

July 28, 2021

Efficiency Maine Trust  
Michael Stoddard, Executive Director  
168 Capitol Street, Suite 1  
Augusta, ME 04330

*submitted electronically*

**re: Triennial Plan for Fiscal Years 2023-2025, Staff's First Draft (June 9, 2021)**

Dear Director Stoddard and members of the Efficiency Maine Trust:

Thank you for the opportunity to comment on the Efficiency Maine Trust's ("Trust") Triennial Plan for Fiscal Years 2023-2025, Staff's First Draft (6/9/2021) ("Draft").

Conservation Law Foundation (CLF) is a nonprofit, member-supported, regional environmental organization working to conserve natural resources, protect public health, and promote thriving communities. CLF protects New England's environment for the benefit of all people. We use the law, science, and the market to create solutions that preserve our natural resources, build healthy communities, and sustain a vibrant economy. CLF works to equitably tackle climate change by advocating in favor of increased and widely accessible energy efficiency and electrification to reduce greenhouse gas emissions from buildings. We support zero-emission vehicles as well as measures to lessen reliance on private vehicles to reduce carbon and air pollution from transportation while enhancing clean mobility options.

CLF is generally supportive of the Draft, which is comprehensive and reflects the extraordinary array of programs and initiatives within the Trust's purview. CLF makes the following recommendations for strengthening the Draft to ensure achievement of the state's statutory decarbonization targets and to ensure equitable delivery of Trust programming.

**I. The Triennial Plan for Fiscal Years 2022-2025 is Key to the State Achieving its Decarbonization Targets**

The Trust rightly recognizes that the Draft is being developed and will be implemented within the context of increasing state focus on meeting the climate crisis by aggressively reducing carbon emissions.<sup>1</sup> The 129th Legislature enacted decarbonization targets with dates certain:

By January 1, 2030, the State shall reduce gross annual greenhouse gas emissions to at least 45% below the 1990 gross annual greenhouse gas emissions level.

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<sup>1</sup> See, e.g., Draft at 28.

By January 1, 2040, the gross annual greenhouse gas emissions level must, at a minimum, be on an annual trajectory sufficient to achieve the 2050 annual emissions level.

By January 1, 2050, the State shall reduce gross annual greenhouse gas emissions to at least 80% below the 1990 gross annual greenhouse gas emissions level.<sup>2</sup>

Coupled with the state’s goal of net zero emissions by 2045, this legal framework entails consideration of climate change in agency decision-making.

In December 2020, Maine’s Climate Council—charged with “advis[ing] the Governor and Legislature on ways to mitigate the causes of, prepare for, and adapt to the consequences of climate change”—released *Maine Won’t Wait, A Four-Year Plan for Climate Action* (“Climate Action Plan”).<sup>3</sup> The Climate Action Plan sets forth “strategies to meet the greenhouse gas emissions reduction levels specified in” law,<sup>4</sup> and asserts the Trust’s role in achieving these targets, identifying the Trust as the lead agency on a number of critical strategies. In particular, the Trust is tasked with leading or co-leading the state to achieve: putting 41,000 light-duty EVs on the road in Maine by 2025 and 219,000 by 2030; developing, by 2022, a statewide EV Roadmap to identify necessary policies, programs and regulatory changes needed to meet the state’s EV and transportation emissions reductions goals; installing at least 100,000 heat pumps in Maine by 2025; ensuring that by 2030, 130,000 homes are using between 1-2 heat pumps and an additional 115,000 homes are using a whole-home heat pump system; installing at least 15,000 new heat pumps in income-eligible households by 2025; doubling the current pace of home weatherization so that at least 17,500 additional homes and businesses are weatherized by 2025, including at least 1,000 low-income units; and weatherizing at least 35,000 homes and businesses by 2030.<sup>5</sup>

CLF applauds the Trust for recognizing this legal and policy framework and its own critical role in reducing Maine’s greenhouse gas emissions, and for developing a plan that in many respects rises to the urgency of the occasion. Specifically, we commend the Trust for successfully incentivizing installation of heat pumps over the course of the last triennial plan, so that the Trust is now on track to meet the state’s statutory 100,000 heat pump goal by 2025.<sup>6</sup> Moreover, CLF is encouraged that the Trust has incorporated a value for the non-embedded costs of carbon in the

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<sup>2</sup> 38 M.R.S. § 576-A(1)-(3).

<sup>3</sup> Maine Climate Council, *Maine Won’t Wait, A Four-Year Plan for Climate Action*, (Dec. 1, 2020) (“Climate Action Plan”).

<sup>4</sup> 38 M.R.S. § 577(1).

<sup>5</sup> Climate Action Plan, *Implementation Chart*.

<sup>6</sup> 35-A M.R.S. § 10119(2)(A)(2); Draft at 57 (“the Trust successfully accelerated heat pump activity over the course of Triennial Plan IV, is well-positioned to continue this trend through Triennial Plan V, and expects to meet the state goal by FY2025.”).

avoided costs prong of its cost-effectiveness analysis,<sup>7</sup> a critical step to account for greenhouse gas emissions in Trust decision-making.

*The Trust Should Only Fund Measures that Align with the State’s Decarbonization Targets*

Given this policy and statutory context, *all* Trust program spending should be aligned with Maine’s emissions goals and the Climate Action Plan. Yet, the Draft anticipates certain investments that appear inconsistent with the state’s decarbonization targets. Recognizing that these represent relatively small investments, nevertheless CLF notes, for instance, that the Commercial and Industrial Custom Program incentivizes cost-effective distributed generation projects, including projects entailing combustion of fossil fuels.<sup>8</sup> While the Trust will require those projects “to meet an overall annual threshold for operational efficiency,”<sup>9</sup> CLF suggests instead or in addition a threshold criterion that projects must demonstrate alignment with the state’s decarbonization targets to be funded. Similarly, the Trust’s Renewables Program considers biomass and landfill gas-to-energy, among other sources, to be renewables eligible for potential funding.<sup>10</sup> Of course, “renewable” does not necessarily mean low carbon, and not all of these technologies are; again, CLF urges that the Trust should only fund projects that can demonstrate consistency with the states statutory carbon levels. Though requiring process outside of the Draft development, CLF encourages the Trust to revisit the definitions and selection criteria set forth in chapter 103 accordingly.

Moreover, CLF takes this opportunity to note our position on the Trust’s natural gas conservation program, established by statute.<sup>11</sup> Although gas was once viewed as a bridge fuel, the mounting urgency to aggressively reduce emissions in the face of calamitous climate change has revealed the need to move away from fossil fuel use with haste. This legislative directive—unfortunately reaffirmed this session<sup>12</sup>—is out of step with the state’s decarbonization targets and has the Trust working at cross-purposes: funding some consumers’ conversions to efficient electric heat pumps while assisting others to lock in longer commitments to gas heating. This approach will lead to an inequitable result, as low- and moderate-income ratepayers will face rising energy prices as higher income ratepayers shift away from fossil fuels, shrinking the rate base and driving up costs. Any short-term carbon reduction gains to be had by this investment will undermine the state’s efforts to meet its 2030 climate targets.<sup>13</sup> The Trust’s legislatively

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<sup>7</sup> Draft at 28.

<sup>8</sup> *Id.* at 36.

<sup>9</sup> *Id.*

<sup>10</sup> *Id.* at 68.

<sup>11</sup> 35-A M.R.S. § 10111.

<sup>12</sup> LD 385 (130th Legis. 2021).

<sup>13</sup> To reach Maine’s emission reduction targets, Maine would need 90% of all residential and commercial heating systems that burn out to be replaced with heat pumps by 2030. Jason Frost et al., *Energy Sector Modeling: Supporting Mitigation Strategy Development* (Nov. 2, 2020), at 11.

directed gas conservation program is inconsistent with the state’s decarbonization targets and the Legislature should end it. In the meantime, the Trust should endeavor to fulfill its directive to “promote the efficient use of natural gas” consistent with the state’s carbon levels by funding efficiency increases from existing gas systems only, while avoiding any investments in new or expanded gas use.

*The Trust’s Electric Vehicle Initiatives Should Align with the Climate Action Plan*

Modelling conducted to support development of the state’s Climate Action Plan suggests that staggering levels of light- and heavy-duty vehicle electrification will be necessary for the state to reduce emissions 45% by 2030 and 80% by 2050.<sup>14</sup> The Climate Action Plan adopts these numbers, calling for electric vehicles (EVs) to comprise 85% of new light-duty vehicle sales in 2030 and 100% by 2050, equating to nearly 220,000 light-duty EVs on the road by 2030 and over 900,000 by 2050.<sup>15</sup> The Climate Action Plan denotes these objectives a “key action” for reducing carbon emissions, and as indicated above, names the Efficiency Maine Trust as the lead agency.<sup>16</sup>

The Trust “estimates that Mainers are on track to purchase 1,000-2,000 new EVs (roughly 1.5-3% of new vehicle sales) in 2021,” and asserts that to “reach [the Climate Action Plan’s] target, Maine should be adopting policies and programs that can at least double the rate of EV sales every year for the next five years, and then for the latter part of the decade, account for more than half of all new car sales.”<sup>17</sup> Disappointingly though, the Trust declines to model the market potential or identify the programming that will be necessary to achieve these gains, explaining that “the scope of the opportunity through the Trust’s initiatives will depend entirely on funding availability.”<sup>18</sup>

While funding is certainly a lynchpin issue, the Trust should indicate what “policies and programs” it would undertake were funding available. Even in the absence of designated long-term funding streams, planning is not a futile exercise, and it is the Trust’s responsibility to chart a path for achieving these targets. The Triennial Plan V should identify what the Trust would do and—as important—what the Trust would *need* in order to lead the state to achieving its targets. The existence of a plan with proposed policies and programs would better arm appropriators to achieve the funding objectives as opportunities arose. It would also better ready the Trust to move toward implementation if and when additional funds became available. Identifying “policies and programs” cannot wait until funds have been secured. To the extent the Trust expects this planning work to take place in the context of the Clean Transportation Roadmap,<sup>19</sup>

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<sup>14</sup> *Id.* at 5-9.

<sup>15</sup> Climate Action Plan at 107.

<sup>16</sup> *Id.*; Climate Action Plan, *Implementation Chart*.

<sup>17</sup> Draft at 71.

<sup>18</sup> *Id.* at 72.

<sup>19</sup> *See id.*

the Trust should state that it will amend the Triennial Plan V to incorporate the outcomes of the Clean Transportation Roadmap and ensure that the policy recommendations can be implemented beginning with FY 2023. That leaves scarcely two years to achieve the Climate Action Plan’s ambitious 2025 goal, which is intended to get the state on track with its 2030 decarbonization target.

## II. The Triennial Plan Must Go Further to Ensure that the Trust’s Programs are Equitably Deployed

CLF supports the Draft’s focus on “maintaining fairness and promoting equity.”<sup>20</sup> CLF commends the Draft for detailing numerous ways that equitable principles can be advanced and that programming is specially designed to reach low-income and rural communities. We are encouraged that the Trust has enjoyed some measure of success with these approaches.<sup>21</sup> This is a positive step toward remedying inequitable distribution of energy and transportation burdens in the state; as the Climate Action Plan recognizes, low-income households, especially rural low-income households, often pay a higher percentage of their income to meet their home energy and transportation needs.<sup>22</sup>

However, the Trust must go further to ensure that the state’s over-burdened and under-served populations benefit from its programming. This triennial plan is an opportunity to make strides toward rectifying historic underinvestment in communities that have had low participation rates and risk being left behind in the transition to a net zero economy. Indeed, the Climate Action Plan recognizes as much, asserting that Maine “must calibrate its response [to climate change] to identify and promote solutions to help its most vulnerable populations,” and that “[d]eeply considering those impacts and maintaining an ongoing focus on issues of equity is essential in Maine’s response to climate change.”<sup>23</sup> The equity analysis prepared to support the Maine Climate Council’s work further explains that strategies to reduce greenhouse gas emissions “can also help alleviate inequality across the state if they target the needs of vulnerable citizens first.”<sup>24</sup> Creating a plan that truly advances equity means first identifying priority groups, then creating venues for these populations to participate and provide input, designing and implementing appropriate and accessible services supported by community engagement, and finally measuring the success of those programs.

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<sup>20</sup> *Id.* at 17.

<sup>21</sup> *Id.* (“For example, recent results of the Trust’s programs promoting light-emitting diode (LED) lights, heat pumps, and heat pump water heaters have shown strong distribution among low-income communities and in rural communities.”).

<sup>22</sup> Climate Action Plan at 47.

<sup>23</sup> *Id.* at 36.

<sup>24</sup> University of Maine, Senator George G. Mitchell Center for Sustainability Solutions, *Assessing the Potential Equity Outcomes of Maine’s Climate Action Plan: Framework, Analysis and Recommendations* (Sept. 2020), at 2.

Thus, initially, CLF recommends expanding the breadth of Mainers to whom the Trust offers enhanced programming designed to overcome barriers to access. Currently, the Trust targets energy conservation programs to “low-income” households with approaches “designed to overcome obstacles to cost-effective energy conservation,” with the objectives of “maintain[ing] fairness and promot[ing] equity in Trust programs,” and “reduc[ing] the energy burden of low- to moderate-income households in Maine,” among other things.<sup>25</sup> CLF submits that low-income Mainers are not the only population in Maine demanding a more engaged approach. We therefore urge the Trust to expand its aim to climate change frontline communities, those disproportionately affected by the climate crisis, which includes tribal nations, new Mainers, people living in poverty and people of color.<sup>26</sup> In addition to these groups and those already identified in law and the Draft (low-income, rural, and small businesses), CLF encourages the Trust to expand its focus to renters, elderly people, as well as those with limited English-proficiency.<sup>27</sup> CLF will collectively refer to these populations as “priority populations” hereinafter.

To serve priority populations, the Trust should dedicate investments additional to those prescribed by law for low-income populations and small businesses. But simply allocating funding is not enough. As the Trust recognizes with respect to its low-income initiatives, enhanced incentives are just one method for better-serving populations with obstacles to access, but they often do not go far enough to overcome these barriers.<sup>28</sup> Approaches designed to overcome specific obstacles are likely warranted. Targeted stakeholder outreach resulting in community participation is a good step toward appropriately tailoring programs to specific needs. Inherent in these more involved approaches is an obligation to enhance the budget and resources needed to deliver service and meet demand.

In Massachusetts, an Energy Efficiency Advisory Council Equity Working Group was established to identify and recommend priority actions, plans and partnerships to increase participation amongst certain priority populations.<sup>29</sup> The working group “strives to develop just and equitable solutions that center the communities which have been underserved by the existing programs.”<sup>30</sup> The Equity Working Group released recommendations for enhancing community partnerships, investing in community-based partnerships, and prioritizing underserved

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<sup>25</sup> Draft at 61.

<sup>26</sup> See, e.g., Climate Action Plan at 36.

<sup>27</sup> See, e.g., University of Maine, Senator George G. Mitchell Center for Sustainability Solutions, *Assessing the Potential Equity Outcomes of Maine’s Climate Action Plan: Framework, Analysis and Recommendations* (Sept. 2020), at 18. “On average, people of color, older people, and renters experience high energy burdens.”

<sup>28</sup> See, e.g., Draft at 64.

<sup>29</sup> Energy Efficiency Advisory Council Equity Working Group, *Summary to EEAC on Workforce Development Recommendations*, available at <https://ma-eeac.org/wp-content/uploads/EWG-Process-12.10.20-FINAL-v2.pdf>.

<sup>30</sup> *Id.*

communities, among other things.<sup>31</sup> While the circumstances in Maine differ from those in Massachusetts, CLF suggests that the recommendations would provide valuable fodder for the Trust's consideration.

Once priority populations are identified and engaged, and programs specifically tailored to overcome obstacles for those groups, CLF encourages the Trust to develop more granular metrics for assessing progress toward an equitable distribution of funds. The triennial plan should establish numeric participation (considering baseline participation numbers), investment, and savings targets to assess equitable program delivery and access to services. The goals with respect to priority populations should be specific, measurable, and ambitious.<sup>32</sup>

CLF is aware that these requests to the Trust are complicated by ongoing or forthcoming processes. The Legislature has recently directed the Office of Policy Innovation and the Future to develop methods of incorporating equity considerations into decision making, including by developing definitions of environmental justice and environmental justice populations as well as other key terms.<sup>33</sup> Meanwhile, the Climate Council Equity Subcommittee is tasked with setting clear equity outcomes for the Climate Action Plan and making recommendations to ensure that programs and benefits reach the intended populations and communities.<sup>34</sup> CLF recognizes the Trust may desire for its approaches to equity to be in sync with those processes. If the timelines allow it, and to the extent that the Trust is reluctant to get ahead of those efforts, the Trust could make explicit in the Draft that it will update the Triennial Plan as a result of one or both of those processes on time for implementation in FY 23. However, the Trust should not wait for their completion if that would forestall implementation of expanded equity measures at the beginning of Triennial Plan V. Advancing the equitable principles that the Trust aspires to demands action.

*The Trust Should Take Additional Steps to Ensure that All Mainers Have Access to Electric Vehicles*

Even with various rebates and tax credits available around the country, nationwide most electric vehicles are still bought and purchased by affluent households.<sup>35</sup> Between the launch of the Trust's EV rebates and the end of FY 2020, only two EV rebates went to qualified low-income customers (out of 483).<sup>36</sup> The Trust's low-income EV programming takes significant strides to address this disparity, including by offering greater rebates for low-income individuals, offering

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<sup>31</sup> Updated Equity Working Group Recommendations (Feb. 19, 2021), available at <https://ma-eeac.org/wp-content/uploads/EWG-Recommendations-2.19.21.pdf>.

<sup>32</sup> CLF recognizes the Trust's intention to establish equity-focused metrics to track progress during the Triennial Plan V period (Draft at 74), but would like to see targets established at the outset.

<sup>33</sup> LD 1682 (130<sup>th</sup> Legis. 2021).

<sup>34</sup> Climate Action Plan at 36.

<sup>35</sup> See, e.g., Gordon Bauer, Chih-Wei Hsu & Nic Lutsey, *When Might Lower-Income Drivers Benefit from Electric Vehicles? Quantifying the Economic Equity Implications of Electric Vehicle Adoption* (2021) at 1, 3.

<sup>36</sup> Efficiency Maine Trust, *FY2020 Annual Report* (Nov. 18, 2020), at 40.

rebates on used EVs, and improving access to local, publicly available chargers. In addition to those important actions and CLF's propositions above for enhancing equity in the Trust's program delivery generally, CLF submits suggestions in three key areas to increase effectiveness of the Trusts' efforts: charging, public awareness, and communities.

The Trust's EV initiatives include measures to promote installation of Level 2 chargers at host sites including non-profits, municipalities, large employers and small businesses, with an important focus on public sites, workplaces, and multi-unit dwellings, as well as on rural communities, and Level 3 chargers along priority corridors.<sup>37</sup> These laudable efforts seem to be largely tailored to the needs of light-duty passenger vehicles, which CLF agrees is critical to overcoming range anxiety and lack of awareness about EVs amongst Mainers. But there is room to go further. CLF urges the Trust to expand these efforts with an initiative targeting charging for fleets, particularly public and public-serving fleets like city and school buses. Electrifying Maine's buses is especially impactful for certain priority populations which are most likely to disproportionately experience the harmful effects of air pollutants. Further, CLF encourages the Trust to undertake an initiative promoting charging infrastructure for ride-share services to support and increase autonomy for communities lacking affordable clean mobility options.

CLF commends the Trust's EV rebate programs for the significant enhanced incentive available to low-income customers and for extending eligibility to used EVs. Rebates, however, are only effective if communities and individuals, including priority populations, are aware of them. The Trusts' plans for increased marketing and outreach to raise public awareness are extensive, but need to ensure that priority populations are reached. As indicated above, targeted stakeholder outreach resulting in community participation is recommended. CLF suggests the Trust directly engage with relevant community leaders and members. A relationship with representatives of the various priority populations would allow the Trust to more efficiently navigate the ways that different communities access and understand information; for example, by addressing language and technology disparities.

Heightened engagement with representatives of priority populations will not only reveal more effective outreach strategies, but will also enable more tailoring of the Trust's programming. Rebates for EVs and installation of chargers will undoubtedly not be sufficient to reduce transportation burdens and ensure access to clean mobility for all communities. The Trust should ask questions like how will rebates best advance the interests of specific communities; and should investment in electrified transit be prioritized over light-duty EVs in certain communities? Since every community is different, efforts by the Trust to equitably achieve greater efficiency and lowered emissions from transportation should consider and address the unique needs of each community.

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<sup>37</sup> Draft at 73-74.



**For a thriving New England**

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### **III. Conclusion**

CLF requests that you implement these recommendations to the Draft. Thank you for your consideration of these comments.

Sincerely,

*/s/ Emily K. Green* \_\_\_\_\_

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