

## LD 1659 - An Act To Create the Maine Clean Energy and Sustainability Accelerator

**Jeff Marks – Maine Director & Senior Policy Advocate**  
Committee on Energy, Utilities, and Technology, May 12, 2021

Honorable Committee Chairs Senator Lawrence & Representative Berry and Members of the Energy, Utilities and Technology Committee. Thank you for the opportunity to submit written testimony on *LD 1659 - An Act To Create the Maine Clean Energy and Sustainability Accelerator*.

Acadia Center is a non-profit, research and advocacy organization incorporated in Maine and committed to advancing the clean energy future by offering real-world solutions to the climate crisis. Acadia Center tackles complex problems, identifies clear recommendations for reforms, and advocates to create significant change that supports a low-carbon economy across the Northeast which can then be a model for application elsewhere. Acadia Center identifies regional, state, and local improvements that will dramatically reduce carbon pollution and improve quality of life throughout the Northeastern United States.

### Acadia Center Supports LD 1659.

Investing in renewable energy and energy efficiency is one of the key strategies to achieving Maine's most important climate goals. Unfortunately, market failures often prevent home- and business owners from fully capturing these opportunities, including uncertainty of savings, inadequate information, lack of access to capital, and split incentives. Over the last decade, Maine has appropriately reacted to many of these market failures with new energy programs and policies that offer tax incentives, rebates and specialized mechanisms to finance clean energy investments. A well-designed financing program can help expand access to capital and smooth the way for increased energy efficiency and renewable energy participation, especially if integrated with other policies and programs.

One of the important ways that clean energy financing can help to drive savings is by increasing the leverage of private funds to support energy-saving investments. LD 1659 provides a new option for Maine by "creating the Maine Clean Energy and Sustainability Accelerator to support the development of clean energy and sustainability projects and infrastructure through providing financing support including loans, loan guarantees and other financial and risk mitigation products." The bill sponsors designate the Administrator as the Efficiency Maine Trust, which makes sense. An Accelerator's financing mechanisms can be used to support a wide variety of residential, commercial, and municipal projects. Low-interest residential and commercial loans may be available for residential purchases of qualified appliances, equipment, and weatherization-related goods and services; renewable energy technologies; and EVs and related infrastructure. Businesses, municipalities, and others may opt to finance efficiency and renewable energy projects, combined heat and power systems, microgrids, and/or electric vehicle charging infrastructure.

Earlier this year, Acadia Center joined nearly 250 groups in a letter to Congressional leaders urging them to develop a Clean Energy and Sustainability Accelerator to serve as a national green bank. This would assist states in mobilizing private investments for distributed energy resources; retrofits of residential, commercial, and municipal buildings; and clean transportation. These groups requested that at least 40 percent of investment go to disadvantaged communities that have missed out on past clean energy investments and may be at a disadvantage in future

investment opportunities without a concerted, targeted effort at inclusion. Without a state clean energy accelerator in place, it will be more difficult to leverage private sources of capital to finance the low-carbon (or no-carbon) economic transition needed to meet Maine’s Climate Action Plan targets and mobilize the financing necessary for beneficial electrification, decarbonization, and net-zero buildings, power, and transportation. Starting in 2021 is particularly important in a post COVID-19 pandemic economy. It is imperative for the federal program to be enacted and implemented to help pave the way for Maine to access the financing mechanisms needed to succeed. In the meantime, green banks have already been started and utilized in other States, like Connecticut, with varying degrees of investment. Connecticut’s Green Bank has driven more than \$2 billion in clean energy investments over the last decade. Maine should be prepared and ready to go to more easily and efficiently access and leverage federal and private funds necessary to move quickly on implementing projects to reduce greenhouse gas emissions, ensure equity across the investment spectrum, and put Maine people to work.

The attractiveness of the financing concept—that financing can reduce the up-front costs of clean energy investments—is tempting to assume that simply offering attractive financing terms will overcome all obstacles to investments in clean energy improvements. However, Acadia Center recommends that the bill ensure that programs are designed in conjunction with existing and new strategies to address key barriers that hinder investment in energy efficiency and clean energy, including rebates, tax incentives, additional and targeted marketing and outreach activities, adequate support to contractors and program participants, and measurement and verification of investment savings projections and actual outcomes. Funding allocated toward the establishment of financing programs should allow program administrators to carry out these other fundamental tasks that can make or break a program. Fortunately, we have quality institutions like Efficiency Maine Trust, Finance Authority of Maine, and other state entities that have already implemented various financing programs and can help assure that the Maine Green Bank gets the most bang for the buck for the recipients of its financial instruments.

Acadia Center urges the Committee to support LD 1659 and looks forward to working on Maine’s continuing renewable energy, energy efficiency, and transportation financing and policy strategies.

Thank you again for the opportunity to provide testimony. Please do not hesitate to contact me if you have any questions.

For more information:

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