



## Memorandum

November 20, 2024

To: Board of Trustees

From: Michael Stoddard, Executive Director

Re: Request to authorize sole source contract for outside counsel at Beveridge & Diamond

---

### Proposed Motion

Move to authorize the Executive Director to enter a sole source contract with Beveridge & Diamond, P.C., for legal services to represent the Trust in negotiating the terms and conditions of its sub-award for use of federal funds through the Greenhouse Gas Reduction Fund in an amount not to exceed \$20,000.

### Background

Efficiency Maine Trust (EMT) houses the Efficiency Maine Green Bank (EMGB).

In 2022, Congress enacted the Inflation Reduction Act, which included a provision to establish the Greenhouse Gas Reduction Fund (GGRF), administered out of US EPA. US EPA issued a Request for Proposals (RFP) seeking bids for proposals to form multiple, national initiatives each of which would provide financing, principally in the form of loans, for clean energy projects.

EMT joined one of the bids responding to this RFP under the umbrella of the Coalition for Green Capital (CGC). The principal characteristic of the CGC bid was that it represented participation from a multitude of "green banks" established at the state and local level from across the country. In developing the bid, EMT was one of 18 state and local green banks that bargained for, and was granted, special status as a "Sub-Recipient" in the proposal for which, if the bid were awarded, a specific share of the grant would be guaranteed.

CGC's bid was awarded \$ 5 billion, and EMT's guaranteed share of that is approximately \$15 million.

Now, several months since these awards, EMT and the other 17 Sub-Recipients are working through complex, detailed negotiations with CGC to finalize the myriad terms for the sub-grants. CGC is represented by Covington, to whom they have assigned the task of negotiating and finalizing the agreements with the Sub-Recipients. Six members of the Sub-Recipients (representing green bank activity in CT, RI, NY, CA, and MD) plus EMT have been collaborating analyze legal and business issues and to advocate for favorable terms with Covington and its client. Recently, this sub-group determined it would maximize the efficiency and influence of the seven green banks if they had a single, expert voice representing them in the discussions with CGC/Covington.

The Connecticut Green Bank researched options for counsel, seeking someone who had strong

experience dealing with EPA and, in particular, EPA's competitive solicitations and grant agreements. The CT Green Bank met with three separate firms and selected Beveridge & Diamond, whose partner Dan Schulson came out of EPA, because of their in-depth knowledge of EPA's programs and rules, their customer service, response times, and reasonable billable rates.

EMT is seeking authorization to join this group in retaining the services of Beveridge & Diamond to enhance our bargaining power in the final negotiations of the agreement terms over the next several weeks. We would pay an equal share of the cost, initially for an amount not to exceed \$10,000.

Initial estimates of the maximum cost to each state are slightly more than \$10,000 (closer to \$14,000). If the services and the bill were to exceed the initial \$10,000 estimate, EMT would be faced with dropping the representation with the group of six other states and go it alone, unless the Board were to authorize expanding the budget up to a higher cap. In the context of a \$15 million grant, Staff's view is that securing experienced, expert services and presenting a united front with several other large, influential green banks to get the most favorable terms in the agreement is worth the cost of these legal services. Staff requests authorization to go up to, but not exceed, a budget of \$20,000 for these purposes. The Staff has secured approval from the Maine Attorney General's Office to use outside counsel for this purpose, within these limitations, through the end of this calendar year.