

Office of Policy and Legal Analysis

Date: April 22, 2021

To: Joint Standing Committee on Energy, Utilities and Technology

From: Dan Tartakoff, Legislative Analyst

Re: LD 551, An Act To Accelerate Weatherization Efforts in the State (Representative Kessler)

Bill summary

This bill allows Efficiency Maine Trust funds for conservation programs that help reduce energy costs for electricity consumers to be used toward weatherization efforts to achieve the weatherization of 17,500 homes and businesses by 2025 and 35,000 homes and businesses by 2030, including at least 1,000 units of housing for low-income individuals or households per year. It also defines the term "low-income" in the laws governing the trust.

List of legislators/entities that submitted written testimony and/or spoke at the hearing

Proponents – Representative Kessler, Environment Maine, Natural Resources Council of Maine, Office of the Public Advocate, additional members of the public.

Opponents – Industrial Energy Consumer Group.

Neither for nor against – Efficiency Maine Trust, Governor's Energy Office, Maine Community Action Partnership.

Notes, issues and proposed amendments

1. *IECG concerns, cross-subsidy* – is opposed to expanding the use of RGGI funds for weatherizing homes heated by fossil fuels as it would cause electric ratepayers to subsidizing fossil fuel users who are not subject to any conservation/conversion surcharge (comments appear directed toward section 4 of the bill).

The EMT in a similar vein noted that the new language in section 4 appears to suggest using electric efficiency procurement funds for weatherization projects that save unregulated fuels (i.e., heating oil and propane" as part of those consumers' "total energy consumption." The principal purpose of those electric efficiency procurement funds, which are paid entirely by electricity ratepayers, is to increase the efficiency of electricity use (i.e., electricity cost saving measures). Accordingly, the proposed change would raise equity concerns among consumers and fuel types and may have a negative impact on beneficial electrification.

2. *Definition of "low income," NRCM proposal* – suggests that the definition of "low income" proposed in the bill could undermine existing low-income initiatives under the EMT by imposing a potentially narrower definition than that currently used by EMT under certain programs. Recommends either (1) removing the definition or (2) clarifying that the definition is a floor, rather than a ceiling and that the EMT may expand the definition by rule.

The EMT similar expressed concern with including a fixed definition for the term "low income" as it would reduce its flexibility in administering multiple distinct programs with different definitions of what constitutes "low income".

3. *Demand for energy efficiency/weatherization services, MeCAP comments* – notes that the significant increase in weatherization projects supported by the bill will increase the demand for inspectors, auditors and

contractors for these projects. Recommends more specific planning for that increased demand, including funding for training, apprenticeships and fair wages.

4. *GEO, proposed amendment* – suggests amending bill in sections 2 and 7 to clarify that the homes and businesses to be weatherized are “additional.” The current language in §10104(4)(F)(2) that is repealed and replaced in section 2, which is substantively similar to that replaced in section 7, reads:

“Weatherizing substantially all homes whose owners or occupants are willing to participate in and share the costs of cost-effective home weatherization to a minimum standard of weatherization, as defined by the trust, by 2030;”

The EMT provided similar comments, suggesting that the bill be amended to clarify a 2020 starting date for the timeframe in which these goals are to be achieved so as to align with the Climate Action Plan recommendations.

Fiscal information

Not yet available from OFPR.