



**MAINE RURAL ENERGY SAVINGS PROGRAM (RESP)  
IMPLEMENTATION WORK PLAN**

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## Table of Contents

I.	Background, Introduction & Overview.....	2
I.	Marketing Plan.....	3
A.	Identification of Qualified Consumers by Customer Class.....	4
B.	Race and Ethnicity.....	5
C.	Promotional Activities.....	6
D.	Penetration Rate.....	7
II.	Operations Plan.....	7
A.	Eligible Projects.....	7
B.	Measurement and Verification (M&V) Plan.....	8
C.	Deal Intake – Process Flow.....	10
1.	Application.....	10
2.	Application Eligibility Review.....	10
3.	Application Underwriting.....	10
4.	Manual Review.....	11
5.	Documentation.....	11
6.	Funding Requirements.....	11
7.	Portfolio Management.....	11
8.	Reporting.....	12
D.	Staffing.....	13
III.	Financial Plan.....	15
A.	Long-Range Financial Forecast Overview.....	15
B.	Terms and Conditions.....	16
1.	Program Fees.....	16
2.	Loan Term.....	16
3.	Interest Rate.....	16
4.	Use of Interest Earnings.....	16
5.	Other.....	16
C.	Assumptions, Data, and Analysis.....	16

1. Please refer to Attachment A: Long-Range Financial Forecast for detail on the items listed below.	Revenues .....	16
2. Operating Expenses .....		17
3. Ratios.....		18
4. Special Advance Request/ Starting Capital .....		18
D. Historical Financial Performance.....		18
IV. Collateral for RESP Loan .....		18
V. Financial and Operational Risk.....		18
VI. Anticipated Losses .....		19

**Attachments:**

- Attachment A — Long Range Financial Forecast (Excel spreadsheet)

## I. Background, Introduction & Overview

The Efficiency Maine Trust (“the Trust” or “Efficiency Maine”) is the independent, quasi-state agency established to plan and implement energy efficiency programs in Maine. Through its suite of nationally recognized programs, the Trust provides consumer information, marketing support, demonstration pilots, discounts, rebates, loans, and other initiatives to promote high-efficiency equipment and operations that help Maine’s homes, businesses, and institutions reduce their energy costs and lower their greenhouse gas emissions. The result is job growth, better grid reliability, improved energy independence, a stronger local economy, and progress toward meeting the State’s climate change goals. The Trust is governed by a Board of Trustees with oversight from the Maine Public Utilities Commission.

In 2012, the Trust launched its first suite of loan products helping Mainers to finance clean energy and energy efficiency projects in their homes, followed in subsequent years by the introduction of loans and lease products catering to small businesses, municipalities, schools, and low-income households. In 2021, the Maine Legislature enacted Public Law, Ch. 358 authorizing the establishment of a more comprehensive financing program at the Trust.<sup>1</sup> Collectively, the Trust administers these financing initiatives under the umbrella of

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<sup>1</sup> Public Law, Chapter 358, 130th Maine State Legislature, First Special Session, [LD 1659, An Act To Create the Maine Clean Energy and Sustainability Accelerator](#).

the Efficiency Maine Green Bank (EMGB).<sup>2</sup> EMGB initiatives are designed to drive private capital into market gaps for energy efficiency and clean energy equipment and services. Its financing initiatives serve as an important complement to the Trust's \$175 million annual budget to provide other financial incentives (e.g., rebates, instant discounts) and technical assistance to Maine's residents, businesses, and institutions.

Across all its programs, the Trust works to balance the following implementation priorities in its allocation of budget and design of programs: achieving energy savings, transforming the market, reducing the environmental impacts of energy, maintaining fairness and promoting equity, and leveraging the private sector. The Efficiency Maine Green Bank reflects these same overarching goals.

Should the Trust be successful in its application for a Rural Energy Savings Program (RESP) loan from the Rural Utilities Service (RUS), the primary objective will be to expand its existing Efficiency Maine Green Bank finance offerings for residential, commercial, and institutional consumers in Maine's rural areas, providing a larger number of loans for a broader range of equipment types. The RESP loan will enable the Trust to significantly bolster its efforts to offer low-interest loans to qualified borrowers for energy projects that reduce energy costs and lower greenhouse gas emissions.

The Trust expects to launch the RESP loan program immediately after receiving approval and funding from RUS.

## **I. Marketing Plan**

The Trust intends to deploy RESP funds primarily through its existing Efficiency Maine Green Bank lending programs. Though the Trust provides a base level of generic energy education and marketing to all customers in Maine, the Efficiency Maine programs are typically marketed to end users through an established network of independent trade allies – the electricians, plumbers, builders, heating system and insulation technicians, architects, engineers, retailers, and wholesalers – who have volunteered to affiliate with and abide by the rules and guidelines of Efficiency Maine programs. The Trust does not anticipate requiring substantial additional funds to promote or market the program. The better-than-market rates and terms available for the programs utilizing RESP and the automated and simple pathway to access financing for customers and contractors are expected to drive demand for a successful RESP program. The Trust's expenses will primarily be limited to the origination and servicing costs of a loan, which across a broad portfolio is estimated to average approximately \$1,315 per loan.

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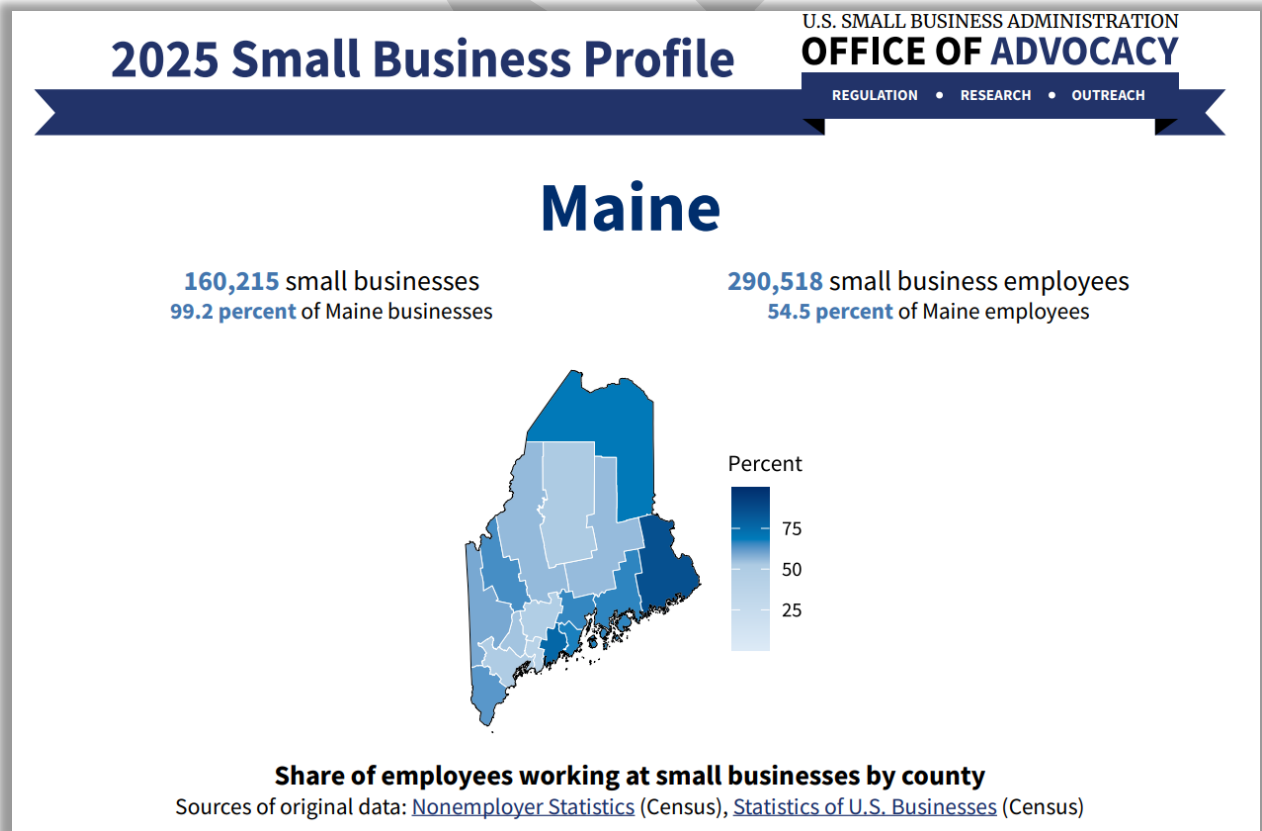
<sup>2</sup> For a description of EMGB's current finance initiatives, visit <https://www.energymaine.com/green-bank/>

## A. Identification of Qualified Consumers by Customer Class

The RESP loan program will serve residential, commercial, and institutional consumers in Maine’s rural areas. According to the 2024 American Community Survey, only one of Maine’s 518 municipalities – Portland – has a population of over 50,000 residents.<sup>3</sup>

Though Maine’s RESP program will serve a broad range of customer sectors, the state’s geographic makeup and business landscape will inherently advance the USDA’s overarching focus on “rural families and small businesses” through RESP. Indeed, approximately 95% of the state’s population (~1.3 of ~1.4 million residents) lives in a “rural” area. Of the state’s 597,000 households, 562,000 are located in rural areas.<sup>4</sup> According to the U.S. Small Business Administration Office of Advocacy’s 2025 data, Maine has 160,215 small businesses, representing and 99.2% of all Maine businesses.

**Figure 1: 2025 Maine Small Business Profile<sup>5</sup>**



<sup>3</sup> See Maine Cities by Population (2026) at [https://www.maine-demographics.com/cities\\_by\\_population](https://www.maine-demographics.com/cities_by_population)

<sup>4</sup> See US Census Bureau QuickFacts for Maine at <https://www.census.gov/quickfacts/fact/table/ME/PST045224>

<sup>5</sup> US Small Business Administration – Office of Advocacy, 2025 Maine Small Business Profile, available at [https://advocacy.sba.gov/wp-content/uploads/2025/06/Maine\\_2025-State-Profile.pdf](https://advocacy.sba.gov/wp-content/uploads/2025/06/Maine_2025-State-Profile.pdf)

As described in section C, the Trust plans to market the RESP loans alongside its standard rebate programs targeting residential, commercial, and institutional customers. The Trust will also leverage its network of nearly 2,000 registered trade allies that promote Efficiency Maine programs to their customers. The trade allies provide coverage across the entire state of Maine. These outreach efforts will help identify qualified consumers by customer class.

The Trust anticipates the below split across residential and commercial/institutional projects:

**Table 1: Anticipated RESP Loan Activity by Sector**

Relending Activity	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
<b>Residential</b>										
Originated Loans Quantity (by period)	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00
Originated Loans Quantity (cumulative)	250.00	500.00	750.00	1000.00	1250.00	1500.00	1750.00	2000.00	2250.00	2500.00
Average Loan Amount	\$10,000.00									
Average Loan Term (yrs)	10.00									
Average Loan Interest Rate (%)	4.99%									
Average Loan Amortization (yrs)	10.00									
Expected Losses	1%									
Loans \$ (by period)	\$2,500,000.00	\$2,500,000.00	\$2,500,000.00	\$2,500,000.00	\$2,500,000.00	\$2,500,000.00	\$2,500,000.00	\$2,500,000.00	\$2,500,000.00	\$2,500,000.00
Loans \$ (cumulative)	\$2,500,000.00	\$5,000,000.00	\$7,500,000.00	\$10,000,000.00	\$12,500,000.00	\$15,000,000.00	\$17,500,000.00	\$20,000,000.00	\$22,500,000.00	\$25,000,000.00
<b>Commercial/Institutional</b>										
Originated Loans Quantity (by period)	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00
Originated Loans Quantity (cumulative)	50.00	100.00	150.00	200.00	250.00	300.00	350.00	400.00	450.00	500.00
Average Loan Amount	\$50,000.00									
Average Loan Term (yrs)	10.00									
Average Loan Interest Rate (%)	4.99%									
Average Loan Amortization (yrs)	10.00									
Expected Losses	1%									
Loans \$ (by period)	\$2,500,000.00	\$2,500,000.00	\$2,500,000.00	\$2,500,000.00	\$2,500,000.00	\$2,500,000.00	\$2,500,000.00	\$2,500,000.00	\$2,500,000.00	\$2,500,000.00
Loans \$ (cumulative)	\$2,500,000.00	\$5,000,000.00	\$7,500,000.00	\$10,000,000.00	\$12,500,000.00	\$15,000,000.00	\$17,500,000.00	\$20,000,000.00	\$22,500,000.00	\$25,000,000.00
<b>Total</b>										
Originated Loans Quantity (by period)	300.00	300.00	300.00	300.00	300.00	300.00	300.00	300.00	300.00	300.00
Originated Loans Quantity (cumulative)	300.00	600.00	900.00	1200.00	1500.00	1800.00	2100.00	2400.00	2700.00	3000.00
Average Loan Amount	\$16,666.67									
Average Loan Term (yrs)	10									
Average Loan Interest (%)	5%									
Average Loan Amortization (yrs)	10									
Expected Losses	1%									
Loans \$ (by period)	\$5,000,000.00	\$5,000,000.00	\$5,000,000.00	\$5,000,000.00	\$5,000,000.00	\$5,000,000.00	\$5,000,000.00	\$5,000,000.00	\$5,000,000.00	\$5,000,000.00
Loans \$ (cumulative)	\$5,000,000.00	\$10,000,000.00	\$15,000,000.00	\$20,000,000.00	\$25,000,000.00	\$30,000,000.00	\$35,000,000.00	\$40,000,000.00	\$45,000,000.00	\$50,000,000.00

## B. Race and Ethnicity

Maine has a population of approximately 1,400,000. Table 2 shows the state's racial demographics.

**Table 2: Maine’s Racial Demographics<sup>6</sup>**

<b>Race and Hispanic Origin</b>	<b>Percentage of Total Population</b>
White alone	93.2%
Black alone	2.5%
American Indian and Alaska Native alone	0.7%
Asian alone	1.5%
Two or More Races	2.0%
Hispanic or Latino	2.4%
White alone, not Hispanic or Latino	91.3%

The Trust anticipates RESP lending activity to correspond proportionately to Maine’s demographic profile.

### **C. Promotional Activities**

The Trust’s programs are typically marketed to end users through its established network of independent trade allies. These partners actively promote rebates and other incentives in their sales process with customers. The Trust anticipates that trade allies will be the primary marketing drivers for the RESP program.

The Trust intends to provide information and guidance on the RESP program's benefits and requirements through its website. Beyond these program basics, the website provides myriad related resources for consumers, including a vendor locator, a heating system comparison tool, case studies, and virtual tour of energy-saving household technologies, and additional equipment-specific information (e.g., installation considerations and user tips).

Through its programs and advocacy over the past several years, the Trust has built a robust network of partner organizations throughout the state. These partners include local governments, regional planning commissions, Community Action Agencies, economic development organizations, utility companies, energy service companies, contractors, and

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<sup>6</sup> Per US Census Data (2024), available at <https://www.census.gov/quickfacts/fact/table/ME/PST045224>

vendors. The Trust will leverage this network of partners to market the RESP program through their respective communications channels.

In Year 1, Efficiency Maine intends to emphasize the following promotional activities:

- Training trade allies on the rules and procedures of the new program, including eligibility standards and which geographic locations, customer sectors, and project types to prioritize.
- Disseminating user-friendly program materials detailing program eligibility, timelines, requirements, and process.
- Meeting with relevant stakeholders and partners to inform them about the program and solicit their collaboration in raising awareness in their communities.

The Trust intends to emphasize the following promotional activities on an ongoing basis:

- Maintain and strengthen the training, partnerships, and systems mentioned above.
- Ensure this program is marketed alongside Efficiency Maine incentive programs.
- Conduct periodic general outreach via website, newsletters, forums, and other outreach efforts.
- Continue to encourage existing contractor and vendor network to promote the available program.

## D. Penetration Rate

The Trust anticipates making roughly 3,000 loans in the first 10 years of the RESP program. Given that Maine has approximately 562,000 rural households and about 200,000 rural commercial or institutional structures, this represents an approximate 0.43% penetration rate over the 10-year period.

## II. Operations Plan

### A. Eligible Projects

The RESP loan program will provide financing for a variety of investments in equipment or systems related to energy, focusing on projects that advance energy efficiency, beneficial electrification, and demand management. The Efficiency Maine Green Bank will only provide financing for commercially available technologies.

Examples of potential projects include:

- **Heating, Ventilation and Air Conditioning (HVAC ) System Improvements:** Installing high-efficiency heating and cooling equipment with cold-climate heat pumps and Variable Refrigerant Flow (VRF) systems. These projects may include associated duct work, electrical upgrades, and health and safety measures (e.g., mitigating air quality problems, mold, radon, or moisture issues) required to complete the project.
- **Building Envelope Improvements:** Adding or upgrading insulation materials to the walls, ceilings, floors, windows, and doors, and sealing air leaks and gaps. This may also include installing or replacing weather stripping, caulking, storm windows, and storm doors, and repairing cracks and holes. These projects may include associated health and safety measures required to complete the project.
- **Water Heating:** Installing high-efficiency electric heat pump water heaters.
- **Renewable Energy Systems:** Installing or upgrading photovoltaic solar and geothermal systems that generate electricity or heat from renewable sources, and interconnecting with the utility grid.
- **Energy Storage:** installing or upgrading energy storage systems such as batteries to be used for resilience of rural homes and businesses and/or improved efficiency and resiliency of the grid.
- **Electric Vehicle (EV) Charging Infrastructure:** Installing or upgrading EV chargers and charging stations.
- **Lighting Upgrades:** replacing incandescent, fluorescent, and halogen lamps with LEDs, installing occupancy sensors and dimmers, and optimizing daylighting.

The Efficiency Maine Green Bank intends to provide financing for all eligible RESP measures (referenced in application item 4b. Multi-tier Environmental Agreement – Attachment 1: Example activities eligible for multi-tier program environmental compliance and implementation) and all customer profiles eligible for financing (residential, commercial, and institutional consumers).

For avoidance of doubt, the Trust does not intend to require energy audits in order for projects to be eligible for financing through the RESP Program.

## B. Measurement and Verification (M&V) Plan

The Trust currently manages a robust set of processes and procedures for energy savings verification and cost reduction for all its programs. The Trust relies on program data that it maintains in the Efficiency Maine Reporting and Tracking System (effRT) database, the Technical Reference Manuals (TRMs) that document assumptions and methodologies used to calculate energy savings, and primary and secondary data collected through

research efforts. The Trust's Strategic Initiatives division includes five (5) full-time staff dedicated to these data management, research, and analytics tasks. The Trust will leverage this existing capacity and its current M&V processes and procedures for the RESP program.

The Trust follows the standard practice of energy efficiency programs nationwide by estimating economic benefits and costs based on the difference between two scenarios: (1) the baseline (i.e., what would have most likely happened in the absence of the program), and (2) a scenario in which incremental energy resources are saved (or delivered) due to an intervention of the program to promote an energy efficiency solution.

The Trust's TRMs<sup>7</sup> serve as a central repository and a common point of reference for the methods, formulas, assumptions, and sources that are used to estimate energy and demand savings and costs for all measures promoted through Trust programs.<sup>8</sup> The TRMs enable the Trust to analyze energy savings across measures and programs. For each measure, the TRM provides the following:

- A summary description of the measure and documentation of algorithms used to calculate gross energy savings and demand savings;
- Performance assumptions for the baseline and the efficient measure;
- Deemed parameter values or instructions for inputs to algorithms that are used to calculate savings;
- Life and cost of the measure;
- Impact factors for calculating adjusted gross savings and net savings; and
- Notes and citations on the sources of information used to develop the TRM.

The Trust typically issues updated versions of its TRMs at least once a year. These updates incorporate new measures as well as new results from program evaluations and other relevant research. For measures that experience more dynamic changes (such as the cost of heat pump water heaters), the Trust will typically reassess TRM entries quarterly.

Maine statute requires that the Trust arrange for an independent evaluation of each major program at least once every five years.<sup>9</sup> The analysis is conducted by independent third

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<sup>7</sup> Current versions of the Trust's TRMs are found at the bottom of its Policies webpage at <https://www.energymaine.com/about/library/policies/>

<sup>8</sup> For a subset of initiatives involving projects with more site-specific conditions, the Trust performs a tailored engineering analysis to determine the associated energy costs and savings. An example of one such initiative is the Commercial and Industrial Custom Program, which provides incentives to larger, more complex energy users (e.g., manufacturers).

<sup>9</sup> 35-A Maine Revised Statutes (MRS) [§10104\(10\)](#).

parties that specialize in the evaluation of energy efficiency programs. Program evaluations conducted by these third parties are designed to:

- Document and verify the program impacts on energy and demand savings;
- Assess program cost-effectiveness;
- Provide recommendations for improving the accuracy of claimed savings; and
- Inform adjustments in program strategies and allocation of resources.

## C. Deal Intake – Process Flow

The Trust’s goal is to ensure that any proposed RESP loan opportunity meets both internal and federal RESP eligibility requirements. The Trust and its agents will be diligent in communicating the advantages of the RESP program to potential borrowers throughout the state. The Trust will follow the general process outlined below.

### 1. Application

Prospective borrowers will apply for loans through the Trust’s online lending platform (the “Efficiency Maine Green Bank Platform”). This platform allows individuals or authorized representatives to input and manage all aspects of their applications, and serves as the central record repository for all borrower data and relevant files. Individual borrowers or authorized representatives may submit an application to the RESP program at any time.

### 2. Application Eligibility Review

Prospective borrowers will populate and upload all required documentation for eligibility review including, but not limited to, project information, borrower information, building information, and other materials as required to ensure the project is eligible for the RESP program as well as meets any compliance requirements.

### 3. Application Underwriting

Prospective borrowers will populate any information required to verify the individual or entity is capable of repaying the funds. Once an application package has been received in full, Efficiency Maine staff shall conduct due diligence to determine the creditworthiness of the proposed borrower and lending opportunity. This review is based on Efficiency Maine Green Bank underwriting criteria, which ultimately is a determination of the borrower’s ability to repay. Efficiency Maine will establish varied underwriting criteria specific to each borrower profile (e.g., residential, commercial, institutional). Efficiency Maine Green Bank’s underwriting standards are established based on experience with tenured programs, review of current market conditions, and with input from outside advisors.

One existing Efficiency Maine Green Bank initiative through which the Trust intends to deploy RESP funds is the Home Energy Loan. The current Home Energy Loan underwriting criteria is visible on the associated Efficiency Maine webpage.<sup>10</sup> Note that the Trust intends to modify Home Energy Loan borrowing terms to be compliant with RESP requirements.

#### 4. Manual Review

All applications will receive a Manual Review from the Efficiency Maine Green Bank or its third-party contractor. This review will verify eligibility, satisfaction of underwriting criteria, and adherence to any program or organizational standards. The Manual Review may also require additional quality assurance standards associated with the project. Projects are subject to a manual review prior to receiving Notice to Proceed.

#### 5. Documentation

The Trust conducts the bulk of loan documentation presentation and execution through the Efficiency Maine Green Bank Platform. Though exact requirements vary by finance initiative, projects typically require a scope of work signed by the contractor and customer, a project completion certificate signed by the contractor and customer, and loan documentation signed by the Trust and the borrower.

#### 6. Funding Requirements

The Trust requires two-factor approval for loan disbursement, and funds are typically disbursed to the contractor after the project is completed. Funds are disbursed by electronic ACH.

#### 7. Portfolio Management

The Trust considers portfolio management to be a key aspect of risk mitigation. As such, Trust staff will be responsible for preparing and assembling all information, and the appropriate reports, needed to monitor and manage the RESP loan portfolio.

The efficacy of the Trust's portfolio management effort is supported by:

- Cultivating a portfolio comprised of smaller projects. This process reduces the risk posed by one or more disproportionately large projects;
- Maintaining a consistent notification process for customers and well-organized delinquency period;
- Encouraging most customers to use automatic loan repayments facilitated through the Efficiency Maine Green Bank Platform; and

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<sup>10</sup> See <https://www.energymaine.com/home-energy-loans/>

- Maintaining excellent relationships with borrowers. Messaging from Efficiency Maine to borrowers depicts an incentive to connect with our team for support rather than repercussions of possible recourse. Support from the Trust's Efficiency Maine Green Bank team may include the waiving of late fees, deferments, or other loan modifications to allow the borrower to maintain good standing or get back on track.

The goal of the Trust's portfolio management process is to identify and resolve problems before they result in default. Consequently, should a RESP borrower encounter financial or other troubles post loan closing, the Trust's primary response is to collaborate with the borrower to help them solve issues and restore the soundness of the financing. Should this prove unsuccessful, the Trust will take the steps necessary to protect all RESP-specific assets.

Pre-default and default actions, as well as non-accrual and charge-off actions, are dictated by a combination of the Trust's internal guidelines, RESP-specific guidelines, and loan-specific legal documentation. The Trust will typically manage an intensive 120-day delinquency period comprised of automated notices via email, SMS, and mail. Once this period has elapsed, the Trust will place the customer in default. The Trust is actively pursuing a competitive solicitation for collection agency partners to assist with continued servicing. The Trust may then follow its internal Loan Accounting Policy to write off the loan. (Note that writing off a loan does not preclude the Trust from continuing its efforts to recover the outstanding balance.)

## 8. Reporting

The Trust will provide annual or semi-annual RESP performance and financial reports for the first 10 years of the RESP loan and annually thereafter through the term of the loan (unless additional or more frequent reporting becomes necessary to support the quality and integrity of the program portfolio). The content of these reports may include, but not be limited to:

- Quantity, starting balance, current balance, and status of existing loans;
- Breakdown of projects by eligible property type and location;
- Breakdown of projects by eligible measure upgrades; and
- Overall program and portfolio performance.

The raw data for these reports shall be captured throughout the loan process using the Efficiency Maine Green Bank Platform. The Senior Program Manager of Finance Initiatives in conjunction with the Controller shall be primarily responsible for providing the data in the required format and meeting all reporting requirements.

Efficiency Maine staff will, on a recurring basis, reconcile all expenditures or disbursements, track the total amount of recycled funds broken down by interest and principal, record write-offs, manage repayment of RESP funds, manage pipeline of projects including fund allocation versus utilization, manage program performance against budget and portfolio performance and manage any other aspects of RESP funds.

#### D. Staffing

As noted previously, the Trust's finance initiatives operate under the program umbrella of the Efficiency Maine Green Bank. The following existing Trust staff are considered "senior management" for the Efficiency Maine Green Bank:

Michael Stoddard, Executive Director

Michael has served as the Executive Director of the Trust since its inception in 2010. He is the Trust's chief executive responsible for implementing the strategic vision set by the board of directors. He is an attorney with over 30 years' experience working in the public sector. Prior to joining the Trust, he was Senior Counsel at ENE (now the Acadia Center). Michael holds a Bachelor of Arts degree in Political Economy from Williams College and a Juris Doctor degree from the University of Maine School of Law.

Peter Eglinton, Deputy Director

Peter has served in his leadership role at the Trust since 2014. He implements the Trust's strategic plans, manages daily operations, and oversees the staff. He has more than 30 years' experience in environmental and energy consulting and public policy analysis with organizations including the Electric Power Research Institute, Portland Public Schools, and the White House Office of Management and Budget. He holds a master's degree in Environmental Management from Duke University and a bachelor's degree in Chemistry from Middlebury College.

Greg Leclair, Director of Finance and Administration

Greg has led the Trust's finance and administration division for over a decade. He is responsible for the oversight of all finance, accounting and compliance reporting activities. He has nearly 30 years' experience in accounting and financial administration between his roles with the Trust, KG Partners, Tourco, GrandBanks Capital, Management Ventures, Renaissance Worldwide, and Investors Bank & Trust. He holds a bachelor's degree in Accounting from Assumption College.

James Neal, Senior Program Manager for Finance Initiatives

James oversees the day-to-day planning and operations of the Efficiency Maine Green Bank and manages the Trust's third-party contractor teams providing lending services and lending platform services. James has over 12 years' experience in the renewable energy sector, six of which were spent as an executive in renewable energy finance with Ecodaptive Finance. James founded a successful renewable energy finance program that utilized a \$120,000 MassCEC grant to leverage \$300 million of private market capital entirely dedicated to solar projects in underserved markets. He holds a bachelor's degree in Marketing and Sustainability from the University of Massachusetts Dartmouth and a Masters of Business Administration from South University.

Monté Haynes, Controller and Loan Program Manager

Monté is responsible for maintaining the Trust's accounting and financial operations and monitoring the Efficiency Maine Green Bank's loan transactions and trends. Monté has over 25 years' experience in accounting and financial administration with organizations including Bates College, Harbor Schools of Maine, Lincoln County Healthcare, Citigroup, and Bank of America. He holds a bachelor's degree in Business Administration in Finance from the University of North Carolina at Charlotte and a Master of Business Administration from the New England College of Business and Finance.

In addition to the in-house staff described above, the Trust leverages the services and expertise of two third-party contracting teams to support the work of the Efficiency Maine Green Bank. AmeriNat provides lending services, including providing customer and trade ally support, conducting loan underwriting tasks, and following up on customer delinquencies. OpenGov built, hosts, and manages the Efficiency Maine Green Bank Platform. Each team provides approximately 4 full-time equivalents (FTEs).

AmeriNat

For nearly 50 years, AmeriNat has provided specialized financial services to over 300 government agencies, nonprofits, financial institutions, and private sector lenders. AmeriNat has supported 11 agencies with processing, eligibility reviews and underwriting for numerous federal programs and has worked with 39 additional agencies underwriting other loan and grant programs. AmeriNat currently services over 50,000 loans with a principal balance of \$10 billion originated under various government programs and private sources, including green energy focused programs. Nearly half of AmeriNat's clients are government entities or entities working with government agencies in a public-private-partnership structure. As such, the loans programs serviced often include green energy or energy-efficiency projects, as well as affordable housing loans and loans for economic

development purposes. the information demanded by the types of industry participants working with the Trust.

The Trust's primary point of contact at Amerinat is Kimberly Gossett, Director of Loan Underwriting. Kimberly has over 25 years of management experience. Prior to AmeriNat, Kimberly served as a Lending Assistant at First National Bank of Central Texas. Kimberly received her Residential Mortgage Loan Originator license from Cape School, Inc. Kimberly is responsible for the organizing, planning and the directing of program loan underwriting assignments for both the federal Emergency Rental Assistance Program and Homeowner Assistance Fund.

Additional support resources related to marketing the Efficiency Maine Green Bank's financing initiatives are provided by existing Efficiency Maine program teams, including sub-contracted services (e.g., advertising agencies, web services, etc.), as appropriate.

#### OpenGov

OpenGov is a leading cloud-based software provider designed specifically for state and local government, offering a unified platform for budgeting, accounting, permitting, licensing, procurement, and asset management. OpenGov has developed a tailored origination and servicing platform for the Trust. Overall, it helps over 1,900 public sector agencies streamline operations, enhance transparency, and manage finances. OpenGov maintains a robust security posture and adheres to several leading security frameworks. It is SOC2 Type II compliant, ISO27001 certified, and maintains additional audits for Health Insurance Portability and Accountability Act (HIPPA) compliance.

### **III. Financial Plan**

#### **A. Long-Range Financial Forecast Overview**

The Trust is a mission-driven organization, whose purpose includes providing energy consumers within the state of Maine with financial incentives and financing vehicles that will support an economic transition to energy efficiency technology. To advance this goal, the Trust is seeking to expand its offerings to create a self-supporting program that can relend RESP proceeds within the eligible interest rate and term requirements. The detail below describes how the program intends to operate.

## B. Terms and Conditions

### 1. Program Fees

As a public agency that is not-for-profit, the Trust does not typically assess application or pre-payment fees. For some offers, the Trust may charge an origination fee (for example, \$500). It may also assess a non-sufficient funds fee per occurrence (e.g., \$25) and a late payment fee (e.g., 5%) of the amount due or some cap (e.g., \$10), whichever is less.

### 2. Loan Term

The Trust will offer loan terms ranging from 0 to 10 years depending on the available offers selected by customers. For context, Efficiency Maines consumer loans currently have a 1, 5, and 10 year term length. Current Small Business Loan offerings have a 1, 2, or 3 year opportunity.

### 3. Interest Rate

Efficiency Maine intends to offer as low an interest rate as manageable and appropriate, which will not exceed 5% for projects financed through the RESP program. Efficiency Maine typically offers its lowest interest rates to short-term loan offerings and income-eligible borrowers (borrowers that are eligible for Efficiency Maine's low-income or moderate-income rebate programs).

### 4. Use of Interest Earnings

The Trust may utilize the interest revenue it earns to:

- Support operational costs it incurs to administer the RESP loan program;
- Expand operational capacity;
- Enhance lending capacity by relending earned interest and other recycled principal; and/or
- Establish a loan loss reserve or credit enhancement as eligible with RESP funds.

### 5. Other

The Trust does not intend to charge pre-payment penalties to RESP loan borrowers. Where compliant with RESP requirements, the Trust intends to allow loan modifications or re-amortizations from RESP loan customers.

The Trust is subject to annual financial audits.

## C. Assumptions, Data, and Analysis

Please refer to Attachment A: Long-Range Financial Forecast for detail on the items listed below.

## 1. Revenues

Projected operating revenues consist of principal and interest payments received from the qualified loans made via the RESP program. The projections assume a 4.99% re-lending interest rate with a 10-year term and 10-year amortization period. The Trust does not intend to apply origination or application fees for loans with this rate and structure.<sup>11</sup> The Trust does intend to offer loans with shorter terms and lower interest rates, and may charge origination or application fees in some cases, but utilizes the aforementioned assumptions for projection purposes.

Given that the Trust will support a high volume of smaller loans with the RESP program, it may initially fund a project with other cash-on-hand fund sources. This will give it time to draw on RESP funds. All Efficiency Maine Green Bank loans have a 60-day period, post disbursement, before payments start. Payments would then start on the next 5<sup>th</sup> day of the month. However, for the basis of the Trust's RESP program projections, the Trust assumes that each new loan associated with RESP funds will begin making payments immediately.

The Trust intends to leverage existing Efficiency Maine Green Bank lending programs to originate the RESP program and thus anticipates immediate program participation.

## 2. Operating Expenses

Projected operating expenses include budgeted operating costs (described below) and RESP loan repayment. The Trust may incur other fees (e.g., letter of credit fees), but those precise amounts are not known at this time and are therefore not captured in Attachment A.

The budgeted operating costs enumerated in Attachment A include costs associated with the Efficiency Maine Green Bank Platform (Efficiency Maine's online origination and servicing engine), third-party origination and servicing costs (including costs of third-party contractors that may perform the underwriting, servicing, and vendor management required to administer the program), and Trust staff administrative expenses related to RESP. The Trust anticipates a 5% per year escalation rate for lending platform costs and the Trust's staff costs, and a 3% per year escalation rate for third-party servicing costs.

Based on the Efficiency Maine Green Bank's 15-year track record, the Trust assumes 1% program losses.

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<sup>11</sup> The Trust assesses late payment and failed payment fees, but, for simplicity, these are not captured in the Attachment A forecast.

### 3. Ratios

The Trust anticipates that the Debt Service Coverage Ratio will range between 1.19x and 2.6x throughout the first 10 years. The Trust anticipates that the Projected Debt to Equity Ratio will range between 7x and 138x throughout the first 10 years of the program.

### 4. Special Advance Request/ Starting Capital

The Trust does not anticipate requesting a special advance.

## D. Historical Financial Performance

The Trust has operated residential and small business lending programs across the past decade. In the last year, the Trust began facilitating all new activity in its lending programs through the new Efficiency Maine Green Bank Platform. The Trust has facilitated more than 8,500 loans totaling more than \$70,000,000. Since inception, the Trust's all-time losses have been approximately 1.25%. This rate has been trending downward in recent years.

## IV. Collateral for RESP Loan

The Trust intends to secure the requested RESP loan program, and provide assurance of repayment, by providing collateral equal to 50% of the drawn RESP funds or outstanding balance. The Trust will employ one or more of the following allowable methods of collateral :

- Funding a designated account, in coordination with RESP, with cash;
- Obtaining a letter of credit; and/or
- Obtaining a surety bond or insurance policy.

The Trust seeks to retain the ability to alternating the methods of collateral throughout the term.

## V. Financial and Operational Risk

The Trust will employ the following strategies to mitigate financial and operational risk and ensure the long-term success/sustainability of the RESP loan program:

- **Loan Size:** The Trust intends to primarily offer smaller loans (under \$25,000). Additionally, where appropriate, the Trust intends to limit the borrowing amount to the net project costs (i.e., total project costs less any Efficiency Maine rebates). A larger number of smaller loans reduces the risk associated with any one borrower.
- **Program Alignment:** Where appropriate, the Trust intends to prioritize lending to borrowers participating in its rebate and incentive programs. This means that the

Trust will have considerable insight into the underlying project details and expectations. The Trust also intends to fund most projects through the borrower's contractor (i.e., by making direct payments to the contractor). These contractors are typically registered Efficiency Maine partners that are required uphold certain installation standards and other program rules.

- **Energy Savings:** The Trust intends to prioritize lending to projects with established and predictable energy savings for the borrower which, in turn, affords them an enhanced ability to repay the loan.
- **Diversification:** By focusing on a large number of relatively small loans to multiple sectors (residential, commercial, institutional) across the entire state, the Trust's program design ensures the pool of borrowers will be broad and geographically dispersed. Such distribution reduces risks associated with localized economic downturns, political instability, or natural disasters affecting loan repayment.
- **Credit Scoring and Risk Profiling:** The Trust will continue to monitor program underwriting and eligibility based on the financial stability and performance of the existing lending portfolio and other economic and exogenous factors.
- **Security Interests:** Where appropriate, the Trust may make judicious use of security interests in a piece of equipment or property.
- **Modifications:** If necessary, the Trust will work with borrowers to restructure, defer, or modify debts when they face financial challenges, thus ensuring their ability to weather financial challenges and increase the likelihood of repayment.

## VI. Anticipated Losses

The Trust has offered loans to small businesses and residential consumers for over a decade. Many of its historical lending programs have been focused on providing opportunities to low- and moderate-income borrowers, and have included a longstanding offering for high-risk and sub-prime borrowers. The Trust has historically experienced losses between 0.55% and 1.55%. Given that the Trust intends to focus the RESP program underwriting criteria on the borrowers' ability to repay, it conservatively anticipates losses of 1%.