



Memorandum

April 22, 2026

To: Board of Trustees

From: Peter Eglinton, Deputy Director

Re: Authorization to Amend MJRP Agreements to Shift Additional Funds from C&I Initiatives to LMI Initiative

Proposed Motion

Move to authorize the Executive Director to amend the Trust's Subaward agreements with the Department of Administrative and Financial Services (DAFS) to reflect the reallocation of any remaining balance of funds from the Maine Jobs and Recovery Plan (MJRP), estimated to be approximately \$1.54 million, from the non-residential "business cases" to the residential business case (R.59.1).

Background – MJRP Initiatives

The MJRP allocated \$50 million in federal American Rescue Plan Act (ARPA) funds to the Trust to accelerate weatherization upgrades for low- and moderate-income residents, and to expand energy efficiency investment among local governments, schools, community organizations, and businesses. Any MJRP funds that are not expended by December 31, 2026 must be returned to the federal government.

The Trust is administering the following four MJRP initiatives:¹

1. *Low- and Moderate-Income (LMI) Weatherization Initiative (business case R.59.1)*

This \$25 million initiative provides financial incentives to accelerate weatherization (air sealing and insulation) and heat pump projects in low- and moderate-income residential dwellings.

2. *Hospitality Retrofit Initiative (business case R.59.2)*

This \$4 million initiative provides financial incentives and technical assistance to support energy efficiency upgrades for businesses in Maine's travel, tourism, and hospitality sector. It prioritizes beneficial electrification through HVAC projects in small businesses.

3. *Energy Efficiency Initiative for Local Government, Public Schools, and Congregate Housing (business case R.59.3)*

This \$15 million initiative provides financial incentives and technical assistance to support energy efficiency upgrades at buildings owned or leased by local governments (including municipal, county, or tribal governments), public schools, and community organizations providing congregate housing (e.g., long-term care, group home, and supportive housing facilities). It prioritizes entities (1) serving

¹ Separately, the Trust serves as a sub-contractor to the MaineDOT to expand state, municipal and other publicly accessible electric vehicle (EV) charging stations and related infrastructure using other funds from the MJRP through business case R.65.1. The funds from the MDOT subcontract are not at issue in this memo.

small population sizes, (2) located in rural areas, and (3) serving economically disadvantaged communities. It also prioritizes beneficial electrification through HVAC projects.

4. *Energy Efficiency Initiative for Manufacturers (business case R.59.4)*

This \$6 million initiative provides financial incentives to support high-efficiency, clean energy upgrades for businesses in Maine's manufacturing sector. It prioritizes measures that receive significant reductions in energy costs, carbon emissions, or both.

First Reallocation Request – July 2025

At the July 23, 2025 Board meeting, the Board authorized the Executive Director to amend the Trust's Subaward agreements with the DAFS to reflect the transfer of up to \$3.8 million from the non-residential initiatives (R.59.2, R.59.3 and R.59.4) to the residential initiative (R.59.1).

At that time, Staff reported that all of the Trust's initiatives had made significant progress in committing and expending their MJRP budgets. However, Staff had observed over the past two to three years that non-residential projects generally tend to experience relatively long sales and construction cycles. These projects regularly require more than 12 months to complete after receiving necessary approvals, and in some instances take more than 18 months to be commissioned.

To mitigate the risk of committing funds to projects that could, hypothetically, experience delays and cause it to miss the December 2026 deadline, the Trust proposed reallocating uncommitted funding from the non-residential initiatives to the residential LMI initiative. With its consistently high activity and relatively short timelines for the sales cycle and project installation, Staff felt the LMI initiative would be a safer bet for timely investment of the MJRP funds.

New Reallocation Request

Since the first reallocation, the Trust's initiatives have continued to make progress in expending their MJRP budgets. The residential LMI initiative is on track to fully expend its budget (including the additional \$3.8 million) by June 2026. The non-residential initiatives are wrapping up incentive payments on their last few committed projects this spring and summer. In the past few months, a handful of these non-residential projects either elected to terminate their pursuit of an incentive from the Trust or their as-built costs (and associated incentives) were lower than anticipated. As a result, Staff is forecasting (as of April 15, 2026) a total uncommitted fund balance of approximately \$1.54 million across the non-residential initiatives.

In order to fully expend its MJRP funds by the December deadline, Staff proposes reallocating this uncommitted funding from the non-residential initiatives (#2, #3, and #4 above) to the residential LMI initiative (#1 above). As with the first reallocation, the impact of these funds is lowering energy bills for low-and moderate-income households and helping meet the goals of the State's climate action plan. Staff forecasts that shifting the funds, as proposed above, would fully expend the funds by the fall of 2026.

Staff has discussed this plan with the Department of Energy Resources and the Governor's Office of Policy Innovation and the Future, and they have indicated no objection. DAFS has confirmed that the

State is agreeable to the shift and stands ready to work with the Trust to amend the relevant subaward agreements and other associated documentation.