



127th MAINE LEGISLATURE

FIRST REGULAR SESSION-2015

Legislative Document

No. 881

H.P. 600

House of Representatives, March 12, 2015

**An Act To Allow the Public Utilities Commission To Contract for
Liquefied Natural Gas Storage and Distribution**

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

A handwritten signature in cursive script that reads "R B. Hunt".

ROBERT B. HUNT
Clerk

Presented by Representative HOBBS of Saco.

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

2 **Sec. 1. 35-A MRSA §1902, sub-§3-A** is enacted to read:

3 **3-A. Liquefied natural gas contract or LNG contract.** "Liquefied natural gas
4 contract" or "LNG contract" means **a contract for liquefied natural gas stored and**
5 **distributed at a central storage and production facility that has the capability of**
6 **distributing natural gas directly to electricity generators fueled by natural gas during**
7 **periods of peak system electricity usage.**

8 **Sec. 2. 35-A MRSA §1904-A** is enacted to read:

9 **§1904-A. Liquefied natural gas contracts**

10 The commission in consultation with the Public Advocate and Governor's Energy
11 Office may execute an LNG contract in accordance with this section. The commission
12 may execute a contract only with a liquefied natural gas facility capable of providing a
13 minimum of 100,000 dekatherms per day of natural gas to electricity generation plants
14 fueled by natural gas. Distribution may be by either pipeline or direct trucking.

15 **1. LNG contract requirements.** Before executing an LNG contract, the
16 commission shall ensure the following requirements are met:

17 **A. The facility will be located in a rural, low-income community within the State;**

18 **B. A study by an independent 3rd party has been conducted and determines the**
19 **facility will generate a minimum of 200 direct and indirect jobs exclusive of jobs**
20 **created for the actual construction of the facility;** and

21 **C. If feasible, the facility will be built by a qualified construction firm based in the**
22 **State.**

23 **2. Approval by the Governor.** The commission may not execute or direct the
24 execution of an LNG contract unless the Governor has in writing approved the execution
25 of the LNG contract.

26 **SUMMARY**

27 **This bill allows the Public Utilities Commission to contract for the storage and**
28 **distribution of liquefied natural gas to provide a source of natural gas during peak winter**
29 **months. This bill defines a "liquefied natural gas contract" and provides that, prior to**
30 **entering into a contract, the Public Utilities Commission must ensure that a liquefied**
31 **natural gas facility will be located in a rural, low-income community within the State, a**
32 **study has been conducted by an independent 3rd party showing the construction of the**
33 **facility will result in a minimum of 200 direct and indirect jobs,** exclusive of jobs directly
34 linked to the actual construction of the facility and, if feasible, the facility will be
35 constructed by a qualified construction firm based in the State.

36 This bill also requires that before the Public Utilities Commission executes or directs
37 the execution of an LNG contract, **the Governor must approve in writing the contract.**