



Testimony in Support of LD 1659, *An Act to Establish a Clean Energy and Sustainability Accelerator*

by David Costello, Climate & Clean Energy Program Director

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Senator Lawrence, Representative Berry, and distinguished members of the Energy, Utilities and Technology Committee. My name is David Costello. I am the Climate and Clean Energy Program Director at the Natural Resources Council of Maine (NRCM), and I am testifying today in support of LD 1659, *An Act to Establish a Clean Energy and Sustainability Accelerator*.

Strengthening and Accelerating Maine's Efforts to Address Climate Change

Maine's new climate action plan, *Maine Won't Wait*, does an excellent job of explaining the risks and impacts of climate change, and of summarizing actions that would, if implemented, not only address climate change but would also ensure a healthier and more prosperous future for all Maine residents. The state's plan does not, however, say a lot about the amount of funding that is likely to be required, nor about the expected sources of needed funding and investment.

Creative Financing Essential

One potential source of financing, mentioned in the state's plan, would be through the establishment of a "Maine green bank or green fund." In laymen's terms, a green bank or fund is a quasi-governmental financing authority that helps secure and guarantee funding for a wide range of environmentally friendly initiatives.

LD 1659 proposes to establish such a financing instrument, ***seeded with federal dollars***, within the Efficiency Maine Trust (EMT). LD 1659's proposed Clean Energy and Sustainability Accelerator would leverage low cost private-sector capital to support the development of clean energy, energy efficiency, clean transportation, and climate resiliency projects. Adequately seeded, Maine's Clean Energy and Sustainability Accelerator would likely spur a marked increase in needed climate and clean energy projects throughout the state through the provision of loans, loan guarantees, and other financial and risk mitigation products.

Importantly, LD 1659 would provide critical financing when and where it is often not readily accessible. Traditional financing methods aren't always well-suited for clean energy, energy efficiency, and climate resiliency projects due to perceived risks, unfamiliar technology, and information gaps about the projects' value. Maine's Clean Energy and Sustainability Accelerator would aid in reducing market barriers by directing support, in the form of increased access to capital and lower interest rates, to low and moderate-income households and communities –

which tend to be disproportionately burdened by high energy costs and the impacts of climate change.

Maine's Accelerator Would Provide Vast Benefits

Projects funded by Maine's new Clean Energy and Sustainability Accelerator would help:

- Reduce Maine's carbon emissions and other air pollutants - contributing to substantial public health and environmental gains and savings;
- Increase investment in in-state clean energy, energy efficiency, and climate resiliency projects, particularly in Maine's most vulnerable low income and climate-impacted communities;
- Decrease the state's reliance on out-of-state and out-of-country energy sources. Maine currently sends more than \$4.4 billion out-of-state annually to pay for the energy that we consume. Imagine the increase in economic output and corresponding **jobs** if we were to invest and spend these energy dollars in Maine;
- Generate millions of dollars in increased revenues for Maine businesses and communities;
- Sequester more carbon by means of expanded support for innovative agriculture and forestry products and practices;
- Increase the resilience of critical electrical, transportation, waterfront, and water and waste-water infrastructure; and
- Expand the utilization of energy sources that are inexhaustible, and, unlike fossil fuels, are likely to decrease in cost over time.

NRCM appreciates the value of this innovative financing tool and urges the Committee to join us in supporting LD 1659. Thank you for your consideration, and I welcome any questions that you may have.