



Testimony of the Efficiency Maine Trust -- Z100 (p. A-259)

Re: LD 256: An Act Making Unified Appropriations and Allocations from the General Fund and Other Funds for the Expenditures of State Government and Changing Certain Provisions of the Law Necessary to the Proper Operations of State Government for the Fiscal Years Ending June 30, 2023, June 30, 2024 and June 30, 2025

Presented to:

**the Joint Committee on Appropriations and Financial Affairs and
the Joint Committee on Energy, Utilities and Technology**

March 1, 2023

Senator Rotundo, Representative Sachs, Senator Lawrence and Representative Zeigler, and Members of the Committee on Appropriations and Financial Affairs and of the Committee on Energy, Utilities and Technology, on behalf of the Efficiency Maine Trust (the "Trust" or "EMT"), I appreciate the opportunity to provide information about account Z-100 in this year's Biennial Budget.

I am pleased to report that the State of Maine was ranked fifth in the nation for its successes on energy efficiency. The rankings, updated each year by the American Council for an Energy Efficient Economy (ACEEE), are a testament to the policies and programs that have been supported by Maine's Legislature and Governor and to the contributions of Efficiency Maine, MaineHousing, the Maine Public Utilities Commission, the Governor's Energy Office and the Office of Public Advocate to develop and implement those programs. Of particular note, Maine earned high marks for its efficiency investments to benefit low- and moderate-income households, its policies to maximize cost-effective savings, and its best-in-the-nation programs promoting a transition to electric heat pumps. Maine's heat pump programs are so well regarded nationally that they are being studied by the federal government, copied by other states, and featured recently in the *Washington Post*, the *New York Times*, and numerous online publications.

Rankings and recognition are nice, but they are beside the point. The point is to help Maine's homes and businesses lower their energy costs, increase productivity, cut air pollution, improve grid reliability and enhance energy independence. The Trust's Annual Report for FY2022 shows the effectiveness of its programs. The Trust's programs last year helped to:

- Save more than 2.3 billion kilowatt-hours of electricity and 4.7 million MMBtu (equivalent to 33.8 million gallons of oil) of heating energy over the lifetime of the energy upgrades;
- Reduce energy bills, over the lifetime of the energy upgrades, by more than \$356 million;
- Prompt \$126 million of incremental private investment using \$70.67 million of program investment;
- Support weatherization projects in 2,230 homes;

- Build and maintain online registries of contractors for consumers to choose from, including more than 700 firms offering heat pump installations in all regions of the state, and grow jobs in the clean energy sector,
- Continue the expansion of EV Initiatives with newly eligible electric pickup trucks and vans and building out a statewide network of public chargers;
- Launch new programs to manage peak demand on the grid and to develop battery storage; and,
- Avoid an estimated 76,972 short tons of annual greenhouse gas emissions.

These programs are working to help Maine's homeowners, businesses, institutions and governmental bodies make smarter equipment purchases and accelerate their investment in building upgrades, which in turn is strengthening Maine's economy and environment.

The budgets for Efficiency Maine's programs are funded through revenues received directly from the electric utilities, the natural gas utilities, the Regional Greenhouse Gas Initiative (RGGI), and the Forward Capacity Market at ISO-New England. This year's budget (see p. A-259) contains several revenue allocations to the Trust that reflect decisions from last Legislative Session. Specifically, \$500,000 was appropriated last year "to develop and support climate change mitigation strategies designed to reduce greenhouse gas emissions at industrial facilities in the State" and another \$3.5 million was appropriated to continue funding EV rebates. In all likelihood, these initiatives will expenditures span the current fiscal year and the one that follows. Also last Session, LD 1733 (the Maine Jobs and Recovery Plan) allocated \$50 million for expanded energy efficiency programs. The objectives for the programs are to use half of the funds to increase weatherization for low- and moderate-income homes and the other half to promote efficiency in municipal buildings, schools, businesses and industry. The MJRP initially budgeted the revenues across two years (\$15 million in 2021-22 and \$35 million in 2022-23). The Trust began expending the MJRP funds in July 2022 and will continue to spend out over the next two years as forecasted in the budgets for 2023-24 and 2024-25. Only one person on Staff at the Trust is a State employee. The salary for that employee, together with associated overhead costs, is reimbursed to the State by the Trust.

If we can be of assistance answering further questions about our finances, please do not hesitate to ask.

Respectfully,

/s/MDS

Michael D. Stoddard
Executive Director