



## Memorandum

January 22, 2025

To: Board of Trustees  
From: Michael D. Stoddard, Executive Director  
Re: Maine Bureau of Insurance Program to Improve Resilience of Maine Homes

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### Requested Action

Provide feedback to Staff on the Maine Bureau of Insurance's new grant program to help Maine homeowners make roof replacements and steps to reduce damage from flooding.

### Background

The Maine Bureau of Insurance (MBI) has funds available to invest in a new program it is developing called the HoME Resiliency Program. The objective of the program is to make Maine homes more resilient to severe weather events and lower homeowners' insurance premiums.

The basic outline of the program is to support two types of projects with grant funding:

1. Roof replacement
2. Flood resiliency projects

Roof Replacement. The basic concept for roof replacement is to pay homeowners a grant/rebate for upgrading their roof to meet the Insurance Institute for Business and Home Safety (IBHS) FORTIFIED standards. The "FORTIFIED Roof" (see, <https://fortifiedhome.org/roof/>) measures include stronger materials and installation methods, ring-shank nails, and sealed roof decks to prevent damage associated with high winds, severe thunderstorms, hurricanes and hailstorms.

Flood resiliency. The concepts for design of the flood resiliency projects are still being developed, but measures under consideration include: elevating (above flood levels) sockets, switches, and equipment; installing electric subpanels on backup power for critical utilities; sealing ground level openings and foundations; installing French drains or other home modifications to reduce impact of water seepage into basements and ground level areas of the home; repointing and patching / sealing foundations to prevent water leakage into sub-terranean / below grade areas of the home.

The Bureau of Insurance is looking to partner with an established state entity to administer the program in collaboration with the Bureau, and one option that has been raised is to ask Efficiency Maine to serve as the administrator. Tasks associated with administration of this program may include:

- Promotion of the program, including the creation and maintenance of a publicly accessible website containing information about the program
- Development of an application form
- Verification of applicant eligibility
- Determination and distribution of grants
- Establishment of standards for project completion, including contractor approval
- Verification of project completion
- Development of a mechanism for the return of unused grant money
- Development of a list of home resiliency projects that would be eligible for a grant
- Development of standards to be used to determine whether a home resiliency project has been completed satisfactorily

## **Discussion**

Staff seeks guidance on how to respond to the inquiry about whether EMT could (or should) administer this program.

One of the preliminary considerations is whether this is an area of activity that EMT is empowered to work on.

- The Efficiency Maine Trust Act describes the purpose of EMT as planning and implementing “energy efficiency and alternative energy resources programs...” (35-A MRSA Sec 10103(1)).
- As a general rule, expenditures of the trust must be cost-effective in terms of avoided energy costs. (*Id.*, Sec. 10103(1)(C)).
- The board may also [accept] any grants or other funds ... if the board determines that receipt of those funds is consistent with the purposes of this chapter. (*Id.*, Sec. 10103(4)).
- The general duty of EMT, as enumerated in the statute, is to run programs “to promote reduced energy costs, energy efficiency and increased use of alternative energy resources in the State.” (*Id.*, Sec. 10104(1)).
- Another duty noted in the Act is developing the triennial plan, which is required to advance the goals of reducing energy costs, weatherizing homes, reducing peak load, achieving maximum achievable cost-effective savings of gas and electricity, creating jobs in the energy sector, reducing greenhouse gases, promoting heat pumps and EVs.

It does not appear that the resiliency programs or measures contemplated in the MBI initial description are a close fit with the enumerated directives and authorization laid out in the Efficiency Maine Trust Act. It is unclear if legislation would be needed to allow EMT to undertake this work.

It does seem fairly clear that the basic mechanics of administering this program are consistent with, and familiar to, EMT’s current programs. It involves reaching out to and working with consumers/homeowners and contractors, screening eligibility of the customer and the measure,

processing and tracking payments, and providing a degree of quality assurance. Some of trade allies involved (i.e., roofers) would be new and unfamiliar to EMT.

Other considerations include:

- Whether EMT has the capacity in the near future to undertake administration of a sizeable new initiative given the current/emerging workload associated with the new Triennial Plan (VI) and multiple federal grants being launched;
- Whether this is a good fit with our brand, programs, and priorities;
- Whether other entities in Maine are as well or better positioned to take on this assignment (for example, the Mills Administration recently established the State Resilience Office within the Maine Office of Community Affairs; GOPIF is home to the Community Resilience Partnership which received a \$69 million NOAA grant to promote resilience);
- Last week Governor Mills introduced LD 1, *An Act to Increase Storm Preparedness and Resilience For Maine's Communities, Homes & Infrastructure*. Reports indicate that among other things, the bill would create the Home Resiliency Program, providing \$15 million in one-time funding, modeled after successful programs in other states but tailored to Maine, to provide grants of up to \$15,000 to homeowners to make investments that will help their homes to withstand future storms, thereby reducing their risks and potential losses. It will use federal funding and existing fee-based funding through the Bureau of Insurance