To: Committee on Energy, Utilities and Technology
From: Catherine Culley, Redfern Properties
Date: May 11, 2021
Re: Testimony in support of LD 1659: An Act To Create the Maine Clean Energy and Sustainability Accelerator

Senator Lawrence, Representative Berry, and members of the Committee on Energy, Utilities and Technology: my name is Catherine Culley, and I am a resident of Falmouth. My husband Jonathan and I co-own Redfern Properties, a real estate development firm that focuses primarily on multi-family, infill, sustainable housing in Portland. Two of our current projects include the re-development of the Mercy Hospital campus on State Street and a proposed 18 story residential High-Rise at the corner of Temple and Federal streets in Portland. After 15 years of managing construction, development, and financing of sustainable projects in Portland I understand the hurdles we face in updating our infrastructure and built environment to meet the climate change goals. The biggest one being access to capital. Which is why I am writing to ask you to support LD1659 today. Here are some highlights of why I support this legislation:

Why is this tool exciting?

- It's a financing tool - not a rebate or tax incentive
- It leverages private capital in a ratio of 1:3 typically but as high as 1:33
- It requires a Return on Investment so the fund continues to grow
- It is market driven - written to work with banks and credit unions to remove barriers to financing clean energy projects. The government does not dictate, or pick, the market.
- It is more effective than rebates or tax incentives at creating jobs, per Harvard's review of the Connecticut Green Bank and subsequent award for Most Innovative Policy Tool in 2017: https://ash.harvard.edu/news/connecticut-green-bank-awarded-harvards-2017-innovations-american-government-award
- While it has a clear set of investment types, the methodology is left intentionally broad - to flow and change with the market and as private capital institutions catch up with market demands.
- It addresses social equity through the mandate for 40% investment vulnerable communities, including low-income and communities of color - leaving this mandate as a percentage rather than a specific type of investment allows the

Accelerator to shift with the private capital market as technologies and needs change.

Quick Facts on Existing Accelerators:

- There are currently 21 operating in the country with 10 years of experience creating products to invest in clean energy, resilient infrastructure and other solutions.
- Collectively invested $7 billion into clean energy projects - $5.25 billion or 75% of the total investment came from the private capital leveraged by the Accelerators.
- There is a coalition of Accelerators that meet to share success stories and programming. These are entities that want to work collaboratively and share their knowledge base. Maine can build off the success of these existing programs.

Why do we need this legislation?

- Provides a clear mandate and strategy for Efficiency Maine Trust to follow
- Efficiency Maine Trust can immediately start working with financial institutions and other existing Accelerators to create programs and pipelines in anticipation of federal funding (There is already at least one credit union and one local bank ready to start on this)
- 22 other states are gearing up in anticipation of federal funding. The Governor of Alaska created a fund similar to ours on the premise of receiving federal funding. Many states have already started filling their pipelines.
- Federal funding is not infinite. The earlier we are to the table, the more likely we are to receive full funding. The Coalition for Green Capital has suggested Maine's funding could be around $100 million. With a successful Accelerator, this could leverage an additional$300 million or more in private capital, significantly increasing investments in climate solutions across the state.

Do we need to pay for a 3rd party analysis of funding gaps with this legislation?
No. As stated, the fundamental premise of this policy tool is for financial institutions to identify their barriers and market constraints and then the Accelerator works with them to create products to remove those barriers. Not the other way around. The private institutions provide the majority of the market analysis.

Summary: Market constraints, financing constraints, issues with labor and unstable supply chains have created heightened construction costs during a time when housing affordability is an issue. This doesn't even consider the added costs of building highly efficient, electrified buildings. Providing building owners access to capital via the Accelerator will help ease that burden. At a macro level - the Accelerator will create jobs, lower the costs of energy by reducing consumption, and equitably transition Maine into the clean energy era. The Accelerator is an elegant solution to the complex problem of overcoming market barriers to implement climate solutions.