



STATE OF MAINE
GOVERNOR'S OFFICE OF POLICY INNOVATION AND THE FUTURE
181 STATE HOUSE STATION
AUGUSTA, MAINE
04333-0181

**LD 1429 An Act to Implement the Most Time-sensitive Recommendations
of the Maine Climate Council -- Testimony in Support
May 17, 2021**

Senator Brenner, Representative Tucker, and members of the Committee on Environment and Natural Resources. My name is Hannah Pingree and I am the Director of the Governor's Office of Policy Innovation and the Future.

I am here today to testify in support of LD 1429, "An Act to Implement the Most Time-sensitive Recommendations of the Maine Climate Council." I am grateful for the leadership of Majority Leader Dunphy and her commitment to climate action – and her support for both funding and detailed policy steps in a number of important areas of Climate Plan implementation. I am grateful for the leadership of Majority Leader Dunphy and her commitment to climate action – and her support for both funding and action on a variety of fronts.

On December 1, 2020 Governor Mills welcomed the release of *Maine Won't Wait* ([PDF](#)), the four-year Climate Action Plan from the Maine Climate Council. The actions and goals in *Maine Won't Wait* put Maine on a trajectory to decrease greenhouse gas emissions by 45% by 2030 and 80% by 2050, and achieve carbon neutrality by 2045. The Plan calls for decisive steps including bolstering the electric vehicle market in Maine and supporting other efforts to reduce transportation emissions, from broadband expansion to improved rural transportation options. For our homes and businesses, the plan calls to expand the number of heat pumps installed in Maine homes, double our rates of home weatherization, and to support the transition to 100% clean power. It also highlights the powerful role Maine's natural and working lands and waters play in sequestering carbon emissions to help meet Maine's ambitious, nation-leading 2045 carbon neutrality goal.

Through *Maine Won't Wait*, the Governor also set a goal to double the number of clean energy jobs in Maine by 2030 to 30,000 jobs. The Plan details climate action steps to create economic opportunities for Maine, such as encouraging the growth of the clean energy economy, creating incentives for consumers, businesses and industries to invest in energy efficiency, and supporting innovative construction materials and local agricultural systems that rely on Maine forest products, farms, and the fishing and aquaculture industries. The Plan also focuses on preparing our communities, economy, and people to better withstand the rapidly accelerating impacts from climate change and highlights the need for a comprehensive and equitable approach to climate action as new programs and allocation of resources are considered.

Climate action will require leveraging a variety of resources — existing and new, private and public, local, state, and federal — and fresh, innovative financing mechanisms to support sector-level transformations. The Governor appreciates the sponsor's support to implement the recommendations in *Maine Won't Wait*, and we agree with the urgency to take action now.

Over the past several weeks Governor Mills has announced three significant funding proposals to be considered by this legislature including: The Maine Jobs & Recovery Plan, a bond bill, and a supplemental budget for the upcoming biennium. Each plan includes components of robust funding to support objectives from the Maine Climate Council's four-year climate action plan, summarized in the attached document.

The Maine Jobs & Recovery Plan: Backed by more than a billion in federal funds from the unallocated state portion of the American Rescue Plan (ARP), Governor Mill's proposed plan makes historic investments in 1) immediate economic recovery from the pandemic; 2) long-term economic growth for Maine; and 3) infrastructure revitalization. To read the full plan, visit maine.gov/covid19/maine-jobs-and-recovery-plan.

As you heard this morning in a funding briefing, the plan allocates significant funds for items in the State climate plan including weatherization and efficiency (\$50M), for public EV charging (\$8M), for broadband access (\$150M), for infrastructure adaptation (\$20M), rural transit (\$5M), for targeted clean energy workforce activities (\$8M), and for a variety of related items like heritage industry support, highly efficient affordable housing construction, and sewer and water infrastructure.

While these funds won't be long-term funding sources – as the spending period for ARP runs through 2024, they can provide a significant jump-start for the serious climate action proposed in the *Maine Won't Wait* plan over the next several years.

Additionally, there is significant discussion in Washington, largely as a part of Infrastructure legislation, about how to create increased long-term support for the state for a variety of these items – including public transit and school buses, energy efficiency, electric vehicle infrastructure, broadband, and more climate resilient community infrastructure.

Bond package: The governor's bond proposal seeks to invest in Maine's transportation system and conserve lands and waters, by dedicating \$100 million to maintain and upgrade Maine's transportation system and \$40 million over four years to conserve lands and waters for Maine people through the Land for Maine's Future (LMF) Program. The LMF funding helps support the Climate Plan conservation goal of 30% conserved lands by 2030, ensuring our working farmland, forests, and coastal areas continue to sequester carbon, and support natural resource industries.

Supplemental budget: The Governor's recently announced supplemental budget proposes significant funding for education, health care, tax conformity for low- and middle-income Maine people, increased revenue sharing for municipalities, significant PFAS remediation, infrastructure upgrades, and more for state government reserves. The budget also proposes a significant new initiative to support municipal and regional climate planning and implementation around resiliency and energy programs, including \$5.5M in funds over the biennium. Additionally, it adds staff capacity for climate programs at several state offices, including DEP, the Governor's Energy Office, and GOPIF.

The final outcome of each of these funding proposals rests with the Legislature and processes, and those determinations won't likely be made until mid to late June. And these same decisions are important for consideration of this bill – as this bill makes important ongoing long-term appropriations to address ongoing climate action. So there is a timing challenge for the committee, in predicting the

outcome of bonds, the budget, and ARP plan consideration, as it also considers the appropriations included in this bill.

Additionally, this legislation includes a variety of important policy recommendations. Please see the following comments on specific sections of the bill. We've consulted with several key Commissioners and Directors in providing these comments, and you'll also hear or read additional informational testimony from several others.

- Section 1 – 3, and 5 and 11 addresses local food programs at Maine school districts: We defer to the Department of Agriculture, Conservation and Forestry to provide comments on these sections and to provide background on efforts underway via DACF and the Department of Education.
- Section 4 - Estimating potential state carbon sequestration of Maine's land and coastal and marine ecosystems: The Maine Department of Environmental Protection is working with the University of Maine to develop a carbon budget for the state and to improve methods for the State's next bi-annual emissions report, which will include net emissions for the first time. The Governor's proposed supplemental budget includes \$400,000 for forest carbon mapping to support this work. Additionally, Representative McCreight's bill to support eelgrass mapping was passed by this committee and is another component to detailed analysis needed for full carbon accounting. Our understanding is that US EPA is also working to support improved data at the federal level for carbon sequestration and accounting programs to support state government.
- Section 6 – 7 Section 6 – 7 - After consultation with the Governor's Energy Office, we do not support repealing provisions allowing the PUC to suspend renewable portfolio standard requirements at this time. We are confident that the RPS requirements of 80% by 2030 will be met as was analyzed in the GEO's recent Renewable Energy Goals Markets Assessment. Further, the RPS suspension provision was carefully negotiated with stakeholders in the EUT committee and any further modifications should be addressed in that Committee as they are considered other RPS-related bills.
- Section 8 - We support the extension of the Efficiency Maine Trust heat pump program and have consulted with both the Governor's Energy Office and the Efficiency Maine Trust who agree. The Governor and Legislature have agreed on the goal of installing at least 100,000 new heat pumps in Maine by 2025, and there are aggressive additional heat pump deployment goals in the climate plan for 2030 and beyond. The good news is that these programs are proving very successful, with more than 20,000 heat pumps installed the last year, making Maine a national leader in this area. Hundreds of small businesses are doing this work, saving each homeowner, renter, or small business money on their monthly heating bill.
- Section 9 and 12, 13 - The Governor established a State Forest Carbon Task Force earlier this year and that group is meeting regularly to develop recommendations for a voluntary program to encourage small-to-medium size woodland owners in Maine to increase carbon sequestration opportunities on their land. Separately, the Agriculture, Forestry and Conservation Committee has also passed a resolve to require DACF to study other types of soil and other carbon programs that may be needed, building on efforts in Senator Brenner's Healthy Soils legislation. Any policy action in these sections should follow the task force and resolve recommendations.
- Section 10 - We defer to MaineDOT to comment about implementation of a fuel efficiency tax credit.

- Section 14 calls to increase climate communications as outlined in the Climate Plan. Our office recently released an RFP for communications and engagement to advance public understanding, awareness, and engagement about climate change in Maine in support of the state’s climate action plan, Maine Won’t Wait. It seeks to 1) raise public awareness and understanding about climate change in Maine and the state’s climate-response initiatives; 2) promote opportunities and programs for consumers; 3) highlight people, businesses and organizations showing leadership on climate action; and 4) increase youth and student awareness and engagement opportunities in climate and energy topics. The budget is \$125,000 in privately raised funds. This is an important component of the climate plan, and one that is funded for the next year, but may require additional appropriations in the future.
- All of the funding components of this bill are worthy of future consideration – but must take into account the funding proposals on the table, balanced with the future needs beyond federal recovery support, federal programs under consideration, and bonding.
- Lastly, section 15 - The University of Maine is a valued partner in Maine’s climate efforts and we have begun serious conversations about how the state could strengthen the University’s role in supporting the state’s Climate Plan Implementation. The University of Maine has requested an earmark to support the development of a climate research hub, with support from the Governor’s Office of Policy Innovation and the Future.

The state and federal funding timing and outcomes are complex and undetermined at this time. Because of this, we hope to continue to work with this committee, and Leader Dunphy, to determine next steps for this important legislation.

Thank you for the opportunity to testify today.



NEW FUNDING PROPOSALS TO SUPPORT CLIMATE ACTION
MAY 17, 2021

May 17, 2021

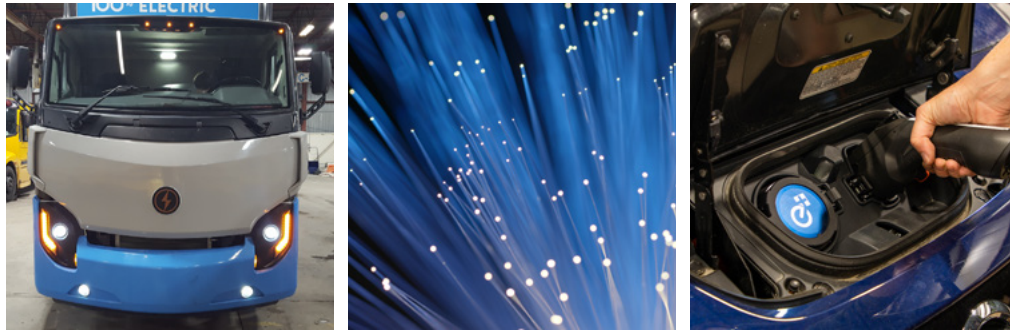
In recent weeks, the Mills Administration has announced three significant funding proposals to be presented in the 130th First Regular Session of the Maine Legislature: The Maine Jobs & Recovery Plan, a \$140 million bond package, and a supplemental budget for the upcoming biennium.

The Maine Jobs & Recovery Plan: Backed by more than a billion in federal funds, the Plan makes historic investments in unaddressed needs and longstanding challenges in Maine to support 1) immediate economic recovery from the pandemic; 2) long-term economic growth for Maine; and 3) infrastructure revitalization. To read the full plan, visit maine.gov/covid19/maine-jobs-and-recovery-plan.

Bond package: The governor's bond proposal intends to rebuild Maine's transportation system and conserve lands and waters, by dedicating \$100 million to maintain and upgrade Maine's transportation system and \$40 million over four years to conserve lands and waters for Maine people through the Land for Maine's Future (LMF) Program.

Supplemental budget: The governor's supplemental budget proposes to fund 55% of local education costs, initiatives to improve the health of Maine people, tax relief for low- and middle-income Maine people, enhanced revenue sharing for municipalities; PFAS remediation, infrastructure upgrades, and additional funding for government reserves.

Each recommends funding that supports objectives from the Maine Climate Council's four-year climate action plan, *Maine Won't Wait*. This document highlights each recommendation by the *Maine Won't Wait* strategy that it supports, as outlined below.



STRATEGY A: EMBRACE THE FUTURE OF TRANSPORTATION IN MAINE

THE MAINE JOBS & RECOVERY PLAN

Establish the Maine Connectivity Authority to Achieve Universally Available Broadband: \$150M

Transportation is responsible for 54% of Maine’s annual greenhouse gas emissions. Deploying broadband will help to reduce vehicle miles traveled. Greater access to virtual work, medicine, education, and other opportunities that allow people to utilize online services without driving.

Launch a Workforce Transportation Pilot: \$5M

This funding will support local, regional, or state Workforce Transportation Pilot Projects to connect workers and employers. Expanding public transportation, ride-sharing programs, and developing innovative public transportation options in rural areas can replace the number of single-occupancy trips and reduce household vehicle and commuting miles and costs.

Expand Municipal and Public EV Charging: \$8M

Maine Won’t Wait establishes ambitious EV targets. These funds, through the Department of Transportation and Efficiency Maine Trust, will support the continued expansion of electric vehicle charging stations at town buildings, school buildings, State facilities, and public locations. A reliable charging system that ensures an EV owner can charge their vehicles along major routes, at public places, at work and at home is important to expanding electrification.

STRATEGY B: MODERNIZE MAINE'S BUILDINGS

THE MAINE JOBS & RECOVERY PLAN

Save Money Through Energy Efficiency: \$50M

This initiative, via the Efficiency Maine Trust, will accelerate weatherization and efficiency upgrades for Maine homes, especially for low-income, older Mainers and renters (\$25M). These funds will also help municipal, county, school, and community organizations to secure efficiency grants by providing matching funds (\$15M), and support incentives for industries and businesses to invest in energy cost savings and efficiency measures (\$10M).

Build More Affordable Housing for Maine's Workforce: \$50M

These funds would be used to expand housing options that are affordable to workers and their families to own or rent, through existing financing programs through MaineHousing, as well as new incentives in partnership with DECD. They would also provide planning and technical assistance for communities, developers, and builders to encourage construction or production of affordable, energy efficient housing units close to service and employment centers to support families and reduce commuting times.

STRATEGY C: REDUCE CARBON EMISSIONS IN ENERGY AND INDUSTRIAL SECTORS

SUPPLEMENTAL BUDGET

The supplemental budget includes staff support for the Governor's Energy Office to advance clean energy initiatives, such as grid modernization, and policy counsel, and the Department of Environmental Protection to implement rulemaking on climate plan objectives such as phasing out HFCs, and instituting appliance standards.



STRATEGY D: GROW MAINE'S CLEAN-ENERGY ECONOMY AND PROTECT OUR NATURAL RESOURCE INDUSTRIES

THE MAINE JOBS & RECOVERY PLAN

Invest in Heritage Industries: \$50M

The economic disruption of the pandemic has made investment in heritage industries – farming, fishing, and forest products — urgent to stabilize these core economic engines of Maine's rural areas. This investment supports Maine's climate plan goals as well, by expanding local food system capacity (\$30M) and encouraging innovation in climate-friendly forest products (\$20M). From value-added products like mass timber, to emerging demand for bioplastics and biofuels, a significant opportunity exists to grow this sector, create jobs and economic security in rural Maine, and drive the future of modern, efficient building products and energy solutions, while supporting jobs and sustainable forests.

Create Clean Energy Partnerships: \$8M

The Clean Energy Partnership will support clean energy and energy efficiency job growth through workforce development programs developed in partnership with industry and education leaders. This sector-focused initiative will establish clear training pathways for clean energy careers, support internships and apprenticeship programs, and create an online platform for attracting workers, sharing training opportunities, and highlighting job opportunities. The Partnership will also target investments to encourage innovative clean energy companies in Maine through entities such as the Maine Technology Institute and others.

Additional workforce investments in Maine's Career and Technical Education system, Community Colleges and University System will target several sectors of clean energy and climate career opportunities. Additionally, targeted funding for diversity, equity and inclusion aligns with the climate plan's focus on advancing equity and workforce opportunities through Maine's climate response.

SUPPLEMENTAL BUDGET

The supplemental budget includes funding for technical support, studies and research related to offshore wind, and staff support for the Governor's Energy Office and Department of Marine Resources to advance the Maine Offshore Wind Initiative in areas such as scientific research, policy, and economic development.



STRATEGY E: PROTECT MAINE'S ENVIRONMENT

BOND PACKAGE

Land For Maine's Future Bond: \$40M

The Governor's bond proposal dedicates \$40 million over four years to conserve lands and waters for Maine people through the Land for Maine's Future (LMF) Program, the State's primary funding vehicle for conserving land for its natural and recreational value.

Maine Won't Wait sets a target to increase by 2030 the total acreage of conserved lands in the state to 30%. Protecting natural and working lands is critical to maximize carbon storage, support working farms and forests, ensure valuable ecosystems remain in place for future generations, and contribute to Maine's fight against the effects of climate change.

SUPPLEMENTAL BUDGET

The supplemental budget includes a one-time allocation of \$400,000 to support forest carbon mapping by the Department of Environmental Protection, which would help the department calculate carbon sequestered by landowners in support of sequestration incentive programs.

It also includes \$5 million to leverage local and Federal funds to recapitalize the municipal culvert program at stream crossings, improving fish and wildlife habitats and increasing infrastructure climate resilience and public safety.

THE MAINE JOBS & RECOVERY PLAN

Improve Fishing Industry Infrastructure & Monitoring: \$16M

These funds will support public health monitoring as it pertains to shellfish and water quality by upgrading equipment to support maximizing harvest opportunities in both the aquaculture and wild shellfish sectors. Investment in climate-resilient infrastructure on the coast are needed, including building investments to promote public health and efficiency and a marine patrol vessel upgrade for cost savings and safety. These investments will allow the limited agency funds available for capital expenditures to be put to better use as match to leverage additional federal funds for monitoring and research related to climate change and its emerging impacts in marine species.

STRATEGY F: BUILD HEALTHY AND RESILIENT COMMUNITIES

SUPPLEMENTAL BUDGET

Resilience Planning And Emission Reduction

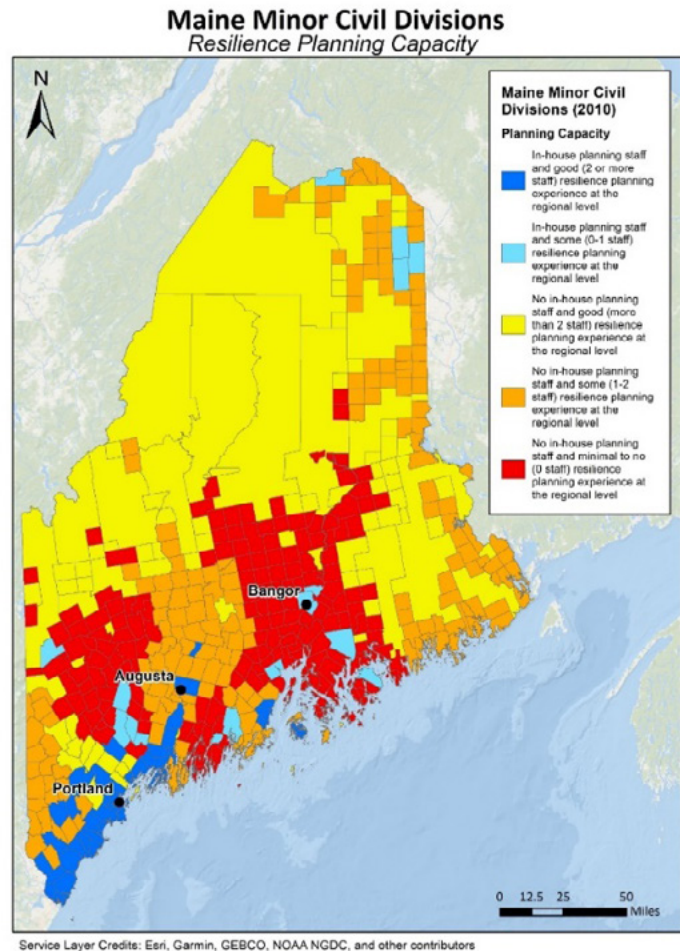
Governor Mills' supplemental budget request includes funding for municipal partnership projects to promote resilience planning and emission reductions at the local level.

As demonstrated in the December 1 climate action plan *Maine Won't Wait*, we will need, over time, to expand resources to support communities to plan for and reduce their risks from climate change impacts. Lack of capacity, expertise, and funding are consistently cited by municipalities as reasons why they are not able to address their climate risks.

In addition, towns have uneven access to planning resources across the state to support other local planning issues, including housing access, economic development, and other land use considerations, as evidenced in this chart which was included in the *Maine Won't Wait* report.

The Climate plan recommends the state provide robust technical assistance and funding to communities by 2024 to support local and regional climate-resilience initiatives. The proposed funds would support regional and municipal climate projects for resilience and technical assistance and incentives for energy generation and reducing emissions.

This effort builds on the pilot project currently underway to work with 3 providers in 8 communities across the state to do climate resilience planning and implementation. The purpose of the pilot project is to: 1) advance climate resilience planning and implementation in multiple towns representing the diversity of Maine people and regions; 2) demonstrate replicable engagement models for assisting communities that integrate three key functions: regional technical assistance, encouraging best practices, and funding support; and 3) inform the future development of key climate-related focus areas for communities, community resilience goals, and support for community resilience in Maine.



The proposed funds would support regional and municipal climate projects for resilience and technical assistance and incentives for energy generation and reducing emissions. The request includes \$2.5M for resilience grants plus \$3M for emissions and energy technical assistance and grants, plus staffing capacity to support communities in these areas.

THE MAINE JOBS & RECOVERY PLAN

Ensure The Safety Of Drinking Water: \$25M

Through the State Revolving Fund (SRF) and the CDC drinking water program, these funds will address significant backlog of drinking water projects and help municipalities leverage further ARP funds. These investments improve public health, provide community benefits, reduce the burden for local rate payers, and support construction jobs and for many projects, improved climate resiliency.

Repair Wastewater Infrastructure: \$25M

Much of Maine’s infrastructure was constructed well before climate change was understood as a threat. It is no surprise, then, that climate change is already having a negative impact on our roadways and bridges, shoreside businesses and working waterfronts, water-treatment facilities, and utilities. Three wastewater treatment plants are at risk of catastrophic failure due to rising sea levels by 2050.

This investment will provide \$22M for municipal wastewater and infrastructure projects, help leverage local ARP funds and accelerate the timeline of these essential local projects that protect public health, provide community benefits, reduce the burden for local ratepayers, support construction jobs and for many projects, climate resiliency.



STRATEGY G: INVEST IN CLIMATE-READY INFRASTRUCTURE

THE MAINE JOBS & RECOVERY PLAN

Protect Infrastructure From Climate Change: \$20M

Climate change poses a serious risk to Maine infrastructure, with damage estimates in the billions of dollars unless action is taken. The “Cost of Doing Nothing” analysis makes clear if Maine does not adapt to climate change, losses are expected to be significant to communities, individual property and business owners, and the state.

These funds will create a pilot “Infrastructure Adaptation Fund” to support local, regional, and state infrastructure projects that addresses these vulnerabilities. These funds will help protect vital infrastructure most at risk, help unlock Federal and other funding options, and benefit public safety and emergency management efforts.





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