



Update on Interim Beneficial Electrification Plan

Update to the Efficiency Maine Trust Board

January 24, 2024

Recent updates on Beneficial Electrification Policy Act implementation have emphasized the Ch. 3 rulemaking

- August Board meeting: High-level overview of LD 1724 in update on First Session of the 131st Legislature
- October Board meeting: Brief update on planned rulemaking to amend Chapter 3 of the Trust's rules
- November Board meeting: Update on the Chapter 3 rulemaking; draft amendments to Chapter 3 included in the Board packet
- December Board meeting: Update and discussion on measures proposed for further analysis in the Interim plan
- January 16, 2024: Public hearing on the Chapter 3 rulemaking

Preliminary Screen – Existing Fuel-switching Measures

Measure	Cost effective?*	Reliably reduces rates?
Whole-home HP (Any Income)	1.32	Yes
Whole-home HP (Moderate Income)	1.25	Yes
Whole-home HP (Low income)	1.19	Yes
Whole-home HP (Manufactured Home Pilot – 0% copay)	1.32	No
Variable Refrigerant Flow	1.47	No
Commercial Whole-Zone/Building HP	1.82	Yes
Battery Electric Vehicle (Any-income)	1.68	Yes
Plug-in Hybrid Electric Vehicle (Any-income)	1.55	Yes
Battery Electric Vehicle (Low- and moderate-income)	1.68	No
Plug-in Hybrid Electric Vehicle (Low- and moderate-income)	1.55	No
Battery Electric Vehicle (Commercial)	1.30	No
Plug-in Hybrid Electric Vehicle (Commercial)	1.56	No

*CBAT results based on current TRM and M&As for Q2 FY2024

Preliminary Screen – New Fuel-switching Measures

Measure	Cost effective?	Reliably reduces rates?
Electric bicycle	No	No
Electric school bus	No	No
Electric transit bus	Tentatively Yes	No
Electric ferry	Pilot	Pilot
Electric fishing boat	Pilot	Pilot
Electric forklift	Tentatively Yes	No
Electric push mower	Tentatively Yes	Tentatively No
Electric snowblower	Tentatively Yes	Tentatively No

Measures marked "tentative" require additional analysis

Illustrative project counts for FY2025

Measure	Low Growth	High Growth
Whole-home HP (Any Income)	3,000	6,000
Whole-home HP (Moderate Income)	2,100	4,200
Whole-home HP (Low income)	900	1,800
Light duty electric vehicles (Any income)	750	2,500

Guidance on Supplemental Funding Sources

- How should staff model RGGI revenue in FY 2025?
 - Recommendation: Budget based on an average of the previous 6 quarters.
- How should staff allocate RGGI revenue in FY 2025?
 - Recommendation:
 - Fully fund weatherization
 - Fund Custom Program based on FY 2024 program activity
 - Allocate remaining to heat pump initiatives across Mfrd Homes, LMI HP, HESP HP and CIPI HP
- Continue to allocate FCM revenue to heat pump measures in FY 2025
- Staff will review additional funding sources that could offset BE Procurement needs, including federal sources, and NECEC funds.

Next steps for the development of the Interim Beneficial Electrification Plan

- January Board meeting: Present draft analysis and solicit input
- February Board meeting: Present final plan for Board review
- March 1: Annual update filing
- May 1: Request for Procurement filing
- Triennial Plan VI: Update and expand the Beneficial Electrification Plan

Questions?

Beneficial Electrification Plan required under LD 1724

2. Plan for promoting beneficial electrification for end uses of energy. The trust shall develop a 3-year beneficial electrification plan for end uses of energy as part of the trust's triennial plan in accordance with section 10104, subsection 4 and provide annual updates to the plan in accordance with section 10104, subsection 6. In developing its beneficial electrification plan for end uses, the trust shall consult with relevant departments and agencies.

LD 1724: Definition of beneficial electrification

Sec. 2. 35-A MRSA §10102, sub-§3-A, is amended to read:

3-A. Beneficial electrification. "Beneficial electrification" means electrification of a technology **or process** that results in reduction in the use of a fossil fuel, including electrification of a technology **or process** that would otherwise require energy from a fossil fuel, and that provides a benefit to a utility, a ratepayer or the environment, without causing harm to utilities, ratepayers or the environment, by improving the efficiency of the electricity grid or reducing consumer costs or emissions, including carbon emissions.

LD 1724: Determination of maximum achievable cost-effective (MACE) resources

Sec. 8. 35-A MRSA §10110, sub §4-A: Procurement of cost-effective energy efficiency and conservation resources.

[...]

D. Include all beneficial electrification measures that are cost-effective and reliably reduce electricity rates over the life of the measures. In determining whether a measure is cost-effective, the commission shall account for all net energy costs, including savings from avoided heating, transportation or industrial process fuels displaced by the measure.

Beneficial electrification measures included in MACE

"Reliably reduce electricity rates over the life of the measures"

Compare the net present value of only those revenues and costs collected through transmission and distribution rates:

- a) Changes in utility revenue from incremental electricity sales attributable to the measure;
- b) Changes in utility costs from the marginal impact on transmission and distribution system costs;
- c) Costs of the financial incentive offered by the Trust in promoting adoption of the measure and costs of the Trust to run the incentive program.