



Memorandum

March 27, 2024

To: Board of Trustees

From: Peter Eglinton, Deputy Director
Dan Mistro, Strategic Initiatives Manager
Greg Leclair, Director of Finance and Administration

Re: Accept U.S. Department of Energy Grant for Manufactured Home Project

This memorandum recommends Board approval of a motion to accept U.S. Department of Energy (U.S. DOE) grant funding for the “Whole-Home Heat Pump Solutions for Mobile/Manufactured Homes Project” submitted by the Efficiency Maine Trust (Trust) in partnership with the Maine State Housing Authority (MaineHousing) and Maine Governor’s Energy Office (GEO). Furthermore, Staff requests Board approval of a commitment to meet a 20% cost-share requirement using \$2.5 million of Regional Greenhouse Gas Initiative (RGGI) funding over an anticipated three-year period. The project is consistent with the scope and purpose of the Efficiency Maine Trust Act.

Background and Recommendations

On February 27, 2024, U.S. DOE announced their selection of the State of Maine’s “Whole-Home Heat Pump Solutions for Mobile/Manufactured Homes Project” for negotiation on an award for \$10 million in federal funding.

The Whole-Home Heat Pump Solutions for Mobile/Manufactured Homes project (the project) seeks to expand efforts established under the Trust’s Whole-Home Heat Pump Pilot study (the pilot). The first phase of the pilot was initiated in 2021 to determine if heat pumps can work as the sole home heating source in Maine. Nineteen homes participated throughout the state, including 10 mobile/manufactured homes (M/MHs) where heat pumps replaced the existing Miller furnace and utilized existing ductwork to protect the homes’ infrastructure (i.e., to prevent adjacent pipes from freezing). Building on the successful launch of the pilot, the Trust expanded the pilot in 2022 resulting in 70 additional manufactured homes participating to date. Given the excellent outcomes found in the pilot study, the project team applied for U.S. DOE funding to expand this heating solution to reach more rural M/MHs. The total proposed project amount, \$12,500,000 (federal cost share of \$10,000,000), will cover the total installation of the ducted heat pump system in an estimated 675 M/MHs. More homes will be able to be retrofitted if installation costs decline. Customer contributions estimated to reach \$1.6 million are forecasted to be returned to the Trust through monthly payments over a period of 50 months from each installation.

The statute in Maine allows for the Trust to receive funds “from any entity ... if the board determines that receipt of those funds is consistent with the purposes of [the Efficiency Maine Trust Act].”¹ The objectives and activities described involve investing in measures to save energy and/or reduce carbon consistent with the purposes of the Trust (see, 35-A MRS §10103) and the statutory authority provided for various programs (see, e.g., Id., §10109, §10110, and §10121).

¹ 35-A MRS §10103(4).

Proposed Motion

Move to find that, as described in this memorandum, the receipt of the funds is consistent with the purposes of the Efficiency Maine Trust Act and authorize the Executive Director to accept up to \$10 million in U.S. DOE funds to administer the “Whole-Home Heat Pump Solutions for Mobile/Manufactured Homes Project” and to commit \$2.5 million of RGGI funds to meet a 20% cost-share requirement over the course of the project.