



Memorandum

June 24, 2026

To: Board of Trustees

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

Re: Proposed Adjustments to the FY2026 and FY2027 Budgets

Proposed Motions

1. Move to adjust the FY2026 source of funding and expenditure budgets as described in this memorandum and as shown in the tables below, resulting in an amended total FY2026 source of funding budget and expenditure budget of \$290,789,476 and \$251,162,861, respectively.
2. Move to adjust the FY2027 source of funding and expenditure budgets as described in this memorandum and as shown in the tables below, resulting in an amended total FY2027 source of funding budget and expenditure budget of \$234,520,986 and \$234,521,798, respectively.

Background and Recommendations

1. Add Regional Greenhouse Gas Initiative (RGGI) Revenue to Source of Funding and Expenditure Budgets

In May 2026, the Board approved an operating budget for FY2026 that increased the forecast for RGGI revenues in June 2026 to \$11 million. The actual revenue from the June auction was \$21,203,735, for a net additional \$10,203,735 in unbudgeted funds. Staff proposes to allocate these funds to the FY2026 and FY2027 expenditure budgets as follows:

- Add \$300,000 to the Home Energy Savings Program (HESP) in **FY2026**, to cover continued strong weatherization activity in the last quarter of the fiscal year;
- Add \$9.9 million to Income Eligible Home Programs in **FY2027**, for the following purposes:
 - \$3.0 million for a new tier of rebates for the neediest of low-income customers, providing 100% of the cost of upgrading their heating system to heat pumps. Staff are exploring details for the program's design and administration, and collaborating with Community Action Agencies as the likely pathway for implementation.
 - \$6.9 million to replace funds from the Inflation Reduction Act (IRA) Home Electrification and Appliance Rebate (HEAR) Program.
 - The US Department of Energy notified Efficiency Maine (and other recipients) on June 1, 2026, that new guidance on a subset of IRA funding previously approved for use in Maine may no longer be used for fuel-switching upgrades. After August 31, 2026, the new guidance mandates that no new fuel-switching upgrades may be funded with revenue from the specified subset of IRA funds. Under the plan currently approved for Maine's use of the IRA HEAR funds, a portion of the funds are earmarked for retrofitting heat pumps in fossil-fuel-heated mobile homes in towns having a population of 10,000 or more. The new federal guidance will therefore only affect EMT's Mobile Home

Initiative serving mobile homes in towns having a population of 10,000 or more. (Maine’s use of IRA funds for other purposes, including for electrification of HVAC systems in new affordable multifamily housing, is not impacted). In the fall of 2026, after the August 31 deadline is passed, EMT Staff expects to propose removing any uncommitted IRA HEAR funds from the FY2027 budget associated with the Mobile Home Initiative (which appears in the Income Eligible Home Programs line item) to reflect the new guidance.

2. Allocate Funds from the Maine Department of Environmental Protection (DEP)

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 at their manufactured homes after installing a whole-home heat pump system. The funding covers a two-year period. Staff proposes to shift \$100,000 of uncommitted DEP funding from FY2026 to the **FY2027** budget to cover activity in the new fiscal year.

3. Allocate Funds from the Energy Efficiency Revolving Loan Fund (EERLF)

The Trust is administering a federal grant 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 \$60,000 to the **FY2027** budget to support incentives for audits.

4. Allocate Funds for the Online Loan Platform Supporting the Efficiency Maine Green Bank

Staff propose to add \$350,000 to the **FY2027** expenditure budget for ongoing development and expansion of the online platform that supports applications for and tracking of loans through the Efficiency Maine Green Bank. This budget is consistent with the one for FY2026, and is funded with American Recovery and Reinvestment Act (ARRA) grant and the Climate Pollution Reduction Grant (CPRG) through the New England Heat Pump Accelerator (NEHPA). The amount from CPRG (\$212,445) would shift from EMT staffing costs to platform expenditures, leading to no net change to the CPRG column and to a net increase in the EMT Admin budget to make up the difference. The remaining \$137,555 would be funded from ARRA.

See the tables below for details on the proposed budget adjustments for FY2026 (Exhibit A) and FY2027 (Exhibit B).

EXHIBIT A: Proposed Amendments to the FY2026 Budgets¹

Proposed Amendment to the FY2026 Revenue/Source of Funding

Funding Source	2020	
	RGGI Fund	Total
RGGI Proceeds	10,203,735	10,203,735
Federal Revenues - ARPA	-	-
Use of Fund Balance	-	-
Total - Funding Source	\$ 10,203,735	\$ 10,203,735

Proposed Amendment to the FY2026 Expenditure Budget

Program Budgets	2020	
	RGGI Fund	Total
Income-Eligible Home Programs	-	-
Home Energy Savings Program	300,000	300,000
C&I Prescriptive Program	-	-
C&I Custom Program	-	-
Lead By Example	-	-
Total- Program Budgets	\$ 300,000	\$ 300,000

¹ The four-digit number above the fund name is the fund code used in the Trust's financial system.

EXHIBIT B: Proposed Amendments to the FY2027 Budgets²

Proposed Amendment to the FY2027 Revenue/Source of Funding

	2015	2020	2036	2046 BIL Energy Efficiency Revolving Loan	3025 ARRA BB RLF	3037 CPRG	Total
Funding Source	EMT Admin Fund	RGGI Fund	FCM Fund	Fund	Fund	Fund	
Electric Procurement	-	-	-	-	-	-	-
Natural Gas Assessments	-	-	-	-	-	-	-
Federal Revenues - ARPA	-	-	-	-	-	-	-
Federal Revenues - BIL	-	-	-	-	-	-	-
Federal Revenues - NEVI	-	-	-	-	-	-	-
Federal Revenues - IRA	-	-	-	-	-	-	-
Federal Revenues - OCED	-	-	-	-	-	-	-
Federal Revenues - CFI	-	-	-	-	-	-	-
Federal Revenues - CPRG	-	-	-	-	-	-	-
NECEC Settlement Proceeds	-	-	-	-	-	-	-
Interfund Transfers - In	-	-	-	-	-	-	-
Interest income	-	-	-	-	-	-	-
Use of Fund Balance	-	9,903,735	100,000	60,000	-	-	10,063,735
Total - Funding Source	\$ -	\$ 9,903,735	\$ 100,000	\$ 60,000	\$ -	\$ -	\$ 10,063,735

Proposed Amendment to the FY2027 Expenditure Budget

	2015	2020	2036	2046 BIL Energy Efficiency Revolving Loan	3025 ARRA BB RLF	3037 CPRG	Total
Program Budgets	EMT Admin Fund	RGGI Fund	FCM Fund	Fund	Fund	Fund	
Income-Eligible Home Programs	-	9,903,735	100,000	-	-	-	10,003,735
Retail & Distributor Initiatives	-	-	-	-	-	-	-
Home Energy Savings Program	-	-	-	-	-	-	-
C&I Prescriptive Program	-	-	-	60,000	-	-	60,000
C&I Custom Program	-	-	-	-	-	-	-
Demand Management	-	-	-	-	-	-	-
Thermal Energy Investment Program	-	-	-	-	-	-	-
Electric Vehicle Supply Equipment	-	-	-	-	-	-	-
Electric Vehicle Rebates	-	-	-	-	-	-	-
Innovation	-	-	-	-	-	-	-
Evaluation, Measurement, & Verification	-	-	-	-	-	-	-
Public Information & Outreach	-	-	-	-	-	-	-
Administrative	212,445	-	-	-	137,555	-	350,000
Payments to Other State Agencies	-	-	-	-	-	-	-
Total- Program Budgets	\$ 212,445	\$ 9,903,735	\$ 100,000	\$ 60,000	\$ 137,555	\$ -	\$ 10,413,735

² The four-digit numbers above the fund names are the fund codes used in the Trust's financial system.