

12 May 2021

Representative Seth Berry

Senator Mark Lawrence

Distinguished Members of the Joint Committee on Energy, Utilities and Technology

Maine State Legislature, 130th Session

RE: Testimony in Support of LD 1659, An Act to Create the Maine Clean Energy and Sustainability Accelerator

Senator Lawrence, Representative Berry, and Distinguished Members of the Energy, Utilities, and Technology Committee, thank you for the opportunity to testify in support of LD 1659. My name is Julia Bassett Schwerin, I live in Cape Elizabeth, and I am here representing Agents for the Built Environment, an advocacy group, including members Leanne Barshdorf Nichols of Freeport, Marc Chadbourne of Portland, David Gulick of Cumberland and Russell DeConti of Hiram, not here today representing any Realtor groups or real estate agencies. We believe LD 1659, aka the Maine Green Bank bill, comes at an opportune time for Maine to establish the necessary organizational and financial systems in advance of anticipated federal, state and other sources of funding for critical green infrastructure and renewable energy projects.

We participated in the Buildings working group during the Maine Climate Council meetings in 2019-2020 that resulted in a Four Year Climate Action Plan for the state of Maine entitled "Maine Won't Wait". The plan outlines the path for each main economic sector to achieve the 45% reduction by 2030 and 80% by 2050 greenhouse gas emissions goals set forth by Governor Janet Mills and supported by the majority of voters. We support financing mechanisms such as LD 1659 to fund these goals because the health of our planet and a large portion of some of the highest valued and income producing land in our state, country and world is at grave risk if the effects of climate change are not brought swiftly under control, specifically mitigating rising temperatures, rising sea levels, flooding, droughts, storms, and wildfires brought about by the release of greenhouse gases (GHG) in the phenomenon known as climate change.

Here in the state of Maine, our land, and in particular our coastal and shoreland areas, are economic engines for tourism, recreation, fishing and agriculture. All of these sectors are in the crosshairs of climate change. In the building sector, Agent for the Built Environment has a leading role to play in reducing GHG emissions due to fossil fuel combustion by educating the public on the weatherization and electrification of our buildings and converting our electrical supply to renewables. This will reduce the 39% of carbon in the atmosphere the building sector represents. Many Mainers will need help financing the improvements required to reduce GHG emissions for their buildings. This legislation will provide targeted funding for building owners who are unable to access conventional financing for this purpose.

Efficiency Maine Trust has on the statutes in Title 35-A, Part 8, Chapter 97, MRSA 10119 the following requirements: “2.a.(1) By 2030, to provide cost-effective energy efficiency and weatherization measures to substantially all homes and businesses whose owners are willing to participate in programs established by the trust under this section; and 2.A. (2) From fiscal year 2019-2020 to fiscal year 2024-2025, to install 100,000 new high-performance air source heat pumps in the State to provide heating in residential and nonresidential spaces.” These essential targets face high odds of not being met without the availability of the public/private financing the Maine Green Bank enables. With some modest and appropriate risk reduction mechanisms, private capital is able and willing to finance these transformational projects. Property owners will, on a far greater scale, be able to pay for the weatherization and electrification measures in buildings and the greening of the energy supply we require to hit our targets.

Building owners have the opportunity to improve their building’s value by trading the amount of money they now pay for monthly utilities for installment loan payments or incremental mortgage monthly payments on a mortgage refinance to pay for energy retrofits. For example: a homeowner or small business building owner pays \$250 per month for heat and hot water from an oil boiler. That amount could be substituted for a loan payment for heat pumps and some air sealing, insulation and mechanical ventilation, with a HERS or HES rating, resulting in a building with better comfort and health and higher value at resale for the same amount in budgeted expenses. The same building owner can also borrow the funds to make their

property net zero energy by trading their electric bill for a loan to purchase rooftop solar panels. If the building orientation is not optimal, they can purchase ground-mounted solar or community solar.

Not every building owner can afford the current cost of loans from installers or other lenders of unsecured building loans, or can qualify based on their credit scores. Green Banks can offer very competitive products to consumers by underwriting the risk for private capital to make better terms available for energy efficiency and electrification loans. Green banks can also work with PACE and C-PACE and other lenders in the community to reduce the risk for private capital to offer very attractive terms for borrowers who want to improve their properties and cut utility bills. Local banks, credit unions, and other sources of private capital have been proven to work well with the Green Bank model in over a dozen states and regions. Green Banks leverage from \$3 to over \$10 of private capital to lend for efficiency projects for every \$1 invested by public capital, and the public capital is repaid with interest, keeping the fund going indefinitely.

For all these reasons, Agents for the Built Environment supports the formation of the Maine Clean Energy and Sustainability Accelerator (Green bank in Maine) and asks you to vote ought to pass for LD 1659.

Thank you for considering our testimony, and for your work for the people of Maine.

Respectfully,

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