

Office of Policy and Legal Analysis

Date: May 24, 2021

To: Joint Standing Committee on Environment and Natural Resources

From: Dan Tartakoff, Legislative Analyst

Re: LD 1429, An Act To Implement the Most Time-sensitive Recommendations of the Maine Climate Council (Dunphy)

Summary of bill

This bill:

1. Requires school administrative units over time to purchase increasing amounts of local Maine food;

2. Establishes the Maine Farm and Fish to School Program to promote, market and facilitate the sale of food grown or raised and fish raised or caught by Maine food producers to elementary and secondary schools and postsecondary educational institutions;

3. Requires the State to conduct a comprehensive, statewide inventory of the capacity of natural systems on land and in coastal and marine ecosystems to sequester or release carbon in a manner that will allow estimates of potential state carbon sequestration levels as well as changes in those levels over time and thereby allow the State to achieve carbon neutrality;

4. Expands the Local Produce Fund to include meat, fish, eggs and dairy products and changes its name to the Local Food Procurement Fund;

5. Repeals provisions allowing the Public Utilities Commission to suspend scheduled increases in the renewable portfolio requirements when the commission makes certain findings about the requirements;

6. Extends to fiscal year 2029-30 the funding from any forward capacity electricity market or other capacity payments from the regional transmission organization that may be used by the Efficiency Maine Trust to promote high-performance air source heat pump technology. Currently this funding ends fiscal year 2024-25; the bill extends the funding to fiscal year 2029-30;

7. Adds to the tree growth tax program a declaration that it is in the public interest to encourage the increased sequestration of carbon in this State;

8. Creates a fuel efficiency tax credit for commercial businesses in the freight transportation supply chain that participate in the United States Environmental Protection Agency's SmartWay program;

9. Directs the Commissioner of Agriculture, Conservation and Forestry, the Commissioner of Education and the Commissioner of Health and Human Services to determine how best to

comply with the United States Child Nutrition WIC Reauthorization Act of 2004, Public Law 108-265, Section 204, adopted June 30, 2004 in implementing related requirements of the bill;

10. Directs the Governor's Energy Office to develop a voluntary, incentive-based forest carbon program;

11. Directs the Department of Agriculture, Conservation and Forestry, Maine Forest Service, the Department of Inland Fisheries and Wildlife, the Department of Marine Resources and the University of Maine System to seek to increase their technical service capacity to deliver data, expert guidance and support to communities, landowners, farmers, loggers and foresters for activities that will support the State's climate goals;

12. Directs the Governor's Office of Policy Innovation and the Future to launch a multifaceted, ongoing communications effort based on the state climate action plan issued by the Maine Climate Council on December 1, 2020 to raise public awareness and understanding about climate change in Maine, the State's climate response actions and climate-related programs and opportunities;

13. Provides \$1,500,000 in ongoing funds to the Electric Vehicle Accelerator Program;

14. Provides \$400,000 per year funding to broadband infrastructure grant programs for expansion in rural areas;

15. Provides \$400,000 per year funding for expansion of public transportation options and building upon the programs established in the Department of Transportation's 2019 transit plan in order to meet the Maine Climate Council's recommendation that the State's public transportation funding reach the national median of \$5 per capita by 2024;

16. Provides \$225,000 per year to relaunch GO MAINE, a ride matching program administered by the Maine Turnpike Authority, in order to significantly increase shared public commuting options by 2022;

17. Provides \$905,000 in ongoing funding to the heat pump rebate and incentive programs administered by the Efficiency Maine Trust;

18. Provides \$485,800 in ongoing funds to the current home and business weatherization rebate and incentive programs administered by the Efficiency Maine Trust;

19. Provides \$250,000 per year funding to establish the University of Maine System as the coordinating hub for innovation of new technologies that will support Maine industries as they transition into a new economy. Funds will support the ability of Maine's natural resource economies to adapt to climate change impacts and take advantage of new market opportunities in Maine's forest products industry by using the most up-to-date research on forestry, agriculture and natural land-related climate concerns, including research and development of climate-friendly bio-based wood market innovation and research around climate-friendly agricultural practices; and

20. Provides \$7,500,000 per year funding to the Land for Maine's Future Board to leverage matching contributions from public and private sources to be used for the acquisition of land and

interest in land for conservation; water access; wildlife or fish habitat including deer wintering areas; outdoor recreation, including hunting and fishing; and working farmland preservation and working waterfront preservation.

List of legislators/entities that submitted written testimony and/or spoke at the hearing

Proponents – Representative Dunphy, Senator Maxmin, Senator Vitelli, Representative Brennan, Representative Kessler, Representative Rielly, Penobscot Nation, Governor’s Office of Policy Innovation and the Future, Maine Coast Heritage Trust, Maine Farmland Trust, Maine Forest Products Council, Mook Sea Farm, Nature Conservancy, Professional Logging Contractors of Maine, University of Maine System/University of Maine Cooperative Extension, additional members of the public.

Opponents – Maine School Management Association, additional members of the public.

Neither for nor against – Efficiency Maine Trust, Maine Agriculture in the Classroom, Maine Motor Transport Association, Maine Municipal Association, SOS Saco Bay.

Note on committee/budget overlap

As stated by multiple parties during the hearing and in submitted testimony, this bill contains overlapping subject matter jurisdictions from a number of standing committees, some of which provided specific feedback regarding efforts that may be duplicated in 1429 and in those committees. Additionally, there was discussion regarding some of the funding proposed in 1429 overlapping with funding proposals included in the Governor’s proposed budget change package, proposed bond package and so-called Maine Jobs and Recovery Plan. There was some discussion regarding the potential of carrying over this proposal to the 2022 session.

Fiscal information

Not yet available from OFPR, however, there are a number of specific General Fund appropriations already included in the bill (see section 15) totaling \$11,665,800 in fiscal year 2021-22 and the same amount in fiscal year 2022-23.