



Memorandum

January 24, 2024

To: Board of Trustees

From: Peter Eglinton, Deputy Director
Greg Leclair, Director of Finance and Administration

Re: Proposed FY2024 Budget Adjustment

Staff proposes amending the FY2024 budget to:

1. Add Maine Jobs and Recovery Plan (MJRP)/American Rescue Plan Act (ARPA) funds to Commercial and Industrial (C&I) Prescriptive Incentives and Low Income Initiatives to support ongoing programs; and
2. Shift \$2.75 million in Regional Greenhouse Gas Initiatives (RGGI) funds from the Home Energy Savings Program (HESP) to Low Income Initiatives to help meet relatively higher customer demand for whole-home heat pumps.

Background and Recommendations

Add MJRP/ARPA Funds to the Expenditure Budget

The MJRP/ARPA funds were allocated to the Trust by the State to be used across multiple initiatives and multiple years. As previously discussed with the Board, our practice is to start each fiscal year with a base budget of MJRP/ARPA funding for each initiative, reflecting our forecast of the level of activity that is likely to occur in each initiative. As the year progresses, we periodically add more of the MJRP/ARPA funds from fund balance to the current fiscal year budget to reflect any un-forecasted increases in program activity. For this request, Staff proposes increasing the budget for C&I Prescriptive Initiatives by \$8,564,583 and for Low Income Initiatives by \$1,500,000. These resources will support projects that have been pre-approved (or reserved) but not yet completed as well as anticipated projects through the end of this fiscal year.

Shift RGGI Funds from HESP to Low Income Initiatives

Launching new incentives can take months to take hold as vendors and customers become familiar with available rebates and eligibility requirements, plan projects, and schedule work. That said, the new rebates for whole-home heat pumps are driving significant incremental interest from low- and moderate-income households relative to others. In FY2023, Low Income Initiatives expended approximately \$3.9 million over the full year; in FY2024 to date, the program has already invested \$4.0 million and forecasts a full-year budget of \$10 million. Meanwhile, HESP expended approximately \$15 million over the full FY2023; in FY2024 to date, the program has already invested \$7.6 million and forecasts a full-year budget of \$15 million, or similar to last year.

To address the more immediate need for resources in Low Income Initiatives, Staff proposes to shift \$2.75 million from HESP and to reevaluate expenditure projections and available revenue in March, when we know the outcome of the next RGGI auction.

See the tables below for details on the budget adjustments.

Proposed Amendment to the FY2024 Expenditure Budget

	2020	3030	3032	
		ARPA	Local	
		Low Income	Government &	
	RGGI	Weatherization	Schools	
Program Budgets	Fund	Fund	Fund	Total
Low Income Initiatives	2,750,000	1,500,000	-	4,250,000
Home Energy Savings Program	(2,750,000)	-	-	(2,750,000)
C&I Prescriptive	-	-	8,564,583	8,564,583
Total- Program Budgets	\$ -	\$ 1,500,000	\$ 8,564,583	\$ 10,064,583

Proposed Amendment to the FY2024 Revenue/Source of Funding

	2020	3030	3032	
		ARPA	ARPA	
		Low Income	Local	
	RGGI	Weatherization	Schools	
Funding Source	Fund	Fund	Fund	Total
Federal Revenues - ARPA	-	1,500,000	8,564,583	10,064,583
Total - Funding Source	\$ -	\$ 1,500,000	\$ 8,564,583	\$ 10,064,583

Proposed Motion

Move to adjust the FY2024 source of funding (revenue) and expenditure budgets as described above, resulting in a total FY2024 source of funding (revenue) and expenditure budgets of \$191,168,882 and \$187,830,739, as shown in the tables above, respectively.