



July 28, 2021

Efficiency Maine Trust
168 Capitol Street, Suite 1
Augusta, ME 04330-6856
Via Web site: <https://www.efficiencymaine.com/triennial-plan-v-comment-submission-form/>

Re: Efficiency Maine Trust Triennial Plan V Comments

The Sierra Club Maine Chapter respectfully submits comments to the Efficiency Maine Trust (“EMT”) Triennial Plan V. As the nation’s oldest environmental organization, Sierra Club works to amplify the over 20,000 members and supporters in Maine by demanding bold solutions to the climate crisis for a just and sustainable future. The Sierra Club is excited to see EMT’s plans for the next three years. In particular, the Sierra Club commends EMT for the discontinuation of incentives on oil and propane fired boilers and furnaces in Triennial Plan V because of the inconsistencies with Maine’s carbon reduction targets. The Sierra Club also supports EMT’s decision to include the external costs of carbon into the cost-effectiveness analysis in order to align EMT’s programs with Maine’s greenhouse gas reduction laws.

The overarching themes of our comments are to (1) further align EMT’s programs with Maine’s greenhouse gas reduction laws and (2) increase accessibility to EMT’s programs. Our comments include a phase out of fossil fuel incentives, a focus on electrification, increased accessibility for EMT programs, a focus on grid modernization, recommendations for financing, and recommendations for statutory reform.

Thank you for this opportunity to comment on EMT’s Triennial Plan V. The Sierra Club looks forward to working with EMT to help Maine reach its energy efficiency goals in a sustainable and equitable manner.

Matt Cannon and Kevin Murphy
Sierra Club Maine

- 1. The Plan must phase out fossil fuel incentives and focus on electrification in order to coincide with Maine’s greenhouse gas emissions reduction goals.**
 - a. Phase out incentives on gas measures.**

The draft of Triennial Plan V includes a discontinuation of incentives on oil and propane fired boilers or furnaces because of the perpetuation of significant carbon emissions, but the plan falls short of discontinuation of gas measures for tankless water heaters and boilers. EMT's recently amended duty includes “[c]ontributing to the effort to reduce greenhouse gas emissions levels established in Title 38, section 576-A.”¹ Title 38, § 576-A outlines greenhouse gas emissions (“GHG”) reductions, calling for a 45% reduction in 1990 gross annual GHG levels by 2030 and 80% reduction in 1990 gross annual GHG levels by 2050.² Gas incentives support building a gas infrastructure that has the potential to last decades, which clashes with statutory GHG reductions. Additionally, the combustion of gas releases not only CO₂, but methane, which has roughly 84 times the global warming potential of CO₂ over a 20 year period.³ Methane is also intentionally released through venting at gas wellheads and unintentionally in the production and transportation of natural gas. Furthermore, importing gas into Maine supports the fracking industry. Fracking releases methane and other GHG into the atmosphere and it can also contaminate drinking water.^{4 5}

Incentivizing gas heating equipment will lead to an inequitable result where low and moderate income ratepayers that are unable to afford electric heating upgrades will face rising energy prices as higher income ratepayers shift away from fossil fuels, shrinking the rate base and driving up costs. Customers who purchase gas water heaters and boilers now may be forced to replace their equipment again as Maine tries to meet its 2030 and 2050 carbon reduction goals.

Gas infrastructure is long lasting once built, and there are significant detrimental environmental effects of gas production and combustion. As a result, EMT should not incentivize natural gas measures to avoid clashing with statutory objectives and to ensure an equitable transition to electrification. Instead, EMT should fund higher incentives on electric measures, such as heat pumps and electric water heaters.

b. Focus on transition off of heating fuels.

Triennial Plan V states that heating fuels remain among Maine’s largest and most potent sources of gross carbon emissions.⁶ In order to stay in line with GHG emission reduction goals, there must be a focus on the transition off of heating fuels. This can be done through building codes and accessible heat pump incentives.

Similar to gas, consumers who choose heating fuels now can end up paying more in the future. Heating equipment normally lasts about 15-20 years. Like gas, prices will likely rise on heating fuels as the consumer base shrinks and Maine tries to reach its climate goals. Consumers with heating fuel infrastructure will be forced to pay for expensive and inefficient fuel.

¹ ME LEGIS 209 (2021), 2021 Me. Legis. Serv. Ch. 209 (H.P. 269) (L.D. 385).

² Me. Rev. Stat. tit. 38, § 576-A.

³ Pachauri, Rajendra and Meyer, L.A. (eds), “Climate Change 2014: Synthesis Report,” IPCC, 2015, p. 87, www.ipcc.ch/site/assets/uploads/2018/02/SYR_AR5_FINAL_full.pdf.

⁴ *Methane Management*, UNECE Sustainable Development Goals, <https://unece.org/challenge> (last visited Jul. 27, 2021).

⁵ U.S. EPA. Hydraulic Fracturing for Oil and Gas: Impacts from the Hydraulic Fracturing Water Cycle on Drinking Water Resources in the United States (Final Report). U.S. Environmental Protection Agency, Washington, DC, EPA/600/R-16/236F, 2016.

⁶ Efficiency Maine Trust, *Triennial Plan V Draft as of 6/9/2021*, pg 7.

Strategy B of the state's Climate Action Plan states a goal to develop a long term plan to phase in modern, energy efficient building codes by 2024.⁷ EMT can work with the Climate Council to help develop building codes in which new buildings are fully electric in order to end Maine's dependence on heating fuels. Additionally, EMT can use its board position on MUBEC to advocate for a modernized building code in Maine that coincides with Maine's climate goals.

2. Increase accessibility of incentive and rebate programs.

a. Make energy assessments zero-cost and market the energy assessments as zero-cost.

Triennial Plan V states that the objectives of the Home Energy Savings Program ("HESP") include advancing the goal of weatherizing 35,000 homes between 2021 and 2030, advancing the statutory goals of installing new high performance air source heat pumps, and increasing consumer awareness of cost effective options. However, as Triennial Plan V states, a large barrier to these objectives is that many consumers are unfamiliar with energy efficiency options. Providing energy assessments at zero cost to the consumer would help meet the objectives stated for the HESP while familiarizing customers with energy efficient options.

Although EMT offers rebates for energy assessments, it is difficult to understand exactly how much of the total cost of an energy assessment will be covered because the rebates are listed as a dollar amount, not percentage, and the vendor websites often do not list explicitly the cost of an energy assessment. The difficulty in finding out how much a consumer will pay out of pocket for an energy assessment serves as a barrier, especially to low and moderate income consumers.

An energy assessment is the first step a customer takes in making their home more energy efficient and it introduces consumers to energy efficient options. By making energy assessments zero-cost to the customer and marketing the energy assessment as zero-cost, energy assessments and the Home Energy Savings Program as a whole would become much more accessible. A zero-cost energy assessment would help advance weatherization goals, would expand the installation of air source heat pumps by introducing consumers to EMT programs, and overall would increase consumer awareness of cost effective options.

b. Expand the window dressing program to all homes to create more opportunity for outreach.

Window Dressers volunteers are trained to go into participants homes and measure windows in order to weatherize the windows. This offers a great opportunity to hand out information on heat pumps, weatherization, and other home efficiency improvements and incentives available. By expanding this program to make all households in Maine eligible, this would create a forum for outreach relating to all of EMT's programs.

c. Increase visibility of programs by providing information at the point of sale or rental.

⁷ Maine Climate Council, *Maine Won't Wait: A Four Year Plan for Climate Action*, pg 11 (2020).

In order to increase visibility of EMT programs, EMT should provide training for realtors, appraisers, and mortgage lenders relating to the value of efficiency improvements so that the value of efficiency improvements can be captured at the time of sale. This training should include energy efficient mortgages, 203(k) loans, FHA solar loans, and additional means for financing efficiency upgrades at the time of home sale.

For renters, this information can also be shared at the time of signing a lease. EMT should advocate for the inclusion of an information sheet that provides an overview of EMT programs and the value of efficiency improvements that comes attached to a lease at the signing. Additionally, EMT could provide information and weatherization incentives specifically to renters so that rental properties do not fall through the cracks and remain inefficient. This could include specific outreach to renters and additional incentives for renters in EMT programs.

d. Focus on local hardware stores in retail and distributor incentives.

In addition to the EMT incentives being offered at the big-box retailers and large distributors, there should be an emphasis in Triennial Plan V to reach out to local businesses for retail and distributor incentives in order to support local hardware stores and businesses in Maine.

e. Increase visibility of EV charging stations.

By increasing the visibility of EV charging stations, EMT can help EV drivers find charging locations and increase the public awareness of EVs and the availability of charging. This could look like enhanced signage along major roadways to identify charging locations, similar to other DOT signage for stores and points of interest.

f. Rebates for E-Bikes and other electric equipment, including a pilot program for electric boats.

E-Bikes

In addition to rebates for EVs, EMT should offer rebates for E-bikes and other electric equipment. E-bikes have a much lower carbon footprint than cars and this type of incentive could be especially beneficial for students and seniors. E-bikes can replace car trips at the fraction of the cost of purchasing an EV. Because of this, programs to incentivize E-bikes are emerging across the country. EMT could model an E-bike incentive program off of the programs that exist in Vermont⁸ and California.⁹ Similarly, there are European countries that have been doing this successfully and some even offer larger rebates if customers trade in their cars for E-bikes.¹⁰

Electric Yard Appliances

⁸ Electric Bike Rebate, Green Mountain Power, <https://greenmountainpower.com/ebike-rebate-terms-conditions/> (last visited Jul. 27, 2021)

⁹ Jennifer Sensiba, California Commits \$10M to e-Bike Purchase Assistance, CleanTechnica (Jul. 24, 2021), <https://cleantechnica.com/2021/07/24/california-commits-10m-to-e-bike-purchase-assistance-other-e-bike-adoption-programs/>

¹⁰ Matthew Beecham, France is giving citizens \$3,000 to get rid of their car and get an ebike, The Next Web (Apr. 14, 2021), <https://thenextweb.com/news/france-cash-for-clunkers-subsidy-ebikes-ev>

There is also an opportunity to incentivize electric mowers, trimmers, leaf-blowers, snowblowers, chainsaws, and other small combustion appliances that often burn dirty gas-oil mixtures. EMT should create incentives for consumers to buy these electric appliances. Additionally, helping yard maintenance service companies electrify could reduce emissions, and noise, from their machines. A program to incentivize these appliances was recently launched in Vermont.¹¹

The electrification of boats

EMT should create an incentive program for the electrification of boats. Maine's position as a coastal state with ambitious climate goals makes the state ripe for opportunity when it comes to electric motors for boats. An incentive program to promote electric boat motors could help Maine become a leader in the emerging technology of fully electric boats.

3. Leverage the Clean Energy and Sustainability Accelerator along with developing partnerships in order to open up financing options.

The Sierra Club is looking forward to seeing how EMT will leverage the Clean Energy and Sustainability Accelerator. Financing can also include developing partnerships to increase availability of financing for energy improvements. This should include specific benchmarks. We recommend:

- a. Partnering with at least four banks/credit unions/CDFI's/etc. by the end of 2022, seven by the end of 2023, and 10 by the end of 2024.
- b. Making a goal to leverage at least \$3 in private capital for every dollar in public capital.
- c. Creating investment benchmarks: allocate \$10 million for loan-loss reserve and other start-up costs in 2022, with a goal for at least \$30 million in private capital deployed by the end of 2024.
- d. Creating programmatic benchmarks: loan programs (in collaboration with partner lenders) to finance rooftop solar PV, energy efficiency retrofits in rental/multi-family units, and energy efficiency programs for low-income and vulnerable communities by the end of 2022.

4. Grid modernization: Non-Wires Alternatives (“NWA”) and Microgrid Support

The Sierra Club recommends that Triennial Plan V addresses how the NWA stakeholder process is working, including plans on how to achieve the full potential of NWA projects. Additionally, Triennial Plan V should address how EMT will support microgrids. Microgrids can help with load shifting, reducing demand, and increasing clean energy output as needed. This makes the grid more resilient to future climate disasters and cyber attacks and makes the grid more efficient. Triennial Plan V should address the planning associated with microgrids along with how EMT will provide technical support to microgrids.

5. Statutory reform

¹¹ New yard care rebates available to VPPSA member customers, VTdigger (Jul. 1, 2021), https://vtdigger.org/press_release/new-yard-care-rebates-available-to-vppsa-member-customers/

EMT's goals should focus on renewable energy sources and electrification

The Sierra Club recommends a few areas of statutory reform so that EMT's goals can coincide with Maine's statutory goals calling for a 45% reduction in 1990 gross annual GHG levels by 2030 and 80% reduction in 1990 gross annual GHG levels by 2050.¹² To do this, EMT must not be involved with the promotion or incentivization of any fossil fuels, such as natural gas program savings, to ensure a transition away from fossil fuels to electrification.

EMT's goals should focus on the energy transition for low-income households

In EMT's statutory goals, there should be a priority on providing subsidies for energy efficient/electric equipment to low-income households. Low-income households have the most difficult circumstances to switch over their heating systems and appliances while also being most vulnerable to price spikes in fossil fuels as energy mix transitions away from fossil fuels.

The weatherization goal should coincide with the heat-pump installation goal

L.D. 385, which was recently passed and signed into law, sets a goal for EMT to weatherize 35,000 homes and businesses between January 1, 2020 and January 1, 2030.¹³ In the same bill, there is a goal to achieve at least 115,000 households to be wholly heated by heat pumps and an additional 130,000 households partially heated by heat pumps by 2030.¹⁴ To achieve maximum energy efficiency, homes that have heat pumps installed should also be weatherized. In order to make sure the weatherization goals and heat pump coincide with each other, the 35,000 goal to weatherize homes should be closer to 250,000 homes.

¹² Me. Rev. Stat. tit. 38, § 576-A.

¹³ ME LEGIS 209 (2021), 2021 Me. Legis. Serv. Ch. 209 (H.P. 269) (L.D. 385)

¹⁴ *Id.*