



**Testimony of the Efficiency Maine Trust
Michael D. Stoddard, Executive Director**

NEITHER FOR NOR AGAINST

**LD 1700 –
An Act to Create a Direct Investment Pilot Project Under the Maine
Clean Energy and Sustainability Accelerator**

Presented to the Joint Committee on Energy, Utilities, and Technology

April 23, 2025

Senator Lawrence, Representative Sachs, and Members of the Committee on Energy, Utilities and Technology, I appreciate the opportunity to testify today on behalf of the Efficiency Maine Trust (the Trust) **neither for nor against LD 1700**.

This bill directs the Trust to run a pilot project to offer financing for renewable energy generation, storage, and grid technology (such as smart grid applications as defined in 35-A MRSA §3143). As we have previously reported to this Committee, in recent years the Trust began administering programs promoting energy storage and smart grid applications located on the customer's side of the meter (or "behind-the-meter") in recognition of the fact that these distributed resources play an important and growing role in maintaining the affordability, efficiency and reliability of the grid.

We appreciate the Sponsor's outreach to the Trust to introduce the bill concept in advance of its printing, and the thoughtful treatment of various administrative matters. We also support the proposed approach of starting out with a pilot over a defined time period. This approach enables us to take stock after an initial period before deciding whether and how to proceed on a bigger scale. The time period seems reasonable to us to put an offering on the street and to garner interest from consumers and vendors and to underwrite and close loans.

We also appreciate the variety of types of financing tools that the bill authorizes the Trust to employ. That said, we would respectfully request that the bill be revised to clarify that the Trust is authorized to use one or more of these tools, but is not required to use every one of them. Replacing "and" with "or" in line 28 would provide that flexibility.

A further modification we would like to see is insertion of the term "creditworthy" as a modifier of the "projects" referenced in line 29. While we would endeavor to invest no less than \$1 million to eligible projects if this bill is passed, we would not want to feel pressured to loan or invest funds in projects or borrowers that do not meet minimum underwriting standards established by the Trust.

Finally, we want to manage expectations about the availability of capital to implement the bill's proposed pilot. Currently, the Trust's top priority for available capital from its Revolving Loan Fund is for home energy upgrades involving weatherization and/or whole-home heat pump systems. We have enough capital in hand to continue making these loans for about another 12 months. Recently, the Trust was awarded additional federal funds to enable the Trust to extend those home energy loans for a longer period while also expanding its loan offerings to a wider variety of customer types (including commercial and government buildings) and more types of energy upgrades. As reported in the press, release of these funds to the Trust has been temporarily "frozen" by the federal government and the matter is under review in the courts. If the Trust is ultimately unsuccessful in receiving these funds, it is possible that the Trust would not have "sufficient funds available" and may be unable to implement the proposed pilot. Similarly, if release of the funds is significantly delayed, it may frustrate timely implementation of the pilot.

I would be happy to answer any questions.

Respectfully submitted,

/s/MDS

Michael D. Stoddard

Executive Director