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To: Joint Committee on Energy, Utilities, and Technology

From: Andrew Blunt, Sierra Club Maine Chapter

Date: March 20, 2025

Re: **Testimony in Support of L.D. 946:** Resolve, to Increase Access to Energy Efficiency Programs

by Low-income and Moderate-income Residents

Senator Lawrence, Representative Sachs, and members of the Joint Committee on Energy, Utilities, and Technology,

I write on behalf of the Sierra Club Maine Chapter, representing over 22,000 supporters and members statewide. Founded in 1892, Sierra Club is one of our nation's oldest and largest environmental organizations. We work diligently to amplify the power of our 3.8 million members nationwide as we work towards combating climate change and promoting a just and sustainable economy. To that end, we urge you to vote "Ought to Pass" on L.D. 946.

Participants of rebate and incentive programs for beneficial electrification skew wealthy nationwide, and in Maine. Access to resources, free time to research opportunities to benefit from state programs, and flexibility to freely alter lifestyle decisions are all systemic reasons for this disparity. Unfortunately, Efficiency Maine Trust's stated goals reinforce that reality.

Take, Efficiency Maine Trust's stated weatherization goals for their Triennial Plan VI: "These budgets will allow the Trust to weatherize 3,300 homes/year, of which 500 (15%) will be low-income homes, 600 (18%) moderate-income homes, and 2,200 (67%) all-income homes." In this case, the bill before us could result in an increase of 17% of funding dedicated to low and moderate income homes.

Bringing low and moderate income beneficiaries in the door takes a lot of work. It requires identification of likely candidates and more proactive outreach. Low income families don't often just walk in the door. And it also requires shifting incentive amounts to make rebates more attractive. For families working hard to get by, installing a heat pump, switching to an electric vehicle, or weatherizing their home are not top priorities. By substantially sweetening the deal, especially for programs that concern beneficial electrification of technologies concerning where low and moderate income individuals are higher emitters than high income individuals, we expect that EMT could continue to see excellence in programming, but could continue to build on historic successes in emissions reductions.

EVs make a great example here. Today, 14.5% of Maine drivers account for 41% of Maine's total annual gasoline consumption.² Said differently, a small group of Mainers burns a lot more gasoline

¹ https://www.efficiencymaine.com/docs/TPVI Appendix D Long Term Target Results 11-24.pdf

² https://themainemonitor.org/maine-ev-goals/

than the rest. And this group is more likely to be made up of low and moderate income individuals. Getting these individuals into EVs would cut Maine's transportation emissions by 19%, and would save these families, on average, \$255 dollars a month in fuel costs after electricity costs are accounted for. Targeting these folks is good policy from an equity standpoint, and it makes sense from an environmental standpoint.

Efficiency Maine Trust often cites the issue of "free-ridership" as a top concern in their programming. We are also concerned about state funds being used to subsidize choices that wealthy families or corporations were going to make anyways. No one in Maine is excited about subsidizing a wealthy family's new Tesla. Luckily, in the case of low and moderate income households, that issue is far reduced, and in some cases eliminated. It's a lot easier to justify a 50% rebate on a Ford Lightning to a working-class person who was never thinking about an EV, then it is to justify a 5% rebate to a wealthier family who would buy an EV regardless.

Efficiency Maine Trust knows best which of their efficiency programs sees the most success with low and moderate income Mainers. This resolution gives them the flexibility to optimize their funding, but through a new equity lens.

We encourage an "Ought to Pass" vote from the Committee on L.D. 946.

Sincerely,

Andrew Blunt Sierra Club Maine Chapter Legislative and Political Strategist