



130th MAINE LEGISLATURE

LD 1350

LR 1499(03)

An Act To Expand Maine's Clean Energy Economy

Fiscal Note for Bill as Amended by Committee Amendment " "

Committee: Energy, Utilities and Technology

Fiscal Note Required: Yes

Fiscal Note

Current biennium cost increase - Efficiency Maine Trust
Current biennium revenue increase - Efficiency Maine Trust

Fiscal Detail and Notes

This bill directs the Efficiency Maine Trust (EMT) to establish the Renewable Energy and Storage Savings and Investment Program (RESSIP). The program provides for the financing and ownership of renewable generation projects and energy storage systems by the trust. The bill allows EMT to issue revenue bonds that will be backed by electric ratepayers through the sale of the output of projects in relevant wholesale markets administered by New England independent operator ISO-NE. The bonds do not constitute a debt of the State and are payable solely from the operating revenue of the RESSIP program. It is important to clarify that this fiscal note does not attempt to quantify or include the cost to the EMT to issue these bonds or the potential costs to ratepayers to finance them.

The bill also allows the RESSIP to borrow up to \$500,000 for 3 years at 3% from the EMT to fund start-up costs. The EMT has sufficient resources to provide the loan. To the extent that RESSIP program costs exceed the revenues from the program's operation, the bill provides that EMT may recover these costs through an assessment added to electricity rates as authorized by the Public Utilities Commission.

Assets owned by the EMT through the RESSIP are exempt from sales and income taxes and, to the extent that future electricity sales by taxable utilities are reduced, there will be a reduction in General Fund and Local Government Fund revenue. Assets owned by EMT through the RESSIP are also exempt from property taxes, but must make payments in lieu of property taxes equal to any loss of property tax revenue.

Any additional costs to various departments and agencies from the other provisions in this bill are expected to be minor and can be absorbed within existing budgeted resources.