



Memorandum

January 22, 2025

To: Board of Trustees

From: Michael Stoddard, Executive Director

Re: Request to authorize new sole source contract for outside counsel at Beveridge & Diamond

Proposed Motion

Authorize a new sole source contract, not to exceed \$10,000, with Beveridge & Diamond, P.C. to review Efficiency Maine's loan program design and program materials for compliance with EPA Terms and Conditions and related guidance and agreements related to the use of Greenhouse Gas Reduction Funds.

Background

Efficiency Maine Trust (EMT) houses the Efficiency Maine Green Bank (EMGB). Last year, EMT joined the Coalition for Green Capital (the Coalition) in a successful application for federal funds from the US EPA's Greenhouse Gas Reduction Fund (GGRF) to capitalize the loan funds of state and local green banks around the country.

EMT recently negotiated and executed a subgrant and a loan with the Coalition for use of the GGRF funds that will result in approximately \$25 million in new capital to be used for loans and administrative costs of the EMGB.

In November 2024, EMT Staff came to the Board seeking authorization for a sole source contract with Beveridge & Diamond, a Washington, DC law firm that specializes in matters related to EPA grants that was already engaged in providing identical assistance for other green banks in the same situation as EMGB. The scope of work for this request was limited to negotiating the terms of the subgrant and the loan for EMT to receive the GGRF funds. The Board approved that request. The Office of Attorney General also approved our use of this outside counsel for this purpose.

Now that the agreements for the subgrant and loan have been executed, EMT Staff is rapidly shifting to make the new GGRF capital available to Maine borrowers to facilitate more energy efficiency and clean energy projects. Staff believes it prudent to have legal counsel review the program designs, procedures and materials it is planning to use in administering the GGRF funds to ensure we are well-positioned to maintain compliance with the EPA's terms and conditions and with the specific terms of the subgrant agreement and the loan agreement. Staff envisions a narrow scope of work limited to that purpose and for a brief duration. Staff believes the expertise of Beveridge & Diamond in legal matters associated with EPA grants and the GGRF, as well as their intimate familiarity with the terms and conditions associated

with the GGRF grants and loans, justify using a sole source contract. They combine expertise and familiarity that would ensure the most efficient and authoritative legal advice we can access at this time.

Under the prior arrangement with this law firm, multiple green banks (including EMT's) jointly contracted for representation. By contrast, this new request is for a EMT to have its own, direct relationship with the firm. We are requesting authorization for counsel with Beveridge & Diamond not to exceed \$10,000. The scope of work would be limited to providing counsel regarding compliance of EMT's planned loan programs using GGRF funds with federal laws, federal program guidance and the executed agreements between EMT and the Coalition for Green Capital.

Finally, in order for this arrangement to proceed, EMT would need approval from the Maine Attorney General's Office to use outside counsel for this purpose.