administering the allowance auction under Title 38, chapter 3-B; and
- 31 (2) Costs of the Attorney General for activities pertaining to the tracking and
32 monitoring of allowance trading activity and managing and evaluating the trust's
33 funding of conservation programs.
- 34 G. In order to minimize administrative costs and maximize program participation and
35 effectiveness, the trustees shall, to the greatest extent feasible, coordinate the delivery
36 of and make complementary the energy efficiency programs under this section and
37 other programs under this chapter.
- 38 H. The trust shall consider delivery of efficiency programs by means of contracts with
39 service providers that participate in competitive bid processes for reducing energy
40 consumption within individual market segments or for particular end uses.
- 41 I. A trade association aggregator is eligible to participate in competitive bid processes
42 under this subsection.

1 J. Trust fund receipts must, upon request by the Department of Environmental
2 Protection, fund research approved by the Department of Environmental Protection in
3 an amount of up to \$100,000 per year to develop new categories for carbon dioxide
4 emissions offset projects, as defined in Title 38, section 580-A, subsection 6, that are
5 located in the State. Expenditures on research pursuant to this paragraph are not
6 considered administrative costs under paragraph F, subparagraph (1).

7 **Sec. 3. 35-A MRSA §10128** is enacted to read:

8 **§10128. Industrial climate transition initiative**

9 **1. Establishment.** The trust shall establish an industrial climate transition initiative
10 to develop and support climate change mitigation strategies designed to reduce greenhouse
11 gas emissions at industrial facilities in the State. In establishing the initiative and
12 developing climate change mitigation strategies for industrial facilities, the trust shall:

13 A. Prioritize mitigation strategies identified in the State's climate action plan, as
14 adopted and updated under Title 38, section 577, that offer the most cost-effective
15 means of reducing greenhouse gas emissions at industrial facilities; and

16 B. Consider mitigation strategies and other recommendations identified by any
17 working group, task force or other advisory body that is established by the Maine
18 Climate Council, established under Title 38, section 577-A, to develop strategies and
19 other recommendations to reduce greenhouse gas emissions at industrial facilities in
20 the State.

21 **2. Funding.** To the extent funds are available, including, but not limited to, any federal
22 funds or other public or private funding that may be available, the trust may expend such
23 funds to establish the industrial climate transition initiative under subsection 1 and to
24 develop and support climate change mitigation strategies designed to reduce greenhouse
25 gas emissions at industrial facilities in the State.'

26 Amend the bill by relettering or renumbering any nonconsecutive Part letter or section
27 number to read consecutively.

28 **SUMMARY**

29 This amendment, which is the minority report of the committee, replaces the bill. It
30 repeals provisions concerning the Regional Greenhouse Gas Initiative Trust Fund in the
31 Maine Revised Statutes, Title 35-A, section 10109 regarding the transfer of funds from that
32 fund to the Public Utilities Commission for disbursement to affected customers to support
33 efficiency measures. It directs the Efficiency Maine Trust to establish an industrial climate
34 transition initiative to develop and support climate change mitigation strategies designed
35 to reduce greenhouse gas emissions at industrial facilities in the State.