



## Memorandum

April 24, 2023

To: Board of Trustees  
From: Michael Stoddard, Executive Director  
Peter Eglinton, Deputy Director

Re: FY 2025 Procurement Request

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### Proposed Motion

Move to adjust the requested Electric Efficiency Procurement to \$60,350,358 after applying a good faith estimate of \$13,600,000 in uncommitted carryforward funding toward the FY 2025 Electric Efficiency Procurement; and to return the uncommitted natural gas carryforward funding remaining after the conclusion of FY 2024 to the local distribution companies following the Trust's independent audit for FY 2024.

### Summary

Using the most recent accounting of processed invoices and its forecast of program activity through the end of this program year, Staff has estimated the year-end carryforward of unspent, uncommitted electric procurement funds for FY 2024. Staff proposes applying this uncommitted carryforward, in the amount of \$13,600,000, to offset utility assessments in the upcoming electric procurement request that the Trust will file for next fiscal year (FY 2025).

Separately, as approved by the Board in February 2024 and pending approval before the Maine Public Utilities Commission (PUC), the Trust has proposed to suspend the use of all natural gas efficiency procurement funds beginning in FY 2025. Accordingly, the Trust will not seek any new natural gas efficiency procurement for FY 2025. Staff proposes to calculate the total carryforward of unspent, uncommitted natural gas procurement funds to be returned to the local distribution companies following the conclusion of the Trust's independent audit for FY 2024.

### Background

In the PUC order approving Triennial Plan V, the Trust is directed to file by May 1, 2024, its request for the third year of the plan's electric procurement and natural gas assessment.

On February 28, 2024, the Board voted to adjust Triennial Plan V budgets for FY 2025 as described in Staff's "2024 Annual Update and Significant Change REVISED" memorandum (Annual Update Memorandum). The Board approved an increase in the budget for maximum achievable cost-effective (MACE) electric efficiency procurement for FY 2025 that reflected the Interim Beneficial Electrification Plan's (Interim Plan's) determination of beneficial electrification measures that are cost-effective and that reliably reduce electricity rates over the life of the measures. Staff submitted the Trust's 2024 Annual Update to the PUC on March 1, 2024. This filing included the Board-approved requests for a significant change to Triennial Plan V associated with updates to MACE budgets associated with the Interim Plan and the suspension of natural gas programs. While PUC approval of these significant changes is still pending, Staff is proceeding with the preparation of the Trust's FY 2025 request for

procurement in preparation for the May 1 deadline for that filing. At this time, Staff is not proposing any changes to the expenditure budgets filed in the Annual Update.

In the 2024 Annual Update Memorandum, Staff noted it would return to the Board with any adjustments to the determination of MACE opportunity identified in the Interim Plan when preparing the Trust's FY 2025 procurement request. In the intervening weeks, Staff has revisited its forecasts for program activity in FY 2025 and confirmed that they continue to be the best fit for program activity in FY 2025.

Staff has also generated an estimate of electric procurement carryforward from FY 2024. Staff has estimated that the year-end carryforward of unspent, uncommitted electric procurement funds from FY 2024 will be close to, but not less than, \$13,600,000. Staff proposes applying this uncommitted carryforward to offset the total amount of electric efficiency procurement to be requested for FY 2025.