



Testimony to the Joint Standing Committee on Energy, Utilities & Technology

in support of

LD 1659, An Act to Create the Maine Clean Energy and Sustainability Accelerator

and

in support of

LD 1556, Resolve, To Create the Commission to Study and Recommend a Financing Model to Increase Capital Investment in Renewable Energy, Clean Energy Technology, Energy Efficiency Projects and Jobs in Maine

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Senator Lawrence, Representative Berry, and Distinguished Members of the Energy, Utilities & Technology Committee: My name is Amy Winston and I am the Director of State Policy at Coastal Enterprises, Inc (CEI). I reside in Edgecomb. On behalf of CEI, I am testifying today to express CEI's support for LD 1659, *"An Act to Create the Maine Clean Energy and Sustainability Accelerator."* We are also testifying in support of LD 1556, *"Resolve, To Create the Commission to Study and Recommend a Financing Model to Increase Capital Investment in Renewable Energy, Clean Energy Technology, Energy Efficiency Projects and Jobs in Maine."*

Over the past 43 years, CEI has integrated financing, industry expertise, and policy solutions to help grow good jobs, environmentally sustainable enterprises, and shared prosperity in Maine and other rural regions. In 2020, we advised 2,957 businesses and individuals and loaned over \$38.5 million to 78 businesses. In the energy and real estate sectors, CEI specializes in financing for small businesses, natural resources, and downtown community revitalization projects. We strive to grow green enterprises as an integral part of our mission. Over the last three years, CEI has financed 101 green and environmentally sustainable businesses totaling \$34.8 million in direct investment, as well as leveraging another \$118.4 million to create and retain 1,767 new and existing jobs. These loans included clean energy projects, as well as deals in the agriculture, fisheries, and forestry industries.

CEI strongly supports a just transition to clean, renewable energy and a low-carbon economy. In 2019, CEI and TNC (The Nature Conservancy) commissioned an independent analysis¹ of what is required in Northern New England to bring about this transition. The report identified top recommendations (such as the C-PACE legislation (LD 340) this committee recently passed) for advancing clean energy investment and making renewable energy more available, accessible, and affordable in the region. Like

¹ <http://www.ceimaine.org/wp-content/uploads/2019/02/VEIC-Clean-Energy-Investment-Report-January-2019-for-Distribution.pdf>

C-PACE, the Clean Energy and Sustainability Accelerator creates opportunities for the state to partner with contractors, developers, banks, and community development financial institutions to invest in local businesses, reduce carbon emissions, and promote environmental justice. This Accelerator will stimulate investment in a green economy, create jobs in emerging & growing industries, and help ensure access to a range of financing services that are equitable and inclusive of all Maine people and communities. The bill will focus on the needs of low-income communities and vulnerable populations as it supports climate-responsible economic development.

CEI is part of the Community Development Financial Institution, or CDFI, industry. CDFIs provide low- and-moderate income communities, individuals, and small businesses access to affordable capital. There are more than one thousand (1,000) CDFIs across the nation, in the form of commercial banks, loan funds, credit unions, and venture capital firms. To become a certified CDFI, an organization must have a primary goal of community development, offer financial or educational services, and serve a defined target market. In addition to CEI and its certified subsidiary, CEI Ventures, there are currently 9 other CDFIs based in Maine. CDFIs are often able to provide more patient capital and accept a higher level of risk than their traditional banking counterparts and, as mission-driven and community-based organizations, many operate with a social and environmental lens. CEI has a long history of making climate-positive investments and will continue to deploy capital for projects that are specified in the Maine Climate Action Plan or are otherwise determined to be statewide climate priorities.

In accordance with this mission, CEI currently partners with local banks and credit unions to attract private capital and accelerate the pace of these climate-positive investments. The ability to leverage public funding to attract private capital is critical to decarbonize Maine's economy and meet our statutory climate goals. This will require a significant mobilization of capital, which the Accelerator will help facilitate as it builds statewide capacity to bring public and private funding sources together in service of this shared environmental mission. While we acknowledge that qualified entities in Maine, such as CDFIs, would be able to access federal funding without this state-level legislation, we support this legislation to establish a dedicated accelerator entity to codify and support existing collaboration in Maine's financing community.

CEI suggests that the proposed Accelerator should not only partner with private capital providers to co-invest in deals, but also work as a conduit to *channel funding* throughout the state. There is a robust community of banking institutions and other entities that are both well-equipped to underwrite these loans and have a track record of doing so. To take full advantage of the efficiencies within the state of Maine, we suggest amending the language of the bill to indicate the Trust could *deploy* funds through these institutions, as well as co-invest alongside them. This would demonstrate the bill's intent to economize resources by leveraging existing state entities that already provide these types of mission-based financial and investment services. CDFIs, for example, have a mandate to serve the "vulnerable populations" identified in the bill and, therefore, have robust networks to connect these communities with financing programs that will meet their needs.

We also support the Resolve in LD 1556, which would establish a stakeholder process to recommend the most effective climate financing tools for Maine. However, we recommend the scope of the analysis proposed in LD 1556 be more closely aligned with the proposed financing goals of the Accelerator.

Therefore, we suggest that the study committee expand its focus from only renewable energy and energy efficiency to include a broader array of job-creating and relevant climate positive investments, such as EV charging, regenerative agriculture, and climate resilient infrastructure. Additionally, we suggest that that non-energy adaptation or climate resiliency project financing either be housed within another state agency that has experience with this type of lending or be required to work with such an entity as it designs these resiliency programs. This would be in line with the current state of climate resilience programs that are already housed at existing Maine state agencies.

Let's not recreate the wheel. We urge the Committee to pass LD 1659 and LD 1556 to ensure we take full advantage of the efficiencies already at work in our state. Thank you for the opportunity to testify on behalf of these bills.