



## Memorandum

May 27, 2026

To: Board of Trustees

From: Michael Stoddard, Executive Director  
Peter Eglinton, Deputy Director

Re: Rural Energy Savings Program (RESP) Funds for the Efficiency Maine Green Bank

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### Proposed Motions

1. Move to find that the receipt of Rural Energy Savings Program (RESP) funds, as described in this memorandum, is consistent with the purposes of the Efficiency Maine Trust (EMT) Act and to authorize the Executive Director to accept funds as awarded.
2. Move to adopt Resolution 2026-1 – Establishing the Maine Rural Energy Savings Program.

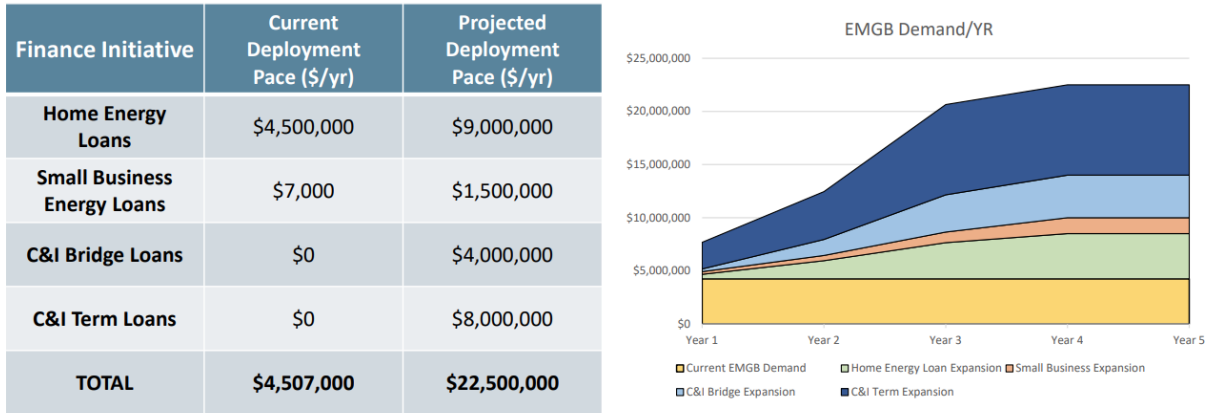
### Background

On April 22, 2026, Efficiency Maine Trust (EMT) Staff provided the Board with an update on the Efficiency Maine Green Bank (EMGB), including planning efforts and opportunities for additional capital.<sup>1</sup> Staff explained that, in anticipation of receiving a \$25 million infusion of new capital through the federal Greenhouse Gas Reduction Fund (GGRF), EMT had upgraded and expanded the EMGB's loan management capacity, building out a new lending platform and bringing on a third-party lending services provider. At this time, however, the GGRF funds remain frozen in federal litigation with a relatively low likelihood of being released soon, if at all. The Staff has therefore been exploring alternative opportunities to raise capital for the EMGB, hoping to leverage its new capacity and continue expanding its financing offerings to a broader range of customer classes and equipment types. Doing so would help advance EMT's goal to provide a "one-stop-shop" for customer and contractor incentives (rebates, grants, discounts, *and* financing) on energy efficiency, demand management, and beneficial electrification. Growing the portfolio size would have the added benefit of providing EMGB with more financial flexibility and sustainability, enhancing its ability to offer more attractive interest rates and cover operating expenses. Figure 1 shows the projected impact of Staff's EMGB expansion plans with respect to annual deployment.

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<sup>1</sup> Staff's 4/22/2026 presentation on this agenda item is available [here](#).

**Figure 1: Annual Deployment Pace**



Staff recently identified an attractive opportunity for additional EMGB capital available through the United States Department of Agriculture’s (USDA’s) Rural Energy Savings Program (RESP). RESP provides loans to utilities, municipalities, and other entities (like EMT) who then relend those funds to qualifying residential, commercial, and institutional customers in rural areas to implement qualifying energy projects .

RESP has offered EMT the opportunity to apply for a loan of up to \$50,000,000 at 0% interest for up to 20 years. EMT would be allowed to relend these funds to qualified customers at up to 5% interest for terms lasting up to 10 years. The program requires that borrowers (such as EMT) provide collateral for the loan, covering 50% of the amount of funds deployed (i.e., disbursed to customers).

RESP funds would provide a flexible source of capital for the EMGB, allowing for significant expansion of the Trust’s residential and commercial loan offerings. First, RESP’s definition of an eligible “energy efficiency measure” is broad, capturing all the EMT’s existing, planned, and potential measure offerings.<sup>2</sup> Second, RESP funds can support loans to all customer sectors, including residential, commercial, and institutional. Third, apart from Portland, the entire state of Maine falls within RESP’s definition of an eligible “rural area.”<sup>3</sup>

With respect to the collateral requirement, EMT has several options. One option is to leverage its Regional Greenhouse Gas Initiative (RGGI) revenue balance. This would likely be the EMT’s initial choice. A second option is to use an irrevocable letter of credit, and a third option is to use funds from the GGRF if they are ultimately released. It is also allowable for EMT to employ a combination of these options. (Note that USDA does not require RESP applicants to decide on a final source of collateral for the application. Applicants are only required to identify potential options for collateral. The final source of collateral will be articulated in the terms of the final loan agreement.)

On July 23, 2025, EMT submitted a Letter of Intent (LOI) to apply for a RESP loan. On March 18, 2026, USDA notified EMT that this LOI was consistent with the requirements set forth in the RESP regulation, and invited EMT to apply for a RESP loan by June 15, 2026. As part of this application, EMT must furnish a Board Resolution (or applicable authorizing document) approving and establishing the new loan program and authorizing it to take the RESP loan. EMT must also supply in the application various supporting documents, including an Implementation Work Plan, a Financial Forecast, and an Attorney’s Opinion Letter, each of which are in final stages of drafting.

Staff has provided a draft Board Resolution among the materials for the May 27, 2026, Board Meeting

<sup>2</sup> Eligible technology must be “commercially available” and allow consumers to decrease energy use or costs. RESP guidance explains that on- and off-grid energy storage and renewable energy systems are among the eligible technologies.

<sup>3</sup> Per USDA, any municipality with fewer than 50,000 residents is a “rural area”.

(Resolution 2026-1 Establishing the Maine Rural Energy Savings Program) and will brief the Board on the content of the supporting documents.

**Recommendation**

Maine statute allows for the Trust to receive funds “from any entity ... if the board determines that receipt of those funds is consistent with the purposes of [the Efficiency Maine Trust Act].”<sup>4</sup> The objectives and activities described involve investing in measures to save energy and/or reduce carbon consistent with the purposes of the Trust (see, 35-A MRS §10103) and the statutory authority provided for various programs (see, e.g., Id., §10109, §10110, and §10121). Accessing RESP funds would assist the Trust in fulfilling the statutory purposes laid out in the Efficiency Maine Trust Act and advancing various targets contained in the Trust’s Triennial Plan(s) and in the State’s climate action plan.

Staff therefore recommends that the Board 1) authorize the Executive Director to accept the RESP funds if they are awarded, and 2) adopt the resolution necessary to apply for the RESP funds.

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<sup>4</sup> 35-A MRS §10103(4).