



## Memorandum

July 23, 2025

To: Board of Trustees

From: Peter Eglinton, Deputy Director

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

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### Proposed Motion

Move to authorize the Executive Director to amend the Trust's Maine Jobs and Recovery Plan (MJRP) Subaward agreements with the Department of Administrative and Financial Services (DAFS) to reflect the transfer of up to \$3.8 million from the non-residential initiatives (business cases R.59.2, R.59.3 and R.59.4) to the residential initiative (R.59.1).

### Background

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. The MJRP also allocated \$8 million to MaineDOT to expand state, municipal, and other publicly accessible electric vehicle (EV) charging stations and related infrastructure in partnership with Efficiency Maine.

In collaboration with other agencies and offices of state government, Efficiency Maine designed the following five MJRP initiatives:

**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 small businesses and HVAC beneficial electrification projects.

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

**5. EV Charging Infrastructure Initiative (business case R.65.1)**

This \$8 million initiative provides financial incentives to support the continued expansion of Maine’s public EV charging network.

All of the Trust's initiatives have made significant progress in committing and expending their MJRP budgets. However, Staff has observed over the past two to three years that some non-residential projects 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.

MJRP funds must be expended by December 31, 2026. To mitigate the risk of committing funds over the coming 12 months to projects that could, hypothetically, experience delays and cause it to miss the December 2026 deadline, the Trust proposes reallocating uncommitted funding from the non-residential initiatives (#2, #3, and #4 above) to the residential LMI initiative (#1 above).

The LMI initiative has been running full tilt and has relatively short project timelines. The impact of the 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 June 2026.

Staff has discussed this plan with the Governor’s Energy Office 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.