

SUPPORT

LD 553 – An Act To Reduce Maine's Dependence on Oil

Sponsor: Representative FITTS of Pittsfield

Cosponsors: Senators BARTLETT of Cumberland, GOODALL of Sagadahoc, KATZ of Kennebec; RECTOR of Knox; and Representatives CORNELL du HOUX of Brunswick, HINCK of Portland, KNAPP of Gorham, and McCLELLAN of Raymond

Summary: This bill directs the Efficiency Maine Trust to develop a plan to reduce Maine's dependence on oil – with a goal of 30% overall reduction in oil consumption by 2030 and a 50% reduction by 2050. Input would be provided by stakeholders and the plan would be based on a full assessment of economic, environmental, and energy security issues.

Explanation: Maine is more dependent on oil than any other state because of our heavy reliance on heating oil for our homes and industry, and our dispersed, car-dependent transportation system. More than half of Maine's energy comes from oil, leaving us extremely vulnerable to volatile oil prices over which we have no control. Mainers now spend more than \$5 billion annually – or nearly \$15 million per day – on oil, most of which is money sent out of Maine, and generally overseas. The combustion of oil for transportation and heating is the largest single source of air pollution in Maine.

This bill would require the Efficiency Maine Trust to develop a broad oil reduction plan, with stakeholder input, and make recommendations to the Legislature. The bill does not identify how specific actions might be implemented—leaving that question to the Legislature and Administration once the plan is developed. Under existing law, the Efficiency Maine Trust already is required to develop a three-year energy efficiency plan that includes specific programs and actions to reduce heating fuel and electricity, with long-term goals such as reducing heating and industrial fuels use by 30% by 2030. That Triennial Plan was developed in 2010 and approved by the Public Utilities Commission this year. This bill broadens consideration to include gasoline and diesel, which account for an even larger portion of oil used and purchased by Mainers. (The bill does not change the mission of the Efficiency Maine Trust to include transportation—but it does require that the Trust lead the effort to develop a plan that would include reductions in the use of oil for transportation.)

Passage of this bill and development of a plan to reduce Maine's dependence on oil would be good for Maine's economy, environment, and the finances of Maine people. With oil prices on the rise and increased volatility in oil producing nations in the Mideast, Maine is at serious risk of major future price shocks if we remain as heavily dependent on oil as we are today. Every \$1 invested in energy efficiency in Maine boosts our economic output by \$5, so achieving the oil reduction goals called for by this bill would translate into huge savings for Maine homeowners and businesses.

NRCM supports LD 553.