Governor's Task Force on Ocean Energy
Economic Development Subcommittee
Minutes of Conference Call
January 27, 2009

Task Force Attendees: Tim Agnew (Chair), Catherine Renault, George Hart, Leslie Harroun, Parker Hadlock, Senator Kevin Raye, Habib Dagher. Approximately seven members of the general public were also on the call.

There were two action items for the call. One was to review the Economic Development subcommittee's charge and think about how to approach it. The second action was to compile a list of immediate legislative items to be shared with Gov. King's subcommittee.

1. Review charge to Economic Development Subcommittee.
    a. Identify essential ingredients for growth of an ocean energy industry in Maine.

        We noted that in order to answer this question, we will need to better define the scope of the ocean energy industry in Maine, or what we think it could be.

        Ingredients that were identified for further discussion included:
        i. Permitting (will be addressed by another subcommittee)
        ii. Locational advantage – what is it?
        iii. Data is needed to attract developers of ocean energy sources and to convince consumers to switch from fossil fuels to clean energy.
        iv. Ports/marine facilities
        v. Power interconnections, limitations with the grid (will be addressed by another subcommittee)
        vi. Risk capital; federal, state, industry sources
        vii. Strategic positioning
        viii. Types of jobs: construction, maintenance, operations, service, R&D, fabrication. Not just offshore, but also involved with conversion of home heating to electricity, for instance.
        ix. Incentives
        x. Workforce development
        xi. Demand pull, e.g. heat pumps, PEVs
        xii. Funding programs like Oregon's to fund home energy improvements through utility bills.
        xiii. Manufacturing capacity
        xiv. R&D capacity
        xv. Environmental and related issues (will be addressed by another subcommittee)

b. Inventory Maine businesses, research organizations, and academic institutions with potential to contribute to the evolution of an ocean energy cluster of national/international significance
    i. DECD/Office Of Innovation has started on this and will refine for the subcommittee with input from others. Maine Manufacturing Association may have an inventory of their members in this space.
    ii. Be sure to identify national and regional assets as well such as UNH and MIT ocean engineering resources.
c. Identify ocean energy technology development opportunities where Maine has the resources and relationships to compete on a global basis.
    i. George Hart, Cianbro and others are aware of these opportunities and will help us identify them.
    ii. Opportunity to develop a test facility, and early permitting of such a location (will be addressed by another subcommittee)
d. Review how other states/countries (MA, RI, NJ, DE, Denmark, Germany, Spain) have approached the ocean energy economic development opportunity and identify lessons for Maine.
    i. DECD, George Hart and Rita Heimes will assist. Diane Messer offered to share some information.
e. Assess and describe Maine's potential to serve as a support center for ocean energy development, operation and maintenance, drawing on harbor infrastructure in Portland, Searsport, Rockland, and Eastport and infrastructure companies such as Cianbro, Reed & Reed and Bath Iron Works.
    i. See c. above.
    ii. Also, look at Brunswick Naval Air Station, Cutler as opportunities?
    iii. Concern about losing working waterfront sites
    iv. MA has issued an RFP for a study of port and related facilities needed by ocean energy developers.
f. Recommend policy and investment strategies required to maximize potential economic benefit from ocean energy development based in Maine.
    i. Will follow from analysis above.
    ii. See initial recommendation list below.
g. Review status of end use technologies to use electric energy from ocean renewable energy resources for home heating and transportation, and recommend actions Maine can take to further development of these end uses.
    i. No specifics defined yet.

2. The group then discussed a range of quick actions which could be submitted to Gov. King's subcommittee for this Session of the Legislature:
    a. Pre-permitted, or permit by rule, site for a research platform to develop the data needed to move the industry forward and improve our chances for Federal funding.

b. Bond issue for ocean energy-related R&D and port development, separate from the broader R&D bond issue being discussed. The R&D community at large doesn't want to dilute available dollars. This bond could also important to show that the state can match Federal funds if there is a competition for Federal funds.
c. Start now to develop increasing demand for electricity to show need for ocean-based power sources. Provide incentives and remove disincentives for consumers and businesses to adopt new technologies to create a demand for additional electricity. This could include tax credits for purchase of heat pumps, geothermal systems, hybrid cars, plug-in electric vehicles. Also discussed was reducing disincentives: i.e., auto excise tax could exclude the incremental cost of a hybrid; property taxes could deduct from valuation the difference between the cost of a heat pump/geothermal system and a typical oil heating system.
d. Adopt a system like Oregon for financing new heating systems through electric utility bills. Calvin Luther says Bangor Hydro is looking into this.
e. Work toward a smart grid with smart meters at each home and businesses allowing time of day pricing. Apparently CMP and BHE have time of day tariffs in place but are only starting to move toward smart meters to make this feasible. Balancing the load better has obvious benefits in reducing peak demand and helping incorporate alternative energy sources.
f. Conduct research on available new technologies for heating and provide an objective source of information for the public on cost-benefits, pluses, minuses of each system. Habib says the University is working on this.
g. Make sure port resources that could be useful to future ocean energy industry are not lost to non-maritime uses, as once lost they can't be easily recovered.
h. Make alternative energy sources eligible for Maine State Housing financing. They are doing research on heat pumps apparently, but data on efficiency, reliability etc. is not readily available.
i. Funding for an analysis of Maine's port resources to determine what additional investment would be necessary to attract the fabrication, installation and maintenance facilities for ocean energy developers.