



## Memorandum

December 18, 2024

To: Board of Trustees

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

Re: Proposed Adjustments to the FY2025 Budget

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### Proposed Motion

Move to adjust the Trust's FY2025 budgets as described in this memorandum, resulting in a total FY2025 source of funding (revenue) and expenditure budgets of \$250,462,581 and \$249,414,266, as shown in the tables below, respectively.

### Background and Recommendations

#### Allocate FY2024 Alternative Compliance Mechanism Revenues

In 2021, the Legislature enacted LD 597, An Act To Establish the Thermal Energy Investment Program (TEIP). The legislation requires the Trust to establish a new program to provide incentives and loans to businesses, municipalities, educational institutions, and nonprofit entities for the installation of new thermal energy-derived projects with the goal of strengthening the state's forest products industry and lower energy costs by increasing the efficient use of thermal energy production. The new law provided that the Thermal Energy Investment Fund will be funded through alternative compliance payments (ACP) from electricity suppliers in the event, and to the extent, they fail to demonstrate full compliance with the TEIP. Staff proposes to add new revenue from the ACP to the budget for the program, which were remitted to the Trust in the summer.

#### Incorporate Funding for the Energy Efficiency Revolving Loan Fund Capitalization Grant Program (EERLF)

On June 26, 2024, the Board approved the receipt of federal grant funding being passed through the Maine Governor's Energy Office (GEO). The funding is from the Bipartisan Infrastructure Law (2021), which established the Energy Efficiency Revolving Loan Fund Capitalization Grant Program (EERLF) within the U.S. Department of Energy's (DOE's) State Energy Program. This opportunity was designed to provide grants to States to establish a revolving loan fund to provide loans and grants for energy efficiency audits and retrofits to increase energy efficiency of buildings. Maine's formula share of the funds totaled \$863,110. Working with GEO, the Trust designed a targeted initiative to facilitate beneficial electrification projects in congregate living facilities (i.e., supervised group living facilities, such as long-term care, group home, and supportive housing facilities) with fossil-fuel fired HVAC systems. Now that Maine's application has been approved, GEO will pass the funds through to the Trust to administer through the Efficiency Maine Green Bank. Staff proposes to add the funds to the budget at this time, to prepare for launching the offering by February 2025. Although we propose adding the full amount of the grant to the revenue budget, we anticipate that a maximum of \$500,000 will be needed this fiscal year. Most (65%) of the \$500,000 for this fiscal year remains in fund balance for use as capital for loans and does not appear in the expenditure budget; the balance is allocated to grants (\$125,000) and administrative costs (\$50,000).

See the tables below for details on the budget adjustments.

**Proposed Amendment to the FY2025 Revenue/Source of Funding**

	2045 BIL Energy Efficiency Revolving Loan Fund	2052 Thermal Energy Investment Fund	Total
<b>Funding Source</b>			
Alternative Compliance Mechanism	-	1,180,129	1,180,129
Federal Revenues - BIL	863,110	-	863,110
<b>Total - Funding Source</b>	<b>\$ 863,110</b>	<b>\$ 1,180,129</b>	<b>\$ 2,043,239</b>

**Proposed Amendment to the FY2025 Expenditure Budget**

	2045 BIL Energy Efficiency Revolving Loan Fund	2052 Thermal Energy Investment Fund	Total
<b>Program Budgets</b>			
C&I Prescriptive Program	125,000	-	125,000
Thermal Energy Investment Program	-	1,180,129	1,180,129
Administrative	50,000	-	50,000
<b>Total- Program Budgets</b>	<b>\$ 175,000</b>	<b>\$ 1,180,129</b>	<b>\$ 1,355,129</b>