



Memorandum

June 26, 2024

To: Board of Trustees
From: Greg Leclair, Director of Finance and Administration
Peter Eglinton, Deputy Director
Re: Proposed Adjustments to the FY2025 Budget

Proposed Motion

Move to adjust the FY2025 source of funding (revenue) and expenditure budgets as described in this memorandum, resulting in a total FY2025 source of funding (revenue) and expenditure budgets of \$188,572,664 and \$189,952,632, as shown in the tables below, respectively.

Background and Recommendations

Allocate New Revenue from the June 2024 Auction of the Regional Greenhouse Gas Initiative (RGGI)

The proceeds of the June 2024 RGGI auction resulted in the Trust receiving an additional \$7.64 million over the amount forecasted in the current FY2024 budget. As mentioned in a separate memorandum, given that the fiscal year ends on June 30, Staff proposes to allow the additional funding from the June auction to carry forward into FY2025 for the following uses:

- \$2 million to support projects preapproved in FY2024 by the Commercial and Industrial Prescriptive Initiatives program, which will be completed in FY2025; and
- \$5.64 million reserved in fund balance where it would remain available for future allocation by the Board for such purposes as supporting electrification and weatherization if activity is higher than anticipated, guarding against underperforming RGGI auction revenue in FY2025, and/or applying to FY2026 to offset electric procurement used for beneficial electrification.

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 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 law provided that the Thermal Energy Investment Fund will be funded through alternative compliance payments from electricity suppliers who fail to secure their required quota of TRECs. The FY2025 budget currently does not reflect new revenue for the program, which typically arrives in the summer. Staff proposes to shift approximately \$2 million of unspent funds from FY2024 to cover activities starting July 1.

Incorporate Funds from the National Electric Vehicle Infrastructure (NEVI) Fund and Charging and Fueling Infrastructure (CFI) Discretionary Grant Program

In November 2021, the U.S. Congress enacted the Infrastructure Investment and Jobs Act (IIJA) — also known as the Bipartisan Infrastructure Law (BIL) — one element of which provides \$7.5 billion to build a network of electric vehicle (EV) chargers through the National Electric Vehicle Infrastructure (NEVI) program. Maine's \$19 million allotment of funds through the NEVI Formula Program Funds. The Trust is implementing the state's NEVI funds pursuant to a memorandum of agreement (MOA) with the Maine Department of Transportation

(MaineDOT) and Maine Governor’s Energy Office (GEO). In addition, the Federal Highway Administration (FHWA) awarded a CFI grant to MaineDOT using funds from the Bipartisan Infrastructure Law (BIL). The Trust administers the state’s CFI Discretionary Grant Program pursuant to an MOA with MaineDOT and the GEO. The Trust will make its first CFI-funded project awards in FY2025 to expand Maine’s publicly accessible EV charging, focusing on community-based charging, disadvantaged communities and rural service centers. Staff proposes to incorporate \$4 million of NEVI revenues and \$12 million of CFI revenues into the budget to support anticipated RFP awards to be made in FY2025.

Allocate Funds to Support System Development and Start-Up Activities for Lending Platform and Services Providers

In FY2024, the Trust awarded contracts to Ignatius (online platform) and AmeriNat (lending services) to support new financing initiatives through the Efficiency Maine Green Bank. A significant effort will be required to train and help transition trade allies, design and conduct marketing and outreach activities, address requirements under the forthcoming Greenhouse Gas Reduction Fund (GGRF), and launch new offerings. Staff proposes to allocate \$1.4 million of RGGI to cover these startup costs, drawing from the \$4 million in RGGI that the Board previously authorized to support loans. We anticipate that in future years, the GGRF, American Recovery and Reinvestment Act of 2009 (ARRA) funds, and loan administrative fees and income from both residential and commercial lending programs will cover an increasing proportion of Efficiency Maine Green Bank administrative expenditures in future years.

Reduce Use of Fund Balance from the Volkswagen (VW) Settlement – Maine Office of the Attorney General

The FY2025 budget approved in May 2024 included \$63,454 of funding from the VW Settlement to support electric vehicle supply equipment (EVSE, or chargers). Staff now anticipate fully expending these funds in FY2024, and proposes to remove the allocation in FY2025.

See the tables below for details on the budget adjustments.

Proposed Amendment to the FY2025 Revenue/Source of Funding

Funding Source	2020 RGGI Fund	2061 Volkswagen Settlement Fund (DOT)	2052 Thermal Energy Investment Fund	3042 National Electric Vehicle Infrastructure Fund (DOT)	3043 Charging & Fueling Infrastructure Fund	Total
Federal Revenues - ARPA	-	-	-	-	-	-
Federal Revenues - NEM				4,000,000	-	4,000,000
Federal Revenues - CFI				-	12,000,000	12,000,000
Use of Fund Balance	3,400,000	(63,454)	2,000,234	-	-	5,336,780
Total - Funding Source	\$ 3,400,000	\$ (63,454)	\$ 2,000,234	\$ 4,000,000	\$ 12,000,000	\$ 21,336,780

Proposed Amendment to the FY2025 Expenditure Budget

	2020	2061	2052	3042	3043	
		Volkswagen	Thermal Energy	National Electric Vehicle	Charging & Fueling	
Program Budgets	RGGI Fund	Settlement Fund (DOT)	Investment Fund	Infrastructure Fund (DOT)	Infrastructure Fund	Total
Low Income Initiatives	-	-	-	-	-	-
Home Energy Savings Program	-	-	-	-	-	-
C&I Prescriptive	2,000,000	-	-	-	-	2,000,000
Thermal Energy Investment Program	-	-	2,000,234	-	-	2,000,234
Efficiency Maine Green Bank	1,400,000	-	-	-	-	1,400,000
Electric Vehicle Supply Equipment	-	(63,454)	-	4,000,000	12,000,000	15,936,546
	-	-	-	-	-	-
Total- Program Budgets	\$ 3,400,000	\$ (63,454)	\$ 2,000,234	\$ 4,000,000	\$ 12,000,000	\$ 21,336,780