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Legislative Document

No. 863

S.P. 288

In Senate, March 5, 2013

Resolve, To Reduce Greenhouse Gases and Consumer Energy Costs

Reference to the Committee on Energy, Utilities and Technology suggested and ordered printed.

DAREK M. GRANT Secretary of the Senate

Presented by Senator YOUNGBLOOD of Penobscot.

Cosponsored by Senators: PLUMMER of Cumberland, THIBODEAU of Waldo, THOMAS of Somerset, Representatives: BEAVERS of South Berwick, HARVELL of Farmington, JOHNSON of Eddington, RUSSELL of Portland.

- **Sec. 1. Offset category for fuel switching. Resolved:** That the Department of Environmental Protection and the Public Utilities Commission shall work together to develop and promote for adoption by the other states participating in the regional greenhouse gas initiative an offset category in the Regional Greenhouse Gas Initiative Act of 2007 to provide incentives for industrial and residential consumers to switch from the use of oil and coal as fuel to fuels with lower greenhouse gas emissions. The department and the commission shall work together to promote the inclusion of such an offset category in any national program or in any state or regional program. In developing the offset category, the department shall include the following factors.
 - 1. Fuel switching to natural gas, biomass and other renewable fuels is eligible.
- 2. Offset amounts must be calculated on the basis of the net reduction in carbon dioxide equivalents from the prior fuel used.
 - 3. Eligible fuel use may only include fuel use as of a baseline period.
- 4. A consumer may transfer that consumer's offset credits to a 3rd party that provides financing or other financial considerations to enable the fuel switching project to occur.

The department shall provide an opportunity for stakeholder input in the development of the offset category.

The department shall submit a progress report on the development of the offset category to the Joint Standing Committee on Environment and Natural Resources and the Joint Standing Committee on Energy, Utilities and Technology by March 1, 2014. The department shall provisionally adopt major substantive rules as described in the Maine Revised Statutes, Title 5, chapter 375, subchapter 2-A regarding the offset category no later than March 1, 2015 for review by the joint standing committee of the Legislature having jurisdiction over environment and natural resources matters and the joint standing committee of the Legislature having jurisdiction over energy, utilities and technology matters.

27 SUMMARY

This resolve directs the Department of Environmental Protection and the Public Utilities Commission to work together to develop a new regional greenhouse gas initiative offset category for fuel switching and further directs the Department of Environmental Protection and the Public Utilities Commission to promote this category with other regional greenhouse gas initiative states. The Department of Environmental Protection is required to provisionally adopt major substantive rules regarding the offset category and submit them to the Legislature by March 1, 2015.