



Natural Resources Council of Maine

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Testimony in Support of LD 258, 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

**Joint Standing Committee on Appropriations and Financial Affairs and the Joint Standing Committee on Energy, Utilities, and Technology
by Jack Shapiro, Climate and Clean Energy Program Director
March 1, 2023**

Senator Rotundo, Representative Sachs, Senator Lawrence, Representative Zeigler, and honorable members of the Joint Standing Committee on Appropriations and Financial Affairs and the Joint Standing Committee on Energy, Utilities and Technology: My name is Jack Shapiro. I am the Climate and Clean Energy Director at the Natural Resources Council of Maine. NRCM has been working for more than 60 years to protect, restore, and conserve Maine's environment, and I am here today on behalf of our 25,000 members and supporters to testify in support of LD 258, 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.

In particular, NRCM supports the provisions in the budget related to the Governor's Energy Office (GEO), the Efficiency Maine Trust (EMT), and the Public Utilities Commission (PUC).

The Governor's Energy Office plays a critical role in setting and implementing Maine's energy policies as we strive as a state to achieve the goals set by the Legislature to reduce greenhouse gas emissions and transition to renewable energy. GEO's staff is responsible for steering the development of a nation-leading floating offshore wind industry; designing a successor program to foster distributed solar generation in Maine to benefit ratepayers as well as the climate; participating in collaborative interstate transmission planning; and shaping the deployment of millions of dollars in new federal incentives for electrification and energy efficiency among many other important responsibilities. It is vital that this office is fully resourced to do this critical work (A-287).

The Efficiency Maine Trust's allocation in this budget is modest, belying the importance of their work in several crucial aspects of achieving the goals and strategies laid out in Maine's Climate Action Plan. We support the budget request (A-259, A-260). However, we also believe that

additional funding in two key areas could accelerate their work and deliver benefits and savings to Maine people more quickly.

NRCM encourages the Committee to consider allocating further funding to Efficiency Maine to expand and extend its electric vehicle programs. As global supply chain bottlenecks are resolved and more electric vehicles of all kinds become available to Maine people, Efficiency Maine's current funding will need to be replenished. Additionally, further funding could allow these programs to be expanded to include e-bikes, and a pilot project for zero-emission medium- and heavy-duty vehicles, both important elements of reducing greenhouse gas emissions from our transportation sector, and in the case of e-bikes, replacing car trips and reducing vehicle miles traveled, another explicit goal of Maine's Climate Action Plan.

Another area for the Committee to consider is allocating funding to Efficiency Maine to expand the state's nation-leading heat pump incentive program. This program has facilitated the installation of more than 82,000 heat pumps in the state since 2019, evidence of the popularity and the efficacy of heat pumps in Maine. High-efficiency heat pumps are more efficient and less expensive to operate than fossil fuel heating, but the funding sources that Efficiency Maine relies upon to resource these programs are limited. Heating with heat pumps is less expensive than most oil, gas, or propane systems,¹ and making them more available and affordable would bring significant cost savings to the far too many Maine families stuck paying for expensive and volatile fossil fuels to heat their homes.

Finally, with respect to the activities of the Public Utilities Commission (PUC), we urge the Committee to ensure that this budget adequately funds the new grid planning functions of the PUC. Pursuant to LD 1959 (35-A MRSA § 3147) adopted last year,² the PUC must assume new responsibilities in leading an ongoing and iterative planning process to steer Maine's utilities toward a cost-effective and equitable clean energy transition. The power sector is at the heart of efforts to add solar, wind, and battery storage, and electrify our cars, trucks and buildings. This work is vital to achieving Maine's Climate Action Plan and greenhouse gas reduction requirements as quickly and cheaply as possible. This work requires new and robust technical expertise and resources beyond what the PUC currently has and must be funded accordingly.

In December 2022, the PUC submitted to the Legislature an assessment of the staffing and resources that may be necessary to comply with the integrated planning provisions, in which it determined the following resources would be needed:

- Consulting assistance to provide technical assistance and help in identifying priorities;
- Consulting assistance to assist in the facilitation of the stakeholder process to identify priorities; and

¹ <https://www.efficiencymaine.com/at-home/heating-cost-comparison/>

² 35-A MRSA § 3147 available at <https://legislature.maine.gov/statutes/35-A/title35-Asec3147.html>; PL 2022 Ch 702 available at <http://www.mainelegislature.org/legis/bills/getPDF.asp?paper=SP0697&item=19&snum=130>.

- A new, full-time staff position requiring a background in electrical engineering to assist with the development of priorities and evaluation of grid plans filed by the utilities.³

Our view is that these are the minimum absolutely necessary to ensure a viable process. We encourage the Committee to request from the PUC specific budget amounts for these needs as well as an additional assessment and budget amounts in line with the opportunity represented by this new authority and responsibility – and to include any such funds in the budget so that Maine can realize the cost reduction and clean energy benefits that may be possible from a well-run process to create a clean energy grid for Maine’s future.

Thank you for the opportunity to provide testimony in support of appropriations funding for these important entities.

³ Maine Public Utilities Commission, Report Assessing the Staffing and Resources Needed to Comply with the Integrated Grid Planning Provisions Contained in Public Law, 2021 [sic], chapter 702, December 1, 2022, available at <https://www.maine.gov/mpuc/sites/maine.gov/mpuc/files/inline-files/Grid%20Planning%20Assessment%20Report.pdf>