



# 125th MAINE LEGISLATURE

## FIRST REGULAR SESSION-2011

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Legislative Document

No. 1091

S.P. 324

In Senate, March 15, 2011

### An Act To Expand the Availability of Natural Gas to the Citizens of Maine

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

*Joseph G. Carleton Jr.*

JOSEPH G. CARLETON, JR.  
Secretary of the Senate

Presented by Senator KATZ of Kennebec.

Cosponsored by Senator: HILL of York, Representatives: FREDETTE of Newport, KESCHL of Belgrade, STRANG BURGESS of Cumberland.

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

2 **Sec. 1. 10 MRSA §963-A, sub-§10, ¶S**, as amended by PL 2009, c. 372, Pt. D,  
3 §2, is further amended to read:

4 S. Any transmission facilities project; ~~and~~

5 **Sec. 2. 10 MRSA §963-A, sub-§10, ¶T**, as enacted by PL 2009, c. 372, Pt. D,  
6 §3, is amended to read:

7 T. An Efficiency Maine project; and

8 **Sec. 3. 10 MRSA §963-A, sub-§10, ¶U** is enacted to read:

9 U. A natural gas service expansion project.

10 **Sec. 4. 10 MRSA §963-A, sub-§31-A**, as amended by PL 2001, c. 417, §2, is  
11 further amended to read:

12 **31-A. Major business expansion project.** "Major business expansion project"  
13 means any building, structure, system, machinery, equipment or facility proposed to be  
14 constructed, developed, rehabilitated, expanded, modernized or acquired in the State by a  
15 business entity that has a projected cost of \$1,000,000 or more, that is projected to result  
16 in a net gain of at least 50 job opportunities within the State or the retention of at least 50  
17 jobs, directly or indirectly, and that benefits from financing assistance from the authority  
18 including use of a capital reserve fund pursuant to section 1053. A major business  
19 expansion project does not include electric rate stabilization projects, natural gas service  
20 expansion projects or projects primarily involved in the provision of housing or retail  
21 sales to consumers.

22 **Sec. 5. 10 MRSA §963-A, sub-§40-B** is enacted to read:

23 **40-B. Natural gas service expansion project.** "Natural gas service expansion  
24 project" means the development, construction, acquisition, financing and placing in  
25 operation of any real estate, fixtures and personal property for the purpose of facilitating  
26 the production, generation, transmission, delivery or furnishing of natural gas for light,  
27 heat, power or commercial and industrial purposes to persons and businesses located in  
28 the State.

29 **Sec. 6. Moral obligation credit enhancement program.** No later than  
30 January 15, 2012, the Finance Authority of Maine, in consultation with the Public  
31 Utilities Commission, shall develop a moral obligation credit enhancement program  
32 modeled on the electric rate stabilization projects program established by Public Law  
33 1993, chapter 712 to use the State's credit rating to reduce financing costs of natural gas  
34 service expansion projects, as defined pursuant to the Maine Revised Statutes, Title 10,  
35 section 963-A, subsection 40-B. The purpose of the program developed pursuant to this  
36 section is to provide state financial assistance to qualified projects that do not pose a  
37 significant risk of financial loss to the State and that will support the goals of assisting in  
38 the expansion of natural gas service to areas of the State presently unserved by a natural  
39 gas utility. No later than January 15, 2012 and prior to initiation of the program, the

1 Finance Authority of Maine shall report to the Joint Standing Committee on Energy,  
2 Utilities and Technology and the Joint Standing Committee on Labor, Commerce,  
3 Research and Economic Development on the program developed pursuant to this section  
4 and shall include in this report recommended legislation, if any, necessary or appropriate  
5 for its implementation. The joint standing committees may report out a bill to address the  
6 authority's recommendation pursuant to this section.

7

## **SUMMARY**

8 This bill provides for the expansion of natural gas service to areas of the State  
9 presently unserved by a natural gas utility to reduce the cost of energy for the citizens of  
10 the State, including the cost of energy used in space heating and for commercial and  
11 industrial purposes. This bill clarifies existing law by explicitly including projects that  
12 expand the availability of natural gas within the scope of eligible projects for Finance  
13 Authority of Maine assisted financing, and that such projects are not limited by the  
14 individual project borrowing cap applicable to major business expansion projects.