



# 130th MAINE LEGISLATURE

LD 1634

LR 1455(02)

## An Act To Create the Maine Generation Authority

**Fiscal Note for Bill as Amended by Committee Amendment " "**

**Committee: Energy, Utilities and Technology**

**Fiscal Note Required: Yes**

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### Fiscal Note

Creates Maine Generation Authority  
Potential future biennium revenue decrease - General Fund  
Current biennium cost increase - Efficiency Maine Trust  
Current biennium revenue increase - Efficiency Maine Trust

#### Fiscal Detail and Notes

This bill creates the Maine Generation Authority (MGA) as an instrumentality of the State that is authorized to issue revenue bonds up to an amount not to exceed \$1,500,000,000 in principal outstanding at any one time to facilitate the financing and ownership of energy generation projects and energy storage systems located in the State. The revenue bonds 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 MGA. It is important to clarify that this fiscal note does not attempt to quantify or include the cost to the MGA to issue these bonds or the potential costs to ratepayers to finance them.

The bill also allows the MGA to borrow up to \$1,000,000 for 3 years at 3% from the Efficiency Maine Trust (EMT) to fund start-up costs. The MGA will contract with the EMT to sell the energy produced. The EMT has sufficient resources to provide the loan and accommodate the contractual obligations with the MGA.

MGA is 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. MGA is 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.