



# 129th MAINE LEGISLATURE

## FIRST REGULAR SESSION-2019

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Legislative Document

No. 912

S.P. 266

In Senate, February 19, 2019

### An Act To Establish the Wood Energy Investment Program

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

A handwritten signature in black ink, appearing to read 'D M Grant'.

DAREK M. GRANT  
Secretary of the Senate

Presented by President JACKSON of Aroostook.  
Cosponsored by Representative FECTEAU of Biddeford and  
Senators: DAVIS of Piscataquis, DILL of Penobscot, Representatives: BERRY of  
Bowdoinham, DILLINGHAM of Oxford, DUNPHY of Old Town, RILEY of Jay, STEWART  
of Presque Isle, WADSWORTH of Hiram.

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

2 **Sec. 1. 35-A MRSA §10124** is enacted to read:

3 **§10124. Wood Energy Investment Program**

4 **1. Establishment; purpose.** The Wood Energy Investment Program is established  
5 within the trust to provide incentives and low-interest or no-interest loans in consultation  
6 with the Finance Authority of Maine, established in Title 10, chapter 110, in order to  
7 strengthen the State's forest products industry and lower energy costs by increasing the  
8 efficient use of wood for energy production.

9 **2. Wood energy investment fund.** There is established in the custody of the trust a  
10 special nonlapsing fund, to be known as the wood energy investment fund. The wood  
11 energy investment fund consists of the following:

12 A. Sums that may be transferred from the commission from the cost recovery fund  
13 established in Public Law 2015, chapter 483, section 1, subsection 5;

14 B. Funds that the trust may receive from the State or from the Federal Government  
15 or funds from other agreements whose purpose is consistent with this section;

16 C. Principal and interest received from the repayment of loans made from the wood  
17 energy investment fund; and

18 D. Interest earned from the investment of wood energy investment fund balances.

19 **3. Program details.** The trust, through the Wood Energy Investment Program  
20 established in subsection 1, shall provide incentives and low-interest or no-interest loans  
21 to businesses, municipalities, educational institutions and nonprofit entities in the State  
22 for the installation of new wood-derived thermal energy or cogeneration projects from the  
23 wood energy investment fund established in subsection 2. The trust shall require Wood  
24 Energy Investment Program participants to substantially share in the cost of projects  
25 funded under this section. The trust shall seek to maximize the Wood Energy Investment  
26 Program's impact per dollar of expenditure from the wood energy investment fund and  
27 shall set limits it determines prudent on the size of incentives. The trust may not provide  
28 incentives or loans from the wood energy investment fund for the refurbishment or  
29 maintenance of existing facilities.

30 The trust shall develop activities promoting the Wood Energy Investment Program in  
31 consultation with the Finance Authority of Maine, established in Title 10, chapter 110.  
32 The trust shall consult with the Finance Authority of Maine, when appropriate, in its  
33 decisions to award incentives and loans. To the extent that funding is available, the trust  
34 shall offer technical assistance to eligible projects in a manner that is coordinated and  
35 consistent with other trust programs.

36 For purposes of this subsection, "new wood-derived thermal energy or cogeneration  
37 project" includes, but is not limited to, wood-fueled combined heat and power  
38 cogeneration boiler installations; colocation development that increases the efficient use  
39 of wood for energy production; conversion of fossil fuel-fired boilers to wood-fueled

1 boilers or boilers using biofuels derived from wood; and the installation of new wood-  
2 fueled boilers or boilers using biofuels derived from wood.

3 **Sec. 2. Contract evaluation; fund transfer.** If, in its annual evaluation of a 2-  
4 year contract entered into pursuant to Public Law 2015, chapter 483, the Public Utilities  
5 Commission finds that an entity that was awarded a contract for biomass resources is not  
6 meeting contract requirements and therefore is not qualified to receive the full contract  
7 payment or any contract payment, those funds that would have been paid to the entity had  
8 contract requirements been met must be transferred to the wood energy investment fund  
9 established in the Maine Revised Statutes, Title 35-A, section 10124, subsection 2.  
10 Notwithstanding Public Law 2015, chapter 483, section 1, subsection 5, any funds  
11 remaining in the cost recovery fund established in Public Law 2015, chapter 483, section  
12 1, subsection 5 that are not needed to pay above-market costs for biomass resources must  
13 be transferred to the wood energy investment fund.

## 14 SUMMARY

15 This bill establishes the wood energy investment fund and creates the Wood Energy  
16 Investment Program within the Efficiency Maine Trust. The bill specifies that, if the  
17 Public Utilities Commission finds that an entity awarded a contract for biomass resources  
18 pursuant to Public Law 2015, chapter 483 is not meeting contract requirements and  
19 therefore is not qualified to receive the full contract payment or any contract payment,  
20 those funds that would have been paid had contract requirements been met must be  
21 transferred to the wood energy investment fund. It also specifies that any funds  
22 remaining in the cost recovery fund established in Public Law 2015, chapter 483, section  
23 1, subsection 5 that are not needed to pay above-market costs for biomass resources must  
24 also be transferred by the Public Utilities Commission to the wood energy investment  
25 fund. It requires the trust to use funds from the fund, if there are any, to provide  
26 incentives and low-interest or no-interest loans for new wood-derived thermal energy or  
27 cogeneration projects. It requires that the trust consult with the Finance Authority of  
28 Maine, when appropriate, in the development of any Wood Energy Investment Program  
29 incentives and the distribution of money from the wood energy investment fund. It  
30 prohibits the use of funds for incentives or loans for the refurbishment or maintenance of  
31 existing facilities.