



## Memorandum

December 17, 2025

To: Board of Trustees  
From: Greg Leclair, Director of Finance and Administration  
Peter Eglinton, Deputy Director  
Re: Proposed FY2026 and FY2027 Budget Adjustments

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### Proposed Motion

Move to adjust the source of funding and expenditure budgets for FY2026 and FY2027 as reflected in Tables 1, 2, 4, and 5, and as otherwise described in this memorandum, resulting in a total source of funding and expenditure budgets of \$250,287,662 and \$248,625,030, respectively, in FY2026 and \$183,191,702 and \$188,610,184, respectively, in FY2027.

### Background and Recommendations

Staff proposes to adjust the FY2026 and FY2027 budgets to:

- account for delays in receiving Climate Pollution Reduction Grant (CPRG) funding and Inflation Reduction Act (IRA) Home Efficiency Rebate (HER) funding;
- update anticipated federal grant revenues and expenditures;
- correct an entry in Table 2 of the memorandum for the October 22, 2025, budget adjustment; and
- allocate unbudgeted fund balance into FY2027 (Table 3), consistent with the priorities described in the budget adjustment memorandum of October 22, 2025.<sup>1</sup>

Details of these adjustments are shown in the following tables.

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<sup>1</sup> On October 22, the Board approved the Staff's recommendation to reserve \$13.5 million of Regional Greenhouse Gas Initiative (RGGI), \$2.3 million of Electric Procurement, and \$620,000 of Forward Capacity Market (FCM) funding for the following purposes, in order of priority: offsetting Electric Procurement for FY2027 to reduce electricity rates; offsetting funding in the event of further delay (or in the event of hypothetical future cancellation) of Climate Pollution Reduction Grant (CPRG) funds for the regional New England Heat Pump Accelerator; and allocating funds to programs that experience higher than anticipated activity in FY2026.

**Table 1**  
Proposed Amendment to the FY2026 Revenue/Source of Funding

Funding Source	2015	2020	2030	2036	3031	3032	3035	3037	3041	3042	National Electric Vehicle Infrastructure Fund (DOT)	Total
	EMT Admin Fund	RGGI Fund	Electric Procurement Fund	FCM Fund	ARPA Tourism & Hospitality Fund	Local Government & Schools Fund	IRA-HER Fund	CPRG Grant	ARPA DOT EV Charging Fund			
Federal Revenues - ARPA	-	-	-	-	-	(16,000)	4,374,918	-	-	(4,099,735)	-	259,183
Federal Revenues - NEVI	-	-	-	-	-	-	-	-	-	-	(2,576,995)	(2,576,995)
Federal Revenues - IRA	-	-	-	-	-	-	-	(5,382,811)	-	-	-	(5,382,811)
Federal Revenues - CPRG	-	-	-	-	-	-	-	(6,700,000)	-	-	-	(6,700,000)
<b>Total - Funding Source</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (16,000)</b>	<b>\$ 4,374,918</b>	<b>\$ (5,382,811)</b>	<b>\$ (6,700,000)</b>	<b>\$ (4,099,735)</b>	<b>\$ (2,576,995)</b>	<b>\$ (14,400,623)</b>	

**Table 2**  
Proposed Amendment to the FY2026 Expenditure Budget

Program Budgets	2015	2020	2030	2036	3031	3032	3035	3037	3041	3042	National Electric Vehicle Infrastructure Fund (DOT)	Total
	EMT Admin Fund	RGGI Fund	Electric Procurement Fund	FCM Fund	ARPA Tourism & Hospitality Fund	Local Government & Schools Fund	IRA-HER Fund	CPRG Grant	ARPA DOT EV Charging Fund			
C&I Prescriptive Program	-	-	-	-	-	4,374,918	(5,170,285)	-	-	-	-	(795,367)
Distributor Program	-	-	-	-	-	-	-	(6,700,000)	-	-	(6,700,000)	
Electric Vehicle Supply Equipment	-	-	-	-	-	-	-	-	(4,099,735)	(2,576,995)	(6,676,730)	
Innovation	-	-	-	(3,937)	-	-	-	-	-	-	-	(3,937)
Evaluation, Measurement, & Verification	-	-	-	3,937	-	-	(115,000)	-	-	-	-	(111,063)
Administrative	113,526	-	-	-	(16,000)	-	(97,526)	-	-	-	-	-
<b>Total- Program Budgets</b>	<b>\$ 113,526</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (16,000)</b>	<b>\$ 4,374,918</b>	<b>\$ (5,382,811)</b>	<b>\$ (6,700,000)</b>	<b>\$ (4,099,735)</b>	<b>\$ (2,576,995)</b>	<b>\$ (14,287,097)</b>	

**Table 3**  
Additional Fund Balance Details

Additional Fund Balance Details	2020	2030	2036	3031	3032	3035	3037	0	0	Total
	RGGI Fund	Electric Procurement Fund	FCM Fund	Tourism & Hospitality Fund	Local Government & Schools Fund	IRA-HER Fund	CPRG Grant	0	0	
Unallocated Fund Balance	13,462,351	2,327,418	620,652	-	-	-	-	-	-	16,410,421
Funds Previously Reserved By the Board (April 2025)	8,694,010	-	-	-	-	-	-	-	-	8,694,010
Additional Fund Balance to be Reserved (October 2025)	4,768,341	2,327,418	620,652	-	-	-	-	-	-	7,716,411
<b>Unbudgeted and Unreserved Fund Balance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Table 4**  
**Proposed Amendment to the FY2027 Revenue/Source of Funding**

	2020	2030	2036	
<b>Funding Source</b>	<b>RGGI Fund</b>	<b>Electric Procurement Fund</b>	<b>FCM Fund</b>	<b>Total</b>
Electric Procurement	-	(8,000,000)	-	(8,000,000)
Use of Fund Balance	13,462,351	-	620,652	14,083,003
<b>Total - Funding Source</b>	<b>\$ 13,462,351</b>	<b>\$ (8,000,000)</b>	<b>\$ 620,652</b>	<b>\$ 6,083,003</b>

**Table 5**  
**Proposed Amendment to the FY2027 Expenditure Budget**

	2020	2030	2036	
<b>Program Budgets</b>	<b>RGGI Fund</b>	<b>Electric Procurement Fund</b>	<b>FCM Fund</b>	<b>Total</b>
Income-Eligible Home Programs	731,176	-	310,326	1,041,502
Home Energy Savings Program	8,731,175	(8,000,000)	310,326	1,041,501
C&I Prescriptive Program	4,000,000	-	-	4,000,000
<b>Total- Program Budgets</b>	<b>\$ 13,462,351</b>	<b>\$ (8,000,000)</b>	<b>\$ 620,652</b>	<b>\$ 6,083,003</b>

Below is a narrative discussion of the changes shown in the tables.

Changes to FY2026

1. Remove 50% of CPRG funding (\$6.7 million) from Retail and Distributor Initiatives to account for the delay in receiving the funds (now anticipated to arrive in January 2026). The Board previously approved adding RGGI funds to cover the gap. This change does not affect performance metrics.
2. Remove \$5.4 million of IRA HER funds, given that the program is still awaiting approval by the federal government. The budget reduction would primarily affect the Commercial and Industrial (C&I) Prescriptive Initiatives program (\$5.2 million), with an additional reduction for Evaluation, Measurement, and Verification (EM&V, \$115,000). As part of this change, EMT Admin increases by \$97,526 as a balancing accounting adjustment. The Trust had planned to use the funds for multifamily property retrofits. Staff intends to launch an offering for multifamily properties in FY2026 using existing RGGI funds. If and when HER funds are eventually received, we can put them into the budget at that future time.
3. Adjust the following budgets to align them with anticipated revenue and expenditure amounts:
  - a. Shift \$16,000 of administrative costs associated with the Maine Jobs and Recovery Plan (MJRP)/American Rescue Plan Act (ARPA) funds from the business case related to tourism and hospitality to the EMT Admin Fund.
  - b. Incorporate \$4.4 million of unbudgeted MJRP/ARPA funds for the business case related to local governments and schools, to cover preapproved projects. This adds approximately 61 whole-building heat pump projects to performance metrics.
  - c. Reduce MJRP/ARPA DOT EV Charging by \$4.1 million.
  - d. Reduce National Electric Vehicle and Infrastructure (NEVI) by \$2.6 million.

4. Shift \$3,937 from Innovation to EM&V to correct for a line error in Table 2 of the memorandum dated October 22, 2025. The amount was appropriately assigned to EM&V in the body of the memorandum.

Changes to FY2027

1. Add unbudgeted RGGI fund balances as follows:
  - a. \$731,176 to Income-Eligible Home Programs, to support approximately 93 more income-eligible weatherization projects.
  - b. \$8.7 million to Home Energy Savings Program (HESP), to offset \$8 million of electric procurement. The additional \$731,175 balance will support approximately 196 additional weatherization projects.
  - c. \$4 million for C&I Prescriptive Initiatives, to support heat pump retrofits in low-income multifamily buildings, given the lack of IRA-HER funding.
2. Reduce \$8 million of electric funding for HESP, which was replaced by RGGI funding. This change does not affect performance metrics.
3. Add \$310,326 of FCM each to Income-Eligible Home Programs and HESP, to support heat pump initiatives. This increases performance metrics by 113 projects (73 “standard” projects and 40 income-eligible projects).

These additions to FY2027 will not affect our ability to adjust programs in FY2026 to help motivate more activity.