



SIERRA CLUB

MAINE CHAPTER

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12 December 2023

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Re: Comments on Triennial Plan VI

I appreciate the opportunity to offer these comments on behalf of Sierra Club Maine, representing over 22,000 supporters and members statewide. Founded in 1892, Sierra Club is one of our nation's oldest and largest environmental organizations. We work diligently to amplify the power of our 3.8 million members and supporters nation-wide.

As we rapidly decarbonize our economy, we also need to ensure a just transition for workers, focusing on the communities least able to afford it.

Below we have responded to many of the questions posed to help guide your efforts in crafting the next Triennial Plan. Thank you for your consideration.

1. We are currently planning to deliver and organize our programs in a manner similar to the current approach outlined in Triennial Plan V. What discrete initiatives might we be missing? What alternative approaches to organizing these programs should we consider? What are the most important program aspects that the Plan should maintain and what program elements might we consider changing?

Triennial Plan V is comprehensive and there are many pieces that work well. There are also various places to add or enhance for Plan VI, especially with the incredible amount of federal funding available since Plan V was finalized.

In addition to the efficiency scorecard ([LD 1101](#)), we recommend more incentives for [energy audits](#) so homeowners know what type of insulation and air sealing they need, and more opportunities for low and moderate income Mainers. Though there are some incentives for energy audits, they could be more available and marketed, especially for low and moderate income folks. Getting the information is step one, and ensuring people are aware and have access to audits and information will help them transition off of fossil fuels, in accordance with our State's Climate Action Plan. We suggest investment in advertising the scorecard, and allocating more funds for audits for low and moderate income folks.

In Triennial Plan V, initiatives for renters are missing. There needs to be some comprehensive program for renters (more information below under equity section) in order to ensure all Mainers have access to the Plan's benefits. There is also no insulation program for small businesses, which could be added for the next Plan. The last Plan had no rebates for E bikes, and with the new law that just passed, we look forward to seeing those programs in the next Plan.

For the current program aspects, many are working well, and could be enhanced:

- For Low Income 5.6, please maintain direct installation and pilot programs, and expand them! The more direct installation for low income folks, the better. Also, for pilot programs, the mobile home pilot was a huge success, for instance. Hopefully, that can be expanded to an existing program.
- Under 5.8, please continue to maximize Maine's EV charging infrastructure by extending Maine's EV FastCharging Network and increasing local access and destination charging with Level 2 chargers; and increase incentives including for low and moderate income folks, particularly knowing that electric vehicles will increasingly become available after Advanced Clean Cars 2 is adopted in Maine.
- Under 5.9, Demand Response and Load Shifting Initiatives. Would love to have the public learn more about how they are going/went and try to scale them!

There are many great resources here: <https://energyefficiencyimpact.org/dashboard/>

2. Innovation: The Innovation Program is designed to analyze and demonstrate cost effectiveness of emerging measures that have reached (or are about to reach) commercialization, and to gain a better understanding of what strategies should be employed to promote a measure if it were to be added to the list of eligible measures through the Trust's regularly offered programs. (A) What emerging technologies, operational or behavioral conservation measures, or grid support/load management strategies should we consider for future Innovation Program pilot projects? (B) Historically, the Trust has set the budget for the Innovation Program at either 0.5% or 1% of program budgets. Please comment on the appropriate budget level for the Innovation Program and, where possible, share examples of budget levels used for equivalent initiatives in other jurisdictions to support your recommendation.

(A) If networked geothermal is of even moderate potential in Maine, it could drastically cut the need for an expanded grid, and retain many current jobs from the gas system. Maybe there is a way to finance a pilot program.

Consider the application of window mounted heat pumps in low income multi unit housing. The lower cost of installation in comparison to mini-splits cut the gap in energy equity. The New York City Housing Authority is currently conducting a pilot test in NYC Housing Authority buildings as part of their Clean Heat for All Challenge. The window mounted heat pumps will enable rapid, low-cost electrification of space heating in multifamily buildings by reducing many of the cost drivers inherent to installing existing heat pump technologies in resident occupied apartments,

including electrical system upgrades, lengthy refrigerant piping and through-wall drilling and penetrations. Midea America and Gradient, the two heat pump manufacturers, will each supply 36 units for comprehensive monitoring over the course of this upcoming winter. NYCHA began installing Midea America's units in July and will begin installing Gradient's units in December.

The Clean Heat for All Challenge is a partnership of NYPA, NYSERDA, and NYCHA. NYSERDA President and CEO Doreen Harris said, "New York's Clean Heat for All Challenge has created a safer, healthier, and more energy-efficient way to heat and cool multifamily buildings and reflects Governor Hochul's ongoing commitment to achieving 2 million climate-friendly homes across the state by 2030. NYSERDA is proud to partner with NYPA and NYCHA on advancing window heat pump technology as a cost-effective way to reduce onsite emissions in buildings and ensure that New York's most vulnerable citizens can live comfortably in their home – regardless of season."

(B) On budget, please focus on whatever amount allows you to explore and innovate while providing ambitious service to low and moderate income folks for your other programs.

3. Public Information and Outreach: As part of its Public Information and Outreach initiative, the Trust maintains an extensive website at efficiencymaine.com offering a variety of program descriptions and online tools and videos to help customers select efficient products, locate a vendor, request a rebate, and understand how to operate their efficient products to achieve maximum savings. The Trust hosts training workshops for various trade professionals and occasionally hosts seminars or symposia on topics related to energy conservation and alternative energy. The Trust also provides educational resources and information about efficient equipment directly to Mainers and recent rebate recipients. In what specific ways could we improve these resources and services? What examples from other entities should we consider?

The website has a lot of information, which is very helpful. However, it can become a little challenging to navigate with so many drop downs/pages. There could be a way to streamline and eliminate some of the dropdowns on the front page.

4. Evaluation, Measurement and Verification: In prior Plans, the Trust allocated 2.5% of the program budgets to "EM&V" (Evaluation, Measurement and Verification). EM&V activities encompass systematic data collection and analysis related to the Trust's programs. One type of EM&V activity is third-party evaluations, which are required for every program with annual budgets exceeding \$500,000. Whereas Maine statute requires the Trust to evaluate major programs at least once every five years, the Trust's practice is to initiate these evaluations at least once every three years. Measurement and verification are largely managed by the Trust Staff with assistance from subcontractors. The Trust seeks recommendations on the appropriate amount to budget for this strategic initiative in Triennial Plan VI and the basis for such recommendations.

5. Workforce: Recent reports have assessed Maine's clean energy and energy efficiency workforce needs, including the 2022 Maine Clean Energy Workforce Analysis report. The Trust has generally focused on

specific training needs related to the installation of efficiency measures – for example, the Trust supports industry training for new and experienced heat pump installers through its heat pump basics training module. Please comment on training needs of the energy efficiency workforce. Please also share any recommendations about the approach the Trust’s Plan should take to support workforce training.

Keep utilizing community college programs, apprenticeships, and other formal arrangements with organized labor.

6. Equity: The Trust places a priority on advancing equity in the delivery of its programs. For example, geographic equity informs the location and installation of electric vehicle charging infrastructure and municipal incentives. Many of the Trust’s programs or incentives have enhanced incentives for income-eligible households, and others are available only for households that meet certain eligibility criteria. Also, the Trust’s programs meet statutory requirements setting minimum budgets to benefit low-income Mainers. Please comment on how the Trust may continue to prioritize delivering benefits equitably to low-income and other priority communities while also advancing goals of maximizing energy savings, carbon reductions, and market transformation.

Please focus more on protecting renters. Here are two examples from other states:

- In Connecticut, there are a few places to look for ideas to protect renters. Sections 90 and 91 of HB 6942 create a \$125 million low-interest “Housing Environmental Improvement Revolving Loan Fund” to provide funding for multi-family, tenant occupied housing in Environmental Justice communities for retrofitting projects 1) that improve energy efficiency including heat pumps, solar power generating systems, and insulation, 2) remediate health and safety concerns like mold and asbestos, and 3) provide assistance to access other state and federal energy efficiency programs. SB 998 establishes limits on late and application fees, creates a model rental agreement, increases incentives for more affordable housing, and strikes some eviction records along with other measures to help tenants.
- In Michigan, folks are looking at the "MI Affordable, Healthy Homes" proposal. The proposal would build and renovate tens of thousands of homes to make them energy efficient, free of pollutants, and protect against extreme weather. [Here is a link to the proposal](#). It's a \$1.5 billion proposal that utilizes both state and federal dollars focused on supply-side interventions, existing housing interventions, and workforce development.
- Additionally, the EU is working on new rules to boost energy performance right now: https://ec.europa.eu/commission/presscorner/detail/en/ip_23_6423

The revised Energy Performance of Buildings Directive has many items to learn from, but in particular there are measures:

- To fight energy poverty and bring down energy bills, financing measures will have to incentivise and accompany renovations and be targeted in particular at vulnerable

customers and worst-performing buildings, in which a higher share of energy-poor households live.

- Member States will also have to ensure that there are safeguards for tenants, to help tackle the risk of eviction of vulnerable households caused by disproportionate rent increases following a renovation.

In addition to the above, the packaged window mounted heat pumps described under the Innovation Section will directly address Energy Equity issues by drastically reducing the cost for heat pump installation where much of Maine's disadvantaged community resides.

7. Demand Management: The Trust launched a Demand Management program as part of the current Triennial Plan. The program consists of two discrete initiatives: (1) a Demand Response Initiative – a traditional demand response program where participants are compensated for reducing their electricity usage when called upon to do so; and (2) a Load Shifting Initiative – an initiative focused on using both passive and active load-shifting strategies across fleets of devices. This year, the Load Shifting Initiative will include small batteries and managed electric vehicle (EV) charging. What other technologies or strategies might the Trust consider as part of the Demand Management program in the next Triennial Plan period?

8. Electric Vehicle Initiatives: The Trust's Electric Vehicle Initiatives focus on speeding the adoption of electric vehicles through the installation of electric vehicle infrastructure and incentivizing the purchase of electric vehicles. The Trust's infrastructure investments are guided by statewide, collaborative planning efforts through the Recharge Maine initiative Maine EV Charging Infrastructure Plan. Please comment on what additional priorities or strategies the Trust should put in the Plan for transforming the market for electric vehicles?

As mentioned above, we need to make electric vehicles even more affordable, especially in light of Advanced Clean Cars 2 poised for adoption. We look forward to seeing more rebates and financing for E Bikes.

9. Efficiency Maine Green Bank: The Trust offers a suite of financing offerings for energy projects under one umbrella – the Efficiency Maine Green Bank. Efficiency Maine Green Bank initiatives are, when possible, designed to drive private capital into market gaps for energy efficiency and clean energy equipment and services. In FY2023, these offerings included home energy loans, small business energy loans, commercial property-assessed clean energy, municipal leases, manufactured home heat pump lease, and the Maine Clean Energy and Sustainability Accelerator. As the Trust's financing offerings continue to expand, what other sectors of the market or technologies might benefit from expanded or alternative forms of financing?

As the Efficiency Maine Green Bank and the Trust's financing offerings continue to expand, the following recommendations would ensure improved access to alternative forms of financing:

- Based on [LD 1659](#), “The accelerator shall ensure that 40% of its investment activity is directed to serve vulnerable communities”. Federal funds ensure more is possible. With the Home Energy Rebates program, the State should aim for at least 60% of benefits to go to low income folks. It is an equity and justice issue that folks need to pay up front and then receive rebates; they should receive as much direct service up front. The Green Bank needs to be solvent, but it should aggressively be used to electrify, and many original rebate recipients did not financially need the rebates. In order to make Green Bank programs accessible, the Trust should create an outward facing database to track federal funds that satisfy the Justice40 initiative. It is not clear if this federal requirement is pro-actively managed.
- Remove the maximum loan amount (\$7,500) for low and moderate income residential projects, and finance the full project amount for any improvement that qualifies for any Low or Moderate-Income rebate. A complete home energy retrofit (eliminating fossil fuel use) could include \$10,000-\$20,000 in insulation, vapor barrier and health and safety measures, \$10,000-\$15,000 in heat pumps, and \$2,000-\$4,000 for a heat pump water heater, for a total cost of \$25,000-\$40,000 (or more if new windows or doors are needed). Even with \$13,000-\$18,000 in rebates, there is often another \$12,000-\$25,000 in costs. Tax credits are delayed so aren’t helpful for the upfront costs unless someone has access to low-interest financing. To transition their home entirely off of fossil fuels, homeowners need to be able to finance the balance of the project costs. These improvements save thousands of dollars each year, but require the ability to pay the entire upfront cost.
- Partner with local banks and credit unions to offer efficiency/clean energy loans at all their retail branches. People should see advertising for ‘home efficiency loans’ at every bank and credit union in the state, with information on rebates and other incentives available.
- Offer financing for efficiency businesses to scale up. Low-interest loans can help our small weatherization and heat pump businesses to purchase box trucks, spray foam rigs, and other equipment needed to add more crews to their team.
- Partner with Maine Public Employee Retirement System to create a home energy loan program for all 100,000 public employees statewide. This could be funded by MainePERS as a revolving loan fund, and offer 0-2% interest loans to all public employees for home efficiency and electrification projects. [Concept paper available here.](#)
- Partner with mortgage lenders to prioritize Energy Efficient Mortgages and upfront financing for transitioning homes off of fossil fuels at the time of sale. There are 16,000-20,000 homes sold in Maine each year, if energy improvements were financed into the mortgage, this would achieve nearly half what’s needed annually.

10. Beneficial Electrification: Recent legislation enacted through LD 1724, “An Act to Enact the Beneficial Electrification Policy Act of 2023,” allows the Trust to leverage electric procurement funds for fuel switching measures in certain limited circumstances: where those measures are cost-effective and would, over the life of the measures, reduce rates. The act directs the Trust to incorporate “beneficial electrification” into its triennial plans and updates. The act also requires the Maine Public Utilities

Commission to incorporate beneficial electrification measures into the calculation of electric Maximum Achievable Cost Effective (MACE) savings and to fund the Trust's budgets for delivering these savings through electricity utility "procurement" under Sec. 10110(4-A) of Title 35-A, even if the majority of the cost savings come from reduced fossil fuel costs. The Trust will be soliciting feedback on beneficial electrification through an upcoming rulemaking but also invites comments and suggestions through this RFI. Which measures, strategies, and program design elements might the Trust consider as part of incorporating beneficial electrification in Triennial Plans V, VI, and beyond?

Respectfully submitted,

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Sierra Club Maine