130th MAINE LEGISLATURE

FIRST SPECIAL SESSION-2021

Legislative Document **No. 1659**

H.P. 1230 House of Representatives, May 5, 2021

An Act To Create the Maine Clean Energy and Sustainability Accelerator

Received by the Clerk of the House on May 3, 2021. Referred to the Committee on Energy, Utilities and Technology pursuant to Joint Rule 308.2 and ordered printed pursuant to Joint Rule 401.

ROBERT B. HUNT
Clerk

Presented by Representative ZEIGLER of Montville.
Cosponsored by Senator CARNEY of Cumberland and
Representatives: CUDDY of Winterport, DODGE of Belfast, Speaker FECTEAU of Biddeford, GROHOSKI of Ellsworth, KESSLER of South Portland, MILLETT of Waterford, SACHS of Freeport, Senator: BENNETT of Oxford.

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

Sec. 1. 35-A MRSA §10104, sub-§13 is enacted to read:

13. Maine Clean Energy and Sustainability Accelerator. The trust shall administer the Maine Clean Energy and Sustainability Accelerator under section 10128.

Sec. 2. 35-A MRSA §10128 is enacted to read:

§10128. Maine Clean Energy and Sustainability Accelerator

1. Definitions. As used in this section, unless the context otherwise indicates, the following terms have the following meanings.

A. "Accelerator" means the Maine Clean Energy and Sustainability Accelerator, a dedicated, specialized finance entity under the trust that:

(1) Is designed to drive private capital into market gaps for goods and services producing low or zero greenhouse gas emissions;

(2) Uses finance tools to mitigate climate change;

(3) Does not take deposits;

(4) Is funded by government, public, private or charitable contributions; and

(5) Invests in or finances projects:

(a) Alone; or

(b) In conjunction with other investors.

B. "Alternative fuel vehicle project" means any project, technology, product, service, function or measure that supports the development or deployment of alternative fuels used for electricity generation, alternative fuel vehicles and related infrastructure, including infrastructure for electric vehicle charging stations, and that does not include the combustion of fossil fuels.

C. "Climate resilient infrastructure project" means any project that builds or enhances infrastructure so that such infrastructure:

(1) Is planned, designed and operated in a way that anticipates, prepares for and adapts to changing climate conditions; and

(2) Can withstand, respond to and recover rapidly from disruptions caused by these climate conditions.

D. "Demand response project" means any project, technology, product, service, function or measure that changes the usage of electricity by retail customers from normal consumption patterns in response to:

(1) Changes in the price of electricity over time; or

(2) Incentive payments designed to induce lower electricity use at times of high market prices or when system reliability is jeopardized.

E. "Electrification" means the installation, construction or use of end-use electric technology that replaces existing technology based on fossil fuel consumption.

F. "Energy efficiency project" means any project, technology, product, service, function or measure that results in the reduction of energy use required to achieve the same level of service or output obtained before the application of the project, technology, product, service, function or measure.

G. "Fuel switching" means any project that replaces a heating system or industrial process using fossil fuels with a system or process that uses a different fuel and achieves lower net greenhouse gas emissions.

H. "Greenhouse gas" has the same meaning as in Title 38, section 574, subsection 1.

I. "Microgrid" means a group of interconnected loads and distributed energy resources within clearly defined electrical boundaries that acts as a single controllable entity in a larger electrical grid and that can connect to and disconnect from the larger grid to operate in either grid-connected or isolation mode.

J. "Qualified projects" means the following kinds of technologies and activities that are eligible for financing and investment from the accelerator:

(1) Renewable energy generation, including:

(a) Solar, wind and geothermal projects;

(b) Projects using small-scale hydropower that produce 30 megawatts or less of electricity;

(c) Projects using ocean and hydrokinetic power generation;

(d) Projects using fuel cells to store energy; and

(e) Projects powered by nonhazardous organic biomass and anaerobic digestion of organic waste;

(2) Building energy efficiency, fuel switching and electrification;

(3) Industrial decarbonization;

(4) Grid technology such as storage to support clean energy distribution, including microgrids and smart grid applications as described in section 3143;

(5) Agriculture projects that reduce net greenhouse gas emissions, including reforestation, afforestation, forestry management and regenerative agriculture;

(6) Clean transportation, including battery electric vehicles; plug-in hybrid electric vehicles; hydrogen vehicles; other zero-emissions fueled vehicles; related vehicle charging and fueling infrastructure; and low-emissions mass public transit;

(7) Climate resilient infrastructure projects; and

(8) Any other key areas identified by the board as consistent with the mandate of the accelerator as described in subsection 3.

K. "Renewable energy generation" means electricity created by sources that are continually replenished by nature, such as the sun, wind and water.

L. "Renewable energy project" means the development, construction, deployment, alteration or repair of any project, technology, product, service, function or measure that generates electric power from renewable energy.

M. "System efficiency project" means the development, construction, deployment, alteration or repair of any distributed generation system, energy storage system, smart grid technology, advanced battery system, microgrid system, fuel cell system or combined heat and power systems.

N. "Vulnerable communities" means:

(1) Low-income communities, defined as any geographical unit for which the United States Census Bureau publishes sample data in which 30% or more of the population are individuals with low income;

(2) Low-income households, defined as a household with annual income equal to, or less than, the greater of:

(a) An amount equal to 80% of the median income of the area in which the household is located, as reported by the federal Department of Housing and Urban Development; and

(b) Two hundred percent of the federal poverty line.

(3) Communities of color and tribal communities, which include any geographically distinct area in which the population of color is higher than the average population of color of the State.

2. Establishment. The Maine Clean Energy and Sustainability Accelerator is established under the trust and is administered by the trust.

3. Mandate. The accelerator shall help this State combat the causes and effects of climate change through the rapid deployment of mature technologies and the commercialization and scaling of new technologies by maximizing the reduction of greenhouse gas emissions in this State for every dollar deployed by the accelerator, including by:

A. Providing financing support for investments in low-emissions and zero-emissions technologies and processes in order to rapidly accelerate market penetration;

B. Catalyzing and mobilizing private capital through public investment and supporting a more robust marketplace for clean technologies, while minimizing competition with private investment;

C. Enabling communities affected by climate change to benefit from and afford projects and investments that reduce greenhouse gas emissions;

D. Providing support for workers and communities affected by the transition to a low-carbon economy; and

E. Causing the rapid transition to a clean energy economy without raising energy costs to end users and seeking to lower costs when possible.

4. Finance and investment. The following provisions govern the finance and investment activities of the accelerator.

A. The accelerator may provide finance and investment services, including but not limited to:

(1) Originating, evaluating, underwriting and closing financing and investment transactions in qualified projects;

(2) Partnering with private capital providers and capital markets to attract co-investment from private banks, community development financial institutions, investors and others in order to drive new investment into underpenetrated markets, to increase the efficiency of private capital markets with respect to investing in greenhouse gas reduction projects and to increase total investment caused by the accelerator;

(3) Managing the accelerator's portfolio of assets to ensure performance and monitor risk;

(4) Ensuring appropriate debt and risk mitigation products are offered; and

(5) Overseeing prudent, noncontrolling equity investments.

B. The accelerator may provide capital to qualified projects in the form of:

(1) Debt financing;

(2) Credit enhancements, including loan loss reserves and loan guarantees;

(3) Aggregation and warehousing;

(4) Equity capital; and

(5) Any other financial product approved by the board.

5. Zero-emissions fleet and related infrastructure financing program. The accelerator shall explore the establishment of a program to provide low-interest and zero-interest loans, up to 30 years in length, to any school, municipal planning organization or nonprofit organization seeking financing for the acquisition of zero greenhouse gas emissions vehicle fleets or associated infrastructure to support zero greenhouse gas emissions vehicle fleets.

6. Project prioritization and requirements. The following provisions govern project prioritization and requirements.

A. While investing in projects that mitigate greenhouse gas emissions, the accelerator shall maximize the reduction of greenhouse gas emissions in this State for every dollar deployed by the accelerator.

B. The accelerator shall ensure that 40% of its investment activity is directed to serve vulnerable communities.

C. The accelerator shall ensure that workers employed by contractors and subcontractors in construction work on projects over $100,000 in total cost, financed all or in part by the accelerator, are paid wages not less than those prevailing on similar construction in the locality.

7. Administration. The following provisions govern administration.

A. The accelerator may be capitalized with federal funds available from a national clean energy and sustainability accelerator and may accept other federal funds as available.

B. To sustain operations, the accelerator shall manage revenue from financing fees, interest, repaid loans and other types of funding.

C. The accelerator shall create a publicly available annual report that describes the financial activities, greenhouse gas emissions reductions and private capital mobilization metrics of the accelerator for the previous year.

D. The accelerator may not accept deposits.

E. The accelerator may accept and use philanthropic funds.

SUMMARY

This bill creates the Maine Clean Energy and Sustainability Accelerator to support the development of clean energy and sustainability projects and infrastructure through providing financing support, including loans, loan guarantees and other financial and risk mitigation products. The accelerator is administered by the Efficiency Maine Trust.