



Memorandum

June 25, 2025

To: Board of Trustees
From: Greg Leclair, Director of Finance and Administration
Peter Eglinton, Deputy Director
Re: Proposed Adjustments to the FY2026 Budget

Proposed Motion

Move to adjust the FY2026 source of funding (revenue) and expenditure budgets as described in this memorandum and as shown in the tables below, resulting in a total FY2026 source of funding (revenue) and expenditure budgets of \$261,484,723 and \$259,564,565, respectively.

Background and Recommendations

Allocate New Revenue from the June 2025 Auction of the Regional Greenhouse Gas Initiative (RGGI)

The proceeds of the June 2025 RGGI auction resulted in the Trust receiving an additional \$9.47 million over the amount forecasted in the current FY2025 budget. As mentioned in a separate memorandum, given that the current fiscal year ends within a week, Staff proposes to allocate at this time the additional funding from the June auction as a carry forward into FY2026. Staff proposes allocating these funds specifically to support heat pump water heater rebates through the Retail and Distributor Program. Most of the FY2026 budget for this program relies on \$13.4 million in federal funds from the Climate Pollution Reduction Grants (CPRG), the timing of which is uncertain but anticipated in the fall of 2025. To avoid the need wait for the arrival of the federal funds or throttle back program activity, Staff propose to allocate the available RGGI funds to fill the gap, at least temporarily. Once CPRG funding is available, Staff will propose alternative uses for the RGGI funding.

Allocate Federal and Settlement Funds Removed from the FY2025 Budget

As described in a separate memorandum on the same agenda as the recommendations in this memorandum, Staff proposes removing a portion of the funding from the Maine Jobs and Recovery Plan (MJRP)/American Rescue Plan Act (ARPA), National Electric Vehicle Infrastructure, and Charging and Fueling Infrastructure grants and New England Clean Energy Connect settlement from the FY2025 budget. Staff propose adding that funding to the FY2026 budget.

Add Funding for the Energy Efficiency Revolving Loan Fund (EERLF)

The Trust is administering a federal grant to leverage funding to encourage congregate living facilities to conduct an energy audit of their facilities and convert these facilities from fossil-fuel fired HVAC systems to heat pump systems. Of the total \$845,120 award, 10% is for program delivery, 25% is for grants to support audits that proceed with eligible projects, and the balance is to capitalize loans to finance completion of the heat pump projects. At this time, Staff propose adding \$40,000 to support sub-contracted services to help process loans (i.e., operating the loan platform) and an additional \$9,000 for loan servicing; the FY2026 already includes \$50,000 for incentives for audits.

Add Estimated Carryforward for Maine Department of Environmental Protection (DEP) Fuel Tank Program

At its February 2025 meeting, the Board approved accepting \$150,000 from DEP to support financial assistance to qualified contractors and participating homeowners wishing to remove their fuel tanks after installing a whole-home heat pump system in their manufactured homes. The funding covers a two-year period, and Staff

estimates that \$135,000 will be uncommitted as of June 30. Staff propose to add this amount to the FY2026 to cover activity in the new fiscal year.

See the tables below for details on the budget adjustments.

Proposed Amendment to the FY2026 Revenue/Source of Funding

	2020	2036	2046 BIL Energy Efficiency	2073	3033	3041	3042 National Electric Vehicle	3043 Charging & Fueling	
Funding Source	RGGI Fund	FCM Heat Pump Fund	Revolving Loan Fund	NECEC HQEV Fund	ARPA Manufacturing Fund	IJJA DOT EV Charging Fund	Infrastructure Fund (DOT)	Infrastructure Fund	Total
Federal Revenues - ARPA	-	-	-	-	1,250,000	4,000,000	-	-	5,250,000
Federal Revenues - NEVI	-	-	-	-	-	-	6,300,000	-	6,300,000
Federal Revenues - CFI	-	-	-	-	-	-	-	2,350,000	2,350,000
Use of Fund Balance	9,474,557	135,000	-	3,649,093	-	-	-	-	13,258,650
Total - Funding Source	\$ 9,474,557	\$ 135,000	\$ -	\$ 3,649,093	\$ 1,250,000	\$ 4,000,000	\$ 6,300,000	\$ 2,350,000	\$ 27,158,650

Proposed Amendment to the FY2026 Expenditure Budget

	2020	2036	2046 BIL Energy Efficiency	2073	3033	3041	3042 National Electric Vehicle	3043 Charging & Fueling	
Program Budgets	RGGI Fund	FCM Heat Pump Fund	Revolving Loan Fund	NECEC HQEV Fund	ARPA Manufacturing Fund	IJJA DOT EV Charging Fund	Infrastructure Fund (DOT)	Infrastructure Fund	Total
Retail & Distributor Initiatives	9,474,557	-	-	-	-	-	-	-	9,474,557
C&I Custom Program	-	-	-	-	1,250,000	-	-	-	1,250,000
Efficiency Maine Green Bank	-	-	9,000	-	-	-	-	-	9,000
Electric Vehicle Supply Equipment	-	-	-	3,649,093	-	4,000,000	6,300,000	2,350,000	16,299,093
Administrative	-	-	40,000	-	-	-	-	-	40,000
DEP Fuel Tank Program	-	135,000	-	-	-	-	-	-	135,000
Total- Program Budgets	\$ 9,474,557	\$ 135,000	\$ 49,000	\$ 3,649,093	\$ 1,250,000	\$ 4,000,000	\$ 6,300,000	\$ 2,350,000	\$ 27,207,650