



Triennial Plan VI: Proposed Priorities for Regional Greenhouse Gas Initiative (RGGI) Revenues

EMT Board Meeting

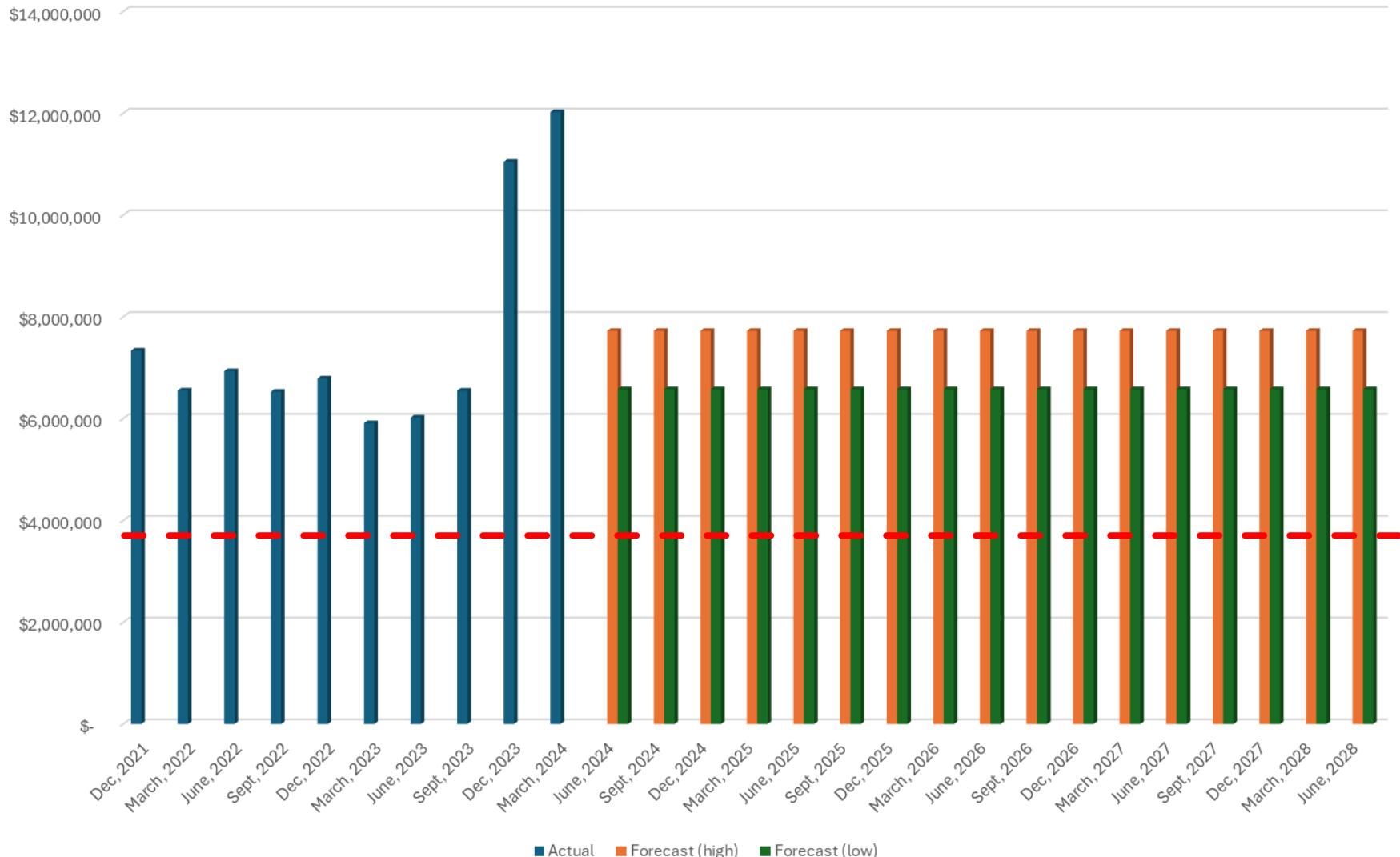
March 27, 2024

RGGI Fund

- Established to support the goals and implementation of the RGGI (cap and trade) program
- Use of funds
 - Commercial and industrial projects that reduce electricity consumption, increase energy efficiency or reduce GHG emissions and lower energy costs;
 - Residential projects that lower heating demand and reduce GHG emissions; and
 - Up to \$800,000 for EMT Administration plus additional funds for PUC oversight and certain DEP costs
 - Money in the trust fund is to be held in trust for the purposes of benefiting consumers.
- No prescribed sector allocations

35-A MRSA Sec. 10109

Quarterly RGGI Revenues – Actuals and Forecasts



RGGI Budget Outlook

- Considerable policy uncertainty
- Conservative forecast:
 - \$26 million a year
 - Average of the last 8 quarters that did not trigger the CCR
 - All of the CCR allowance for 2024 were released in the first auction
 - Remaining auctions for 2024 will have the base level of allowances
- High forecast:
 - \$30 million a year
 - Average of the last 8 quarters
 - Includes the last two auctions where the price triggered the release of cost containment reserve (CCR) allowances

Planning Considerations

- Maine statute
 - Greenhouse gas (GHG) emission reduction requirements
 - EMT Act – new targets for weatherization; heat pumps; beneficial electrification; EVs
 - Various – energy storage; renewable energy; industrial decarbonization; tech support for schools; peak demand reduction
- *Maine Won't Wait* – relevant goals, targets, recommendations of the State's climate action plan
 - Building Energy Codes -- accelerate development/adoption/implementation/compliance
 - Weatherization – 35,000 homes and businesses by January 2030, including 10,000 low-income
 - Electrification of heating
 - By 2030: additional 115,000 homes with whole-home heat pump systems; 130,000 homes retrofitted with 1-2 heat pumps
 - Retrofit tankless coils to heat pump water heaters
- Decarbonize Industrial Processes – task force, pilot projects

Planning Considerations (cont.)

- Funding from other sources could supplement or displace RGGI funds for certain measures (e.g., weatherization, workforce development, support for T&ST customers)
 - NECEC settlement
 - Federal (ARPA, IRA, “infrastructure,” transportation budgets)
 - Other State programs
 - MaineHousing (low-income weatherization/heat pumps)
 - Clean Energy Partnership (workforce development)
 - Community Resilience Partnership funding (state grants)
 - Alternative Compliance Payments (e.g., Thermal-RECs)
 - Bonding

RGGI Planning Priorities - Proposed

1. Focus first on core measures that can only be funded with RGGI, offsetting with federal, state, and settlement funding when available and appropriate
 - Insulation
 - C&I thermal projects
 - T&ST (Transmission & Sub-Transmission level) customers' electric efficiency projects
2. Defray burden on ratepayers for funding beneficial electrification
3. Allocate 10% of the budget to low-income customers
4. Aim for split for residential vs. C&I (including T&ST) consistent with percentage of load
5. Support Innovation pilot projects to help position the Trust for capturing savings from emerging opportunities

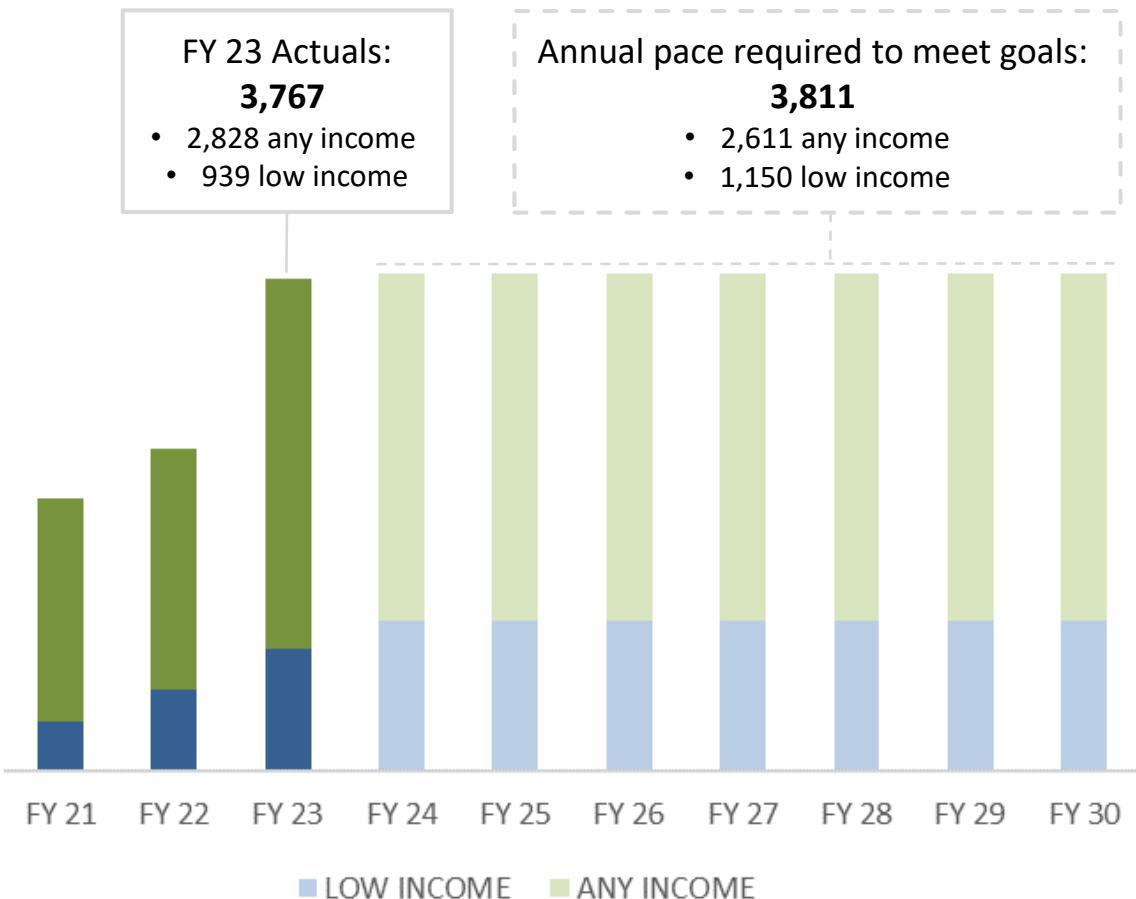
Program-Specific Priorities

Program	Measure(s)
Income-Eligible Initiatives	Insulation Whole-home heat pump systems (offset electric procurement)
Home Energy Savings Program	Insulation Whole-home heat pump systems (offset electric procurement)
C&I Prescriptive Initiatives	Insulation Whole-building/zone heat pumps
C&I Custom	Thermal projects Electric projects at T&ST facilities

Note: These priority measures could require \$25 million/yr or more.

Maine is On Track to Meet MCC Goals for Weatherization

homes weatherized/year through EMT and MSHA

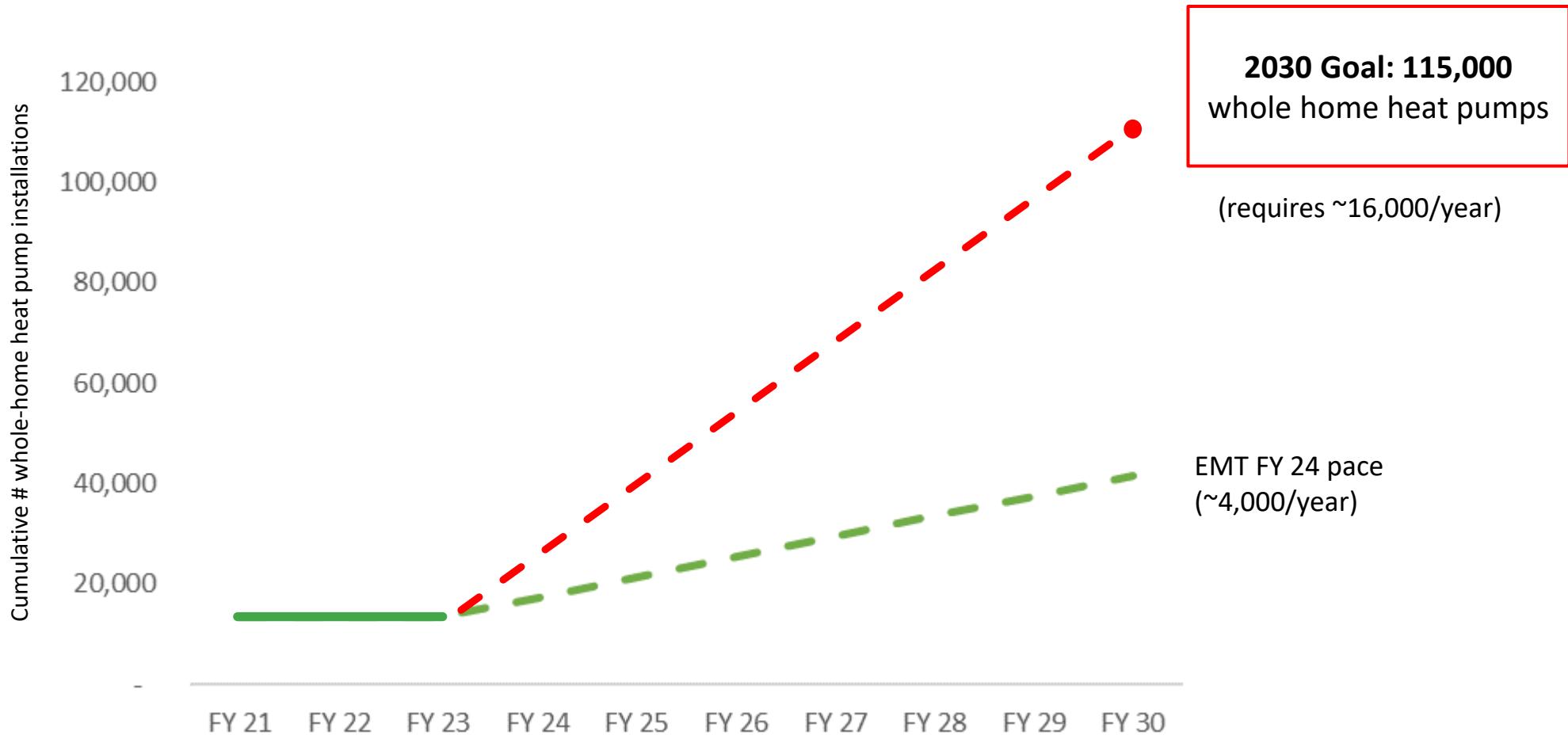


2030 Goals:

- 35,000 homes and businesses
- 10,000 low-income homes

- Annual pace required is close to FY 23
- EMT has robust budget to sustain activity
 - Maine Jobs and Recovery Plan
 - Regional Greenhouse Gas Initiative
- MSHA has significant budget increase
 - \$3-4M/yr Weatherization Assistance Program
 - \$32M Bipartisan Infrastructure Law WAP
- Both EMT and MSHA adding multifamily opportunities (yields higher # dwellings)

Meeting MCC Goal for Whole Home Heat Pumps will be a bigger lift



Maine Climate Council (MCC) Heat Pump Goal for LMI

