30 April 2018

The 128th Legislature of the State of Maine
State House
Augusta, ME

Dear Honorable Members of the 128th Legislature:

Under the authority vested in me by Article IV, Part Third, Section 2 of the Constitution of the State of Maine, I am hereby vetoing LD 1745, “An Act To Establish the Wood Energy Program.”

This emergency bill creates a non-lapsing fund to establish incentives as well as low-interest and no-interest loans to the State’s forest-products sector. The bill further charges Efficiency Maine with running the programs with advice from FAME. To create the fund, the bill directs the PUC to remand any unused funds remaining from the biomass Cost Recovery Fund to Efficiency Maine. The Cost Recovery fund was created when $13.4 million was transferred from the unappropriated surplus of the General Fund. The bill’s fiscal note estimates a total of $766,000 over two years will be transferred to Efficiency Maine to run the programs.

Rather than returning funds back to the unappropriated surplus of the General Fund for use across the State, this Act directs funds to subsidize a particular industry. While I am sensitive to the needs of the biomass industry, I do not believe that subsidies through incentives and low- and no-interest loans will drive electricity costs down for all ratepayers. Furthermore, this bill assumes that exactly $500,000 will be available from the PUC’s next review of the Cost Recovery Fund before the review has even happened.

This bill is another example of the Legislature trying to redirect funds to favored industries, create subsidies, and substitute its judgement for that of expert regulatory bodies. For these reasons, I return LD 1745 unsigned and vetoed. I strongly urge the Legislature to sustain it.

Sincerely,

Paul R. LePage
Governor