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HOUSE OF REPRESENTATIVES

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TESTIMONY BEFORE THE ENERGY, UTILITIES AND TECHNOLOGY COMMITTEE

“Act To Accelerate Weatherization Efforts in the State”

L.D. 551

March 16, 2021

Senator Lawrence, Representative Berry, and Members of the Joint Standing Committee on Energy, Utilities and Technology:

I am Representative Chris Kessler, and I represent District 32, part of South Portland and part of Cape Elizabeth. Today I have mixed feelings in presenting **L.D. 551: An Act To Accelerate Weatherization Efforts in the State**.

There is broad bipartisan agreement that weatherization should be the foundation of energy efficiency efforts in our state. The most cost-effective energy saving measure is not having to use that energy in the first place. This bill seeks to pick up the pace of these efforts, but also seeks to resurrect a long-needed discussion about our priorities.

My favorite aspect of this bill seeks to increase the number of people who would qualify for Efficiency Maine’s low-income initiatives. For some programs like [the heat pump water heater initiative](#), the Efficiency Maine Board has made the threshold, “Participation in a federal or state program that is based on low-income status”. Rather than expend the time and resources to do means-testing, it simply leaves it to the other programs to do that work. I agree with the concept that if you are already participating in a program where you need to be means-tested, you are struggling enough to qualify as low-income. This takes a good idea and makes it consistent across all low-income programs. It is important to note that in the establishment of Efficiency Maine, [the statute requires](#) that they, “Provide uniform...program design and administration of programs pursuant to this chapter and any other provisions of law administered by the trust”. If you take a look at the low-income initiatives, there is not uniformity. Heat pump water heaters have the most generous requirements, whereas [heat pumps](#) and [weatherization](#) require participants to be enrolled in LIHEAP or have homes with low assessed values. This part of the bill aims to bring that uniformity, but to also expand eligibility by including local programs that reach people that we know are struggling, but exceed the cutoff point placed by other programs using subjective means-testing.

This bill also seeks to codify the goals of the Maine Climate Council by weatherizing 17,500 homes and businesses by 2025 and 35,000 homes and businesses by 2030, including at least 1,000 units of low-income housing per year by 2030. This goal is

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revised down from the goal set by a previous Legislature, which was “By 2030, to provide cost-effective energy efficiency and weatherization measures to substantially all homes and businesses whose owners wish to participate in programs established by the trust.” To hit that goal, Efficiency Maine Trust, [in their third Triennial Plan](#), wished to ramp up program activity and weatherize 35,000 per year by 2020, but recognized there was no funding for it. That goal was unrealistic given the level of funding to the program, which requires us to fund weatherization efforts at around \$37 million per year. This updated goal would require funding at about \$9 million per year. *Let me be clear:* this bill in its current form does nothing to increase funding, but simply allows more flexibility in how existing funding is used to meet that goal. Given the current level of funding this body has allowed Efficiency Maine to use toward weatherization, we have been limping along at about 7,000 homes per year.

The most complicated aspect of this bill allows money from the Electric Efficiency and Conservation Program to be used not only to reduce *electricity* consumption for consumers, but also to reduce *energy* consumption through weatherization. The justification for this proposal is that we are all electric ratepayers, and that as ratepayers who pay the fee, we should have a choice as to how we invest in energy efficiency. To dovetail with the aspirational goals of the Maine Climate Council, it would afford Efficiency Maine the flexibility to use more of these funds to meet the goal. Based on the current Triennial Plan, it appears as though as more homes adopt heat pumps, a larger portion of those funds can be used to reduce electricity consumption through weatherization. However, this has established a policy that prioritizes conversion to electricity for a heating fuel over what we all seem to agree is the dollar best spent - the dollar you don't have to spend in the first place. It would not change the ratio of money allocated to commercial, industrial and residential users. [The statute still directs Efficiency Maine to](#), “To the greatest extent practicable, apportion remaining funds among customer groups and geographic areas in a manner that allows all other customers to have a reasonable opportunity to participate in one or more conservation programs.” Some may take issue with this part of the bill because of how this fund is capitalized, which is through a Maximum Achievable Cost Effectiveness (MACE) formula. The fee we all pay on our electric bills is based on the amount of electric efficiency projects in the state that could be completed. Introducing this aspect of the bill messes with that formula and lessens the chance that those electric efficiency projects would be realized.

I want to be brutally honest; when it comes to “accelerating weatherization efforts”, this bill takes us from about 10 MPH to 11 MPH when we should be going 100 MPH. This is a feel-good, do little bill. We have failed as a legislative body to do anything substantial to promote weatherization to the level it requires. We created a fund to weatherize homes, yet this body has never provided a steady funding mechanism for it. Thus, we have had to

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cobble together funding from other sources like RGGI and the Forward Capacity Market to limp along at the current pace. The sole reason is a lack of political will and petty partisan politics. Last session, this committee considered LD 1231 to fund this effort with a miniscule fee on heating oil, propane and kerosene, even returning a considerable amount of that revenue back to low-income households to make sure the fee was not regressive in nature. Instead, [the bill was voted down resoundingly](#) in this committee and in the House chamber. Even further, on the initiative of the Governor and the permission of 129th Legislature, we now take revenues from the Forward Capacity Market away from weatherization with the goal to install 100,000 heat pumps by 2025. It is a worthy initiative, but it is at the expense of another worthy initiative. LD 1231, along with the infamous “carbon tax” bill was used as a political weapon to demonize Democrats in local and statewide races. Weary of repeating history, members of my party were unwilling to support a similar bill this session. It turns out that it doesn’t matter; [the same smear is being used regardless of what bills are actually being considered](#). At this moment, the only bills being considered this session to fund weatherization is through bonding, which will cost Mainers more in the long run from interest payments. The same problem is playing out in how we are dealing with transportation funding; ultimately, Mainers are paying more from inaction due to hard-line partisan politics. It is shameful and inexcusable.

I hope that this committee takes this opportunity to do what we should have done over a decade ago; create a sustainable source of funding for weatherization that does not harm the most financially vulnerable. We need to have the courage to change our tax policy, especially when we know it is going to pay us back many times over. To pay more for something we can already do ourselves for less money is the opposite of fiscal conservatism. Passing this bill in its current or similar form will be no reason to pat ourselves on the back. Instead, I hope we can come together on this bill to make real, meaningful and lasting policy changes around weatherization for the people of Maine.