



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

**NEITHER FOR NOR AGAINST
*LD 551 – An Act To Accelerate Weatherization Efforts in the State***

Presented to the Joint Committee on Energy, Utilities and Technology (EUT)

March 16, 2021

Senator Lawrence, Representative Berry, and Members of the Committee on Energy, Utilities and Technology, the Efficiency Maine Trust (the Trust) appreciates the opportunity to testify today neither for nor against *LD 551 – An Act To Accelerate Weatherization Efforts in the State*.

There are more than 550,000 occupied dwellings in Maine. According to the Trust’s studies, far too many of these homes experience significant air leakage, allowing cold air to seep in as warm air exits. This leakage represents wasted heat and wasted money. It also results in extra carbon emissions as Maine’s heating systems run longer and harder to keep up. The Maine Climate Council (MCC)’s Climate Action Plan identified weatherization as a cost-effective strategy for reducing greenhouse gas emissions. The Trust remains committed to spearheading Maine’s effort to tighten up our buildings to combat climate change, while also helping Mainers reduce their energy costs and increase comfort.

The Trust welcomes the addition of the MCC weatherization targets among the list of general long-term targets listed in the Efficiency Maine Trust Act at §10104(4), and again among the heating fuel reduction targets in §10119(2)(A). Though ambitious, the goals are more realistic than the current statutory target to weatherize “substantially all homes and businesses” by 2030. The Trust recommends that the new targets proposed in this bill replace the original. The Trust would also appreciate some clarification on the precise timeframe of the goal. The Climate Action Plan assumed a starting point of 2020; as written, the bill is clear on the starting point for the low-income goal (2022) but is silent on the starting point for the economy-wide targets. The Trust respectfully suggests that the timeframe for all the targets align with the 2020 start date in the Climate Action Plan.

Also, the Trust is concerned about including a fixed definition of “low-income” in §10102, the part of the statute that establishes definitions for the entire Efficiency Maine Trust Act. The Trust has leveraged its current flexibility in this regard to use certain funds, where allowable, to establish alternative means-testing methods. For example, for low-income initiatives that use Regional Greenhouse Gas Initiative (RGGI) funds, the Trust expands beyond the standard eligibility criteria to include homes under a certain assessed property value threshold in each county. This allows for significant administrative efficiencies; unlike validating an individual’s qualification for state or federal low-income programs, determining property values does not require

navigating third-party authentication and confidentiality concerns. It also serves as a way for the Trust to identify “moderate-income” participants in its “low and moderate income” (LMI) programs. The new definition proposed in the bill would remove that flexibility. Perhaps the bill language could be amended to say that the definition “includes, but is not limited to,” an individual or household “... participating in any local, state or federal program that is based on income eligibility.”

Finally, the Trust has concerns with Section 4 of the bill that requires it to consider programs that “reduce total energy consumption by electricity consumers in the State through provision of cost-effective energy efficiency and weatherization measures...” By adding this provision to the list of program considerations under §10110, the bill appears to suggest that the Trust should use electric efficiency procurement funds for weatherization projects that save unregulated fuels (i.e., heating oil and propane) as a part of their “total energy consumption.” If this is not the intent of the bill, we suggest the language be clarified.

We observe that according to §10110(1)(C), the principal purpose of this fund is to support programs that “increase the efficiency of electricity use.” It is a fund paid for entirely by electricity ratepayers, including Maine’s businesses and manufacturers. It is a fund that receives not a penny from fees on oil or propane. For these reasons, the Trust has consistently proposed, and the Maine Public Utilities Commission has consistently directed, that the use of the fund be limited to measures that will increase the efficiency of electricity use.

In this way, the Trust has so far been limited to investing electric ratepayer funding for measures where electricity cost savings is a significant contributor to achieving cost-effectiveness. The Trust is apprehensive about expanding eligibility for electric conservation measures to include measures that almost exclusively save heating oil or propane. It will add costs to electric ratepayers where the benefits are not significantly related to electricity. Not only does this raise equity concerns among consumers and fuel types, but it may have a negative impact on beneficial electrification – a key decarbonization strategy identified in the Climate Action Plan. The price of electricity relative to fossil fuels has a clear impact on the prospects for beneficial electrification.

While the Trust recognizes that there is urgency in growing weatherization programs in the state, we also note that help may be on the way from a variety of alternative sources. Significant stimulus funding has been authorized by the federal government (and more may yet be added), some of which may be able to be deployed for weatherization. Also, several state bond proposals are looking to support weatherization. The Trust asks the Committee to consider if it would be appropriate to delay making a decision on the provisions in Section 4 of the bill until the funding landscape for weatherization is better understood.

The Trust looks forward to participating in further discussions around this bill.

Respectfully,

/s/MDS

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