



# 127th MAINE LEGISLATURE

LD 1676

LR 2794(09)

## An Act To Establish a Process for the Procurement of Biomass Resources

Fiscal Note for Bill as Engrossed with:

C "A" (S-517)

S "B" (S-539) to C "A" (S-517)

Committee: Energy, Utilities and Technology

### Fiscal Note

	FY 2015-16	FY 2016-17	Projections FY 2017-18	Projections FY 2018-19
<b>Appropriations/Allocations</b>				
Other Special Revenue Funds	\$0	\$13,500,974	\$100,974	\$100,974
<b>Revenue</b>				
Other Special Revenue Funds	\$0	\$100,974	\$100,974	\$100,974
<b>Transfers</b>				
From Cascade Priorities	(\$13,400,000)	\$0	\$0	\$0
Other Special Revenue Funds	\$13,400,000	\$0	\$0	\$0

### Fiscal Detail and Notes

The bill directs the Public Utilities Commission (PUC) to enter into one or more two-year contracts for up to 80 megawatts of biomass resources, so long as the PUC concludes that both sufficient funds are available and that a competitive solicitation was made. This fiscal note assumes a competitive solicitation will be made. This bill creates the Cost Recovery Fund within the PUC to pay all above-market costs of the contract(s). The bill directs \$13,400,000 to be transferred from the unappropriated surplus of the General Fund to the Cost Recovery Fund at the close of fiscal year 2015-16 following certain statutorily required transfers (the so-called "cascade"). There is no guarantee that there will be sufficient funds from the unappropriated surplus of the General Fund to make this transfer. The bill allows up to 50% of funds within the Cost Recovery Fund to go to facilities serving the Northern Maine Independent System Administrator region. Any contract(s), unless the contracting entity and the PUC agree otherwise, will be suspended in the event that there are insufficient funds to pay the above-market costs. The bill requires any funds remaining in the Cost Recovery Fund at the close of fiscal year 2016-17 be transferred to the Maine Budget Stabilization Fund if the PUC determines those funds are not needed to pay the above-market costs of the contract(s).