



May 18, 2023

Testimony of the Efficiency Maine Trust

**Re: Language for Governor's Change Package to LD 258 – GF Biennial Budget
2024-2025, Section NNNN**

Presented to the Joint Committee on Appropriations and Financial Affairs

Senator Rotundo, Representative Sachs, and Members of the Committee on Appropriations and Financial Affairs:

On behalf of the Efficiency Maine Trust (the "Trust" or "EMT"), I appreciate the opportunity to provide testimony on Section NNNN in the Change Package.

Section NNNN does not appear to have any impact on the budget. No General Fund moneys are implicated. Rather, it proposes to diminish the authority of the Trust to oversee and administer federal funds designated for certain kinds of energy programs.

While it does not impact the budget, Section NNNN does, however, alter how future federal funds for certain energy programs will be overseen and administered. In 2009, the Legislature – based on debate and work in the Energy, Utilities and Technology (EUT) Committee -- considered how federal funds relating to certain energy programs should be administered. The result of this work was enactment of Section 10115 of Title 35-A. This section of statute provides still today that the Trust "shall oversee and administer" the State Energy Program and other federally funded programs and projects "relating to the Trust's programs."

Section NNNN would change that. It would make the Trust's role in administering energy efficiency programs and alternative energy programs optional. We have questions about why this is the best solution and how this small but significant change would work in practice. Who would decide if EMT should (or should not) oversee and administer the programs? Who would decide how the programs should be designed and administered? Section 10115 of Title 35-A, as it exists today, reflects the Legislature's choice to designate the Trust to oversee and administer federal funds where the use of those funds relates to the Trust's programs.

The "Summary" of Section NNNN implies that this legislative change is needed to enable other departments and agencies of State government to administer federally funded energy initiatives. The premise is strained at best. Since Section 10115 of Title 35-A was first enacted 14 years ago, MaineHousing has continued to receive and administer 100% of the federal Weatherization Assistance Fund without any interruption or interference from the Trust. And during this time, the Maine DOT and DEP have consistently run programs promoting cleaner trucks and buses. We fail to see the logic in the suggestion that unless you diminish the role of the Trust, these government bodies will be without authority to administer federally funded work related to energy efficiency or clean energy.

From 2010 to 2020, the Trust administered more than \$73 million in federal funds for programs to help Maine homeowners, businesses and municipalities lower their energy bills by installing energy efficiency and clean energy measures. More than half of that came through the US Department of Energy's State Energy Program. The Trust has deployed these funds to provide financial incentives and loans for weatherizing multifamily apartments, upgrading home heating systems, installing alternative energy systems in paper mills, retrofitting hundreds of thousands of high-efficiency lights in schools, office buildings and small businesses, starting a revolving loan fund for home energy projects, and helping more than 100 municipalities make energy upgrades. Its performance of these tasks has been efficient, impartial and professional. If there is someone better suited to develop and run those programs, we submit that the public interest would be best served if that determination were the outcome of a robust debate in the committee of jurisdiction.

Respectfully,

/s/MDS

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Executive Director