



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

IN SUPPORT OF

**LD 2037 –
An Act to Update the Regional Greenhouse Gas Initiative Allowances**

Presented to the Joint Committee on Environment and Natural Resources

January 21, 2026

Senator Tepler, Representative Doudera, and Honorable Members of the Committee on Environment and Natural Resources, I appreciate the opportunity to testify today on behalf of the Efficiency Maine Trust (the Trust) **in support of LD 2037**. This bill will extend Maine's participation in the Regional Greenhouse Gas Initiative (RGGI) for 10 more years.

The Trust's support for this legislation stems from the simple recognition that it is in the best economic interest of Maine to remain engaged in the regional initiative so that Maine's homes and businesses will continue to have access to resources to help them lower their heating bills and electricity bills.

The price of power generation (aka electricity "supply") is set through the regional wholesale power market at ISO-New England. So long as the largest state economies in New England (e.g., Connecticut and Massachusetts) remain in RGGI, whatever costs are incurred by generators in those states will be factored into prices paid by electricity customers across all of New England, including Maine. By adopting LD 2037, Maine will continue to be a participant in the regional initiative, making it eligible to receive its share of the proceeds of the carbon allowances that are sold at auction each year.

Since 2009, these proceeds have been strategically reinvested in energy upgrades across all sectors of the Maine economy to help consumers manage their energy use and lower their bills while improving Maine's energy independence. In the past three fiscal years (FY2023, '24, and '25) alone, the Trust invested \$93.3 million in RGGI proceeds on energy efficiency projects that are estimated to lower energy bills by approximately \$391 million over the life of those projects. Every \$1 of RGGI proceeds that the Trust invested will save more than \$4 in energy costs. Those projects included:

- **Weatherizing 5,945 homes.**
 - Each weatherized home is projected to save, over time, between \$9,000 and \$10,000 on energy bills.
- **Installing heat pump systems in 8,364 homes**, of which 3,834 were in low- and moderate-income homes.
 - Each home upgrading to heat pumps is projected to save, over time,

- approximately \$9,900 over the lifetime of the equipment.
- Helping 1,110 homeowners upgrade to high-efficiency **water heaters**.
 - Each high-efficiency water heater is estimated to lower a home's energy bills by \$9,250 over the life of the water heater.
- Supporting the shift to high-efficiency **LED lighting** in hundreds of Maine businesses and local government buildings and low-income homes.
- Supporting very large and/or complex energy projects at key **industrial facilities**, including, for example:
 - **Robbins Lumber**, that installed a high-efficiency dust collection system using a \$36,000 incentive from the Trust. The project is estimated to reduce energy bills by \$541,000 over the life of the system.

RGGI funds are critical to the Trust's ability to support Maine's largest energy users, such as boat/ship builders, paper mills, and ski resorts, to invest in capital intensive energy upgrades. Representative examples of large custom projects from prior years include:

- **Bath Iron Works**, that installed high-efficiency air filtration system using \$750,000 RGGI incentive that is projected to lower energy bills by \$4 million over the life of the system.
- **ND Paper**, that upgraded all of the mill's lights to LEDs with the help of \$525,000 in RGGI incentives from the Trust in the past decade.
- **Sunday River**, that modernized their snow guns and upgraded air compressors and lighting with \$2.3 million in incentives from RGGI funds over the past 13 years.

Going forward, as the federal American Rescue Plan Act (ARPA) funds have been fully invested, the Trust expects the RGGI funds will be the only source of funds available to it for continued funding of **weatherization**, certain types of **heat pump projects** (e.g., VRF systems, such as those used in many schools), residential **pellet boilers**, and for sustained funding of projects with Maine's large **industrial users**.

The bottom line is that without the RGGI funds being invested in energy efficiency projects in Maine, consumers in our state would pay hundreds of millions of dollars in higher energy bills. Deploying the RGGI proceeds for energy efficiency helps to make Maine homes safer, more comfortable and more affordable and helps Maine businesses stay competitive in a global economy. It also helps sustain good jobs among the hundreds of independent contractors, stores and supply houses who participate in the Trust's programs, making these upgrades accessible to Maine's residents and businesses. Their hard work is integral to the success of the Trust's RGGI-funded programs and the savings experienced by Maine energy consumers.

For these reasons, we encourage the Committee to approve LD 2037 to sustain Maine's continued participation in RGGI.

The Trust does not take a position on the specific amounts proposed for each year's carbon dioxide emissions budget, nor on the proposed changes to the handling of carbon offsets.

Respectfully submitted,

/s/MDS

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