

## **Appendix F**

### **Summary of Initiatives Serving Low-Income Customers**

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**By Michael D. Stoddard**  
**8-1-2024**

## **Introduction**

### **1. What is the purpose of this testimony?**

One of the Trust’s key priorities when implementing Triennial Plan VI is to maintain fairness and promote equity through its programs.<sup>1</sup> A central part of this effort involves ensuring that its programs support low-income households, for whom the barriers to accessing energy efficiency are disproportionately high. To that end, the Trust serves the low-income sector through a number of different programs and initiatives. The resulting blend of approaches is designed to overcome obstacles to cost-effective energy efficiency for low-income Mainers and reach more participants than would be reached through a single program or program delivery strategy. Though each of these initiatives is described in various sections of the Triennial Plan document body, this testimony provides a synopsis of the various channels through which the Trust serves low-income customers and the budgets allocated to this objective. It also explains how the Trust defines “low-income” for the purposes of program eligibility, and provides an overview of the Trust’s objectives and targets relating to low-income investment.

### **2. Who is introducing this testimony?**

The testimony is provided by Michael Stoddard. Mr. Stoddard is the Executive Director of the Trust and serves as its general counsel.

### **3. Mr. Stoddard, please state your name, title and business addresses.**

My name is Michael Stoddard, and I am employed by the Trust as the Executive Director. My business address is 168 Capital Street, Suite 1, Augusta, ME 04330.

### **4. Please summarize your educational and professional experience.**

I hold a Bachelor of Arts degree from Williams College and a Juris Doctor degree from the University of Maine School of Law. I have served as Executive Director of the Trust since its inception in 2010. My duties include strategic planning, general counsel, government relations, and media relations. Before joining the Trust, I was an advocate and Deputy Director at the Acadia Center (formerly Environment Northeast). There, I was involved in electricity restructuring initiatives across New England, and worked on advocacy related to building energy codes, appliance standards, energy efficiency budgets, transportation systems, climate change action plans, and the adoption of the Regional Greenhouse Gas Initiative (RGGI). Earlier, I worked as an election law specialist at the Federal Election Commission, and

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<sup>1</sup> See Section 3.3.4.

at the National Democratic Institute for International Affairs on “free and fair” election projects in Africa and Latin America.

## Background

### 5. What are the Trust’s statutory or contractual obligations regarding investment in the low-income sector?

Some of the Trust’s funding streams carry minimum funding allocation requirements for low-income households. These are codified in statute and in the Trust’s rules, and/or within the terms of the relevant funding award agreement.

For the Electric Efficiency and Conservation Fund (“Electric Efficiency Procurement”), the statute states that the Trust must target at least 10% of funds or \$2.6 million, whichever is greater, to low-income residential customers.<sup>2</sup>

For the Natural Gas Conservation Fund (“Natural Gas Efficiency Procurement”), the statute states that Trust must apportion funds such that a “reasonable percentage” of the available funds is directed to programs for low-income residential consumers. Chapter 4 of the Trust’s rules, “Natural Gas Energy Conservation Programs,” guide the Trust in implementing this statutory language, dictating that the determination of what is a “reasonable percentage” must consider these consumers’ share of gas load and the cost-effective opportunity available at their homes.<sup>3</sup>

The federally funded Inflation Reduction Act (IRA) Home Energy Rebates programs also require that at least 40% of rebate funding go toward low-income households, with 10% of rebate funding allocated specifically to the low-income multifamily sector.

Similarly, 40% of the federal Greenhouse Gas Reduction Fund (GGRF) National Clean Investment Fund (NCIF) dollars used to capitalize the Efficiency Maine Green Bank must support investments in low-income and/or disadvantaged communities.<sup>4</sup>

### 6. Does the Trust have any statutory goals relating to the low-income sector?

Yes. The statute states that the Trust shall advance the state’s goal of, for the period beginning January 1, 2020, and ending January 1, 2030, weatherizing 35,000 homes and businesses, *with at least 10,000 of such weatherization projects completed in low-income households through the combined*

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<sup>2</sup> See [Appendix G: Statutory Budget Allocation Requirements](#) for further detail, including how the Trust will satisfy this requirement during the Triennial Plan VI period.

<sup>3</sup> See [Appendix G: Statutory Budget Allocation Requirements](#) for further detail, including how the Trust will satisfy this requirement during the Triennial Plan VI period.

<sup>4</sup> This reflects the federal government’s Justice40 requirement for federal investments. While most federal grants require 40% of the benefits to flow to “disadvantaged communities” (i.e., those that are marginalized, underserved, and overburdened by pollution as identified in the [Climate and Economic Justice Screening Tool](#)), the GGRF provides flexibility where geographically dispersed low-income households (outside of a disadvantaged community) also qualify.

efforts of the Trust and the Maine State Housing Authority.<sup>5</sup> This goal mirrors the target set forth in Maine’s 2020 climate action plan.

Though the statute reflects a number of goals relating to heat pump installations generally, it does not include any specific targets for the low-income sector. Nevertheless, consistent with Maine’s climate action plan, the Trust set as a further goal that *15,000 heat pump installations should be in income-eligible homes by 2025*, and will work with MaineHousing to achieve this goal.

For more detail on Maine’s progress toward these goals, see [Appendix D: Long-Term Target Results](#).

## **7. How does the Trust define “low-income” for the purposes of program eligibility?**

For incentives leveraging the Electric Efficiency Procurement, the Trust follows the definition of a “low-income residential consumer” that is established in Chapter 3 of the Trust’s rules:

“low-income residential consumer” means a customer of a transmission and distribution utility receiving benefits under the utility’s program to assist low-income customers, or a household that has qualified at any time in the prior 12-month period to receive assistance through any state or federal program in which low income and/or limited assets are criteria for eligibility.

For incentives leveraging the Natural Gas Efficiency Procurement, the Trust follows the definition of a “low-income residential consumer” established in Chapter 4 of the Trust’s rules:

“low-income residential consumer” means a customer of a gas utility receiving any special utility rates or programs designated for low-income customers or a household that is heated with natural gas from any natural gas utility and has qualified at any time in the prior 12-month period to receive assistance through any state or federal program in which low income and/or limited assets are criteria for eligibility.

At the time of the writing of this testimony, the Trust uses the state and federal programs listed below to confirm low-income status. This eligibility criteria applies to programs and initiatives funded with the Electric Efficiency Procurement and the Natural Gas Efficiency Procurement, and generally extends to most other funding sources (including the Regional Greenhouse Gas Initiative revenues and New England Clean Energy Connect settlement funds).

- Home Energy Assistance Program (HEAP or LIHEAP)
- MaineCare (i.e., Medicaid)
- Supplemental Nutrition Assistance Program (SNAP)
- Temporary Assistance for Needy Families (TANF).

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<sup>5</sup> MRSA 35-A 10104(4)(F)(2)

For incentives paid out of the federal IRA Home Energy Rebate funds, the Trust uses the federal definition of a low-income household specified in the IRA program guidelines: those with incomes less than 80% of Area Median Income (AMI).

Per the program guidelines, individuals living in single-family homes can establish low-income eligibility by providing proof of enrollment in a prequalifying federal program (including the same programs listed above) or by providing documentation of household income. Multifamily building owners can qualify for low-income rebate amounts if they can demonstrate that at least 50% of dwelling units consist of households with incomes less than 80% AMI. They can do so by either a) providing documentation of household income or enrollment in one of the prequalifying federal programs listed above, or b) providing documentation that demonstrates one of the following categories applies to 50% of the units in the multifamily building:

- Public Housing (housing owned and operated by Public Housing Authorities)
- Privately owned multifamily buildings receiving project-based assistance (Section 8, Section 202, Section 811)
- Privately-owned multifamily buildings that house residents receiving tenant-based assistance
- Section 42 Low Income Housing Tax Credit (LIHTC)

## Initiatives Serving Low-Income Customers

### 8. What are the Trust's various program offerings for low-income customers?

#### a. *Income-Eligible Home Programs*

The Income-Eligible Home Programs is the Trust's primary program targeting energy efficiency upgrades in low-income homes. It works mainly through market-based initiatives, where low-income customers receive enhanced incentives through the same programs the Trust offers to other residential customers. It also runs targeted initiatives for specific measures, home/building types, geographic areas, pilot projects, etc., using enhanced incentives and/or facilitating project management and contractor support. Finally, it uses direct-mail campaigns where customers receive an offer for free, small energy-saving devices. Regarding rebates for eligible low-income individuals, the program generally focuses on owners of single-family homes or duplexes; the Trust targets low-income residents of multifamily properties primarily through the C&I Prescriptive Initiatives. See Triennial Plan VI, section 5.5 – *Income-Eligible Homes Program* – for additional detail.

#### b. *Whole-Home Heat Pumps in Manufactured Homes*

The Trust's program promoting whole-home heat pump retrofits in manufactured homes is a "targeted initiative" delivered through the Income-Eligible Home Programs. The program design involves enhanced incentives and assistance coordinating contractor support. It is a key priority during the Triennial Plan VI period, supported by significant funding from a U.S. Department of Energy (DOE) Energy Improvements in Rural or Remote Areas (ERA) grant, along with a large portion of IRA Home Energy Rebate funds.

c. *Multifamily Initiatives*

The Commercial and Industrial (C&I) Prescriptive Initiatives serve multifamily buildings with three or more units, including buildings with low-income residents. With the large infusion of funding from the federal IRA Home Energy Rebate Programs during the Triennial Plan VI period, the Trust will focus on low-income households in market segments that face heightened barriers and offer strong carbon and financial savings opportunities: multifamily buildings and their renters. The IRA Home Efficiency Rebate Program (HER) will focus on electrification retrofits of heating systems in existing affordable housing buildings, while the Home Electrification and Appliance Rebate Program (HEAR) will focus on supporting electric heating systems in new construction of affordable housing.

d. *Electric Vehicle (EV) Rebates*

The Trust offers enhanced rebates to qualifying low-income individuals purchasing new or used battery EVs or plug-in hybrid EVs. For more information, see Triennial Plan VI, section 5.6 – *EV Initiatives*.

e. *EV Charging*

The Trust plans to require that all customers receiving an EV rebate (including low-income customers) enroll in the Demand Management Program's managed EV charging initiative. To that end, the Trust will pair all EV rebates with a rebate on a "smart" (i.e. networked) EV charger. For more information, see section 5.7 – *Demand Management Program*.

The Trust will also support low-income EV owners through its public EV charging initiatives. With the federal Charging and Fueling Infrastructure (CFI) grant in particular, the Trust plans to focus on developing chargers at or near multi-unit dwellings and affordable housing buildings. For more information, see Triennial Plan VI, section 5.6 – *EV Initiatives*.

f. *Retail and Distributor Initiatives*

Like other residential consumers, low-income customers shop at retail stores and work with contractors that purchase equipment through distributors. The Trust endeavors to take full advantage of these shopping patterns to help low-income consumers efficiently access the incentives offered through Retail and Distributor Initiatives. As discussed in [Appendix N – Heat Pump Water Heater Analysis and Considerations](#), a program survey conducted in late 2019 found that 14.2% of heat pump water heater participants in the Retail Initiatives, and 14% of the heat pump water heater participants through the Distributor Initiatives, qualified as low-income households.

g. *Efficiency Maine Green Bank Financing*

The Trust provides attractive financing opportunities with no borrower fees and relatively low interest rates, helping overcome key market barriers to energy efficiency investment among low-income customers. Indeed, low-income customers typically have limited access to disposable funds, making it hard to invest in building or equipment improvements that require

an upfront payment. They also typically have limited access to capital, and poor credit or lack of collateral can restrict access to financing options. Though the Trust has long prioritized low-income customers in its Efficiency Maine Green Bank finance initiatives, this focus will grow during the Triennial Plan VI period with the infusion of federal capital from the Greenhouse Gas Reduction Fund. For additional detail, see Triennial Plan VI, section 7 – *Efficiency Maine Green Bank*.

**9. What other supplementary initiatives support low-income customers in accessing energy efficiency?**

*a. Eligibility verification*

The Trust provides customers access to an online screening form that authorizes Efficiency Maine to verify eligibility for its various income-eligible program offerings. (It also provides a Call Center support option.) Through one screening pathway, customers complete a form to allow the Maine Department of Health and Human Services (DHHS) to verify that the customer participates in one of the prequalifying federal or state programs noted in Question 7, above. The Trust sends this form to DHHS for confirmation. Additionally, if customers participate in HEAP, the customer may provide their name and address for Efficiency Maine to check against a list of HEAP participants. Through the second screening pathway, a customer uploads a free Internal Revenue Service (IRS) tax transcript for Efficiency Maine staff to verify their income.<sup>6</sup> Once a determination is made through either pathway, the customer receives an eligibility confirmation letter that they can provide to contractors or EV dealers to access enhanced rebates. The Trust is actively exploring enhancements to this process for the Triennial Plan VI period, including income verification application programming interfaces (APIs) that can verify income in real time.

*b. Marketing and outreach channels*

The Trust leverages several marketing and outreach channels to reach all residential customers, including low-income households. These include the Efficiency Maine website, trade ally newsletters, Facebook posts and ads, Google Ads, radio spots, direct-mail campaigns, email campaigns, earned media, print advertising, rebate check stuffers, and events. To reach low-income customers specifically, the Trust works with several municipalities, state agencies, non-profits, and trade associations to leverage their networks and communication channels (e.g., DHHS, Community Action Agencies, Maine Affordable Housing Coalition). The Trust also targets landlords of low-income renters through partnerships with organizations including Maine’s various Public Housing Authorities, Maine Real Estate & Development Association, Avesta, and manufactured home communities.

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<sup>6</sup> As of the writing of this appendix, this second screening pathway is limited to moderate-income customers and the subset of low-income customers that are eligible to participate in the whole-home heat pump initiative for manufactured homes. The Trust is exploring ways to extend the option to all income-eligible customers during Triennial Plan VI.

c. *Low-Income Advisory Group*

The Trust formed a Low-Income Advisory Group in 2017 to help staff consider income-related equity issues in its program designs and implementation. The group meets quarterly to review Efficiency Maine program progress, review potential program improvements, and discuss opportunities to collaborate in raising awareness. It comprises representatives from the Office of the Public Advocate, the Public Utilities Commission, low-income advocates, state and local housing authorities, tribal group representatives, utilities, and Community Action Agencies.

d. *Arrearage Management Program*

A Maine law enacted in April 2014 requires each electric utility to offer Arrearage Management Program (AMP) initiatives. The AMP legislation was intended to help reduce the number of low-income customers in arrears on their electric bills and, therefore, lower the “bad debt” burden to ratepayers that is associated with customers who fail to pay their utility bills. The Trust supports AMP by providing participants with electricity use reports and information on energy-saving products and available incentives.

## Funding for Initiatives Serving Low-Income Customers

### 10. What are the budgets for the various initiatives serving low-income customers in Triennial Plan VI?

Table 1 below summarizes the *quantified* budgets for the portion of the low-income spending in the various initiatives outlined in Question 8 above. The Trust does not quantify the low-income budgets for Retail and Distributor Initiatives measures other than heat pump water heaters. It also does not have a precise estimate of the expected EV Initiatives public charging budget specifically for low-income customers, nor the exact portion of Efficiency Maine Green Bank spending that will flow to this sector through finance initiatives.

**Table 1: TPVI Budgets for Initiatives Serving Low-Income Customers**

Program/Initiative	FY2026	FY2027	FY2028	Total
Portion of Income-Eligible Initiatives	\$24,160,870	\$28,149,067	\$33,528,998	\$85,838,934
Portion of C&I Prescriptive Initiatives	\$3,446,856	\$3,455,864	\$3,465,097	\$10,367,817
Portion of Distributor and Retail Initiatives	\$2,168,320	\$2,365,440	\$2,562,560	\$7,096,320
Portion of EV Initiatives	\$542,400	\$748,512	\$943,125	\$2,234,037
Portion of Demand Management Program	\$89,280	\$123,206	\$155,240	\$367,726
<b>Total</b>	<b>\$30,407,726</b>	<b>\$34,842,089</b>	<b>\$40,655,020</b>	<b>\$105,904,835</b>

### 11. How do the overall low-income budgets differ from Triennial Plan V?

Table 2 below summarizes the *quantified* budgets for the portion of the low-income spending in various Trust programs and initiatives during Triennial Plan V.



**Table 2: TPV Budgets for Initiatives Serving Low-Income Customers**

<b>Program/Initiative</b>	<b>FY2023</b>	<b>FY2024</b>	<b>FY2025</b>	<b>Total</b>
Portion of Low-Income Initiatives	\$12,607,350	\$15,155,038	\$20,323,152	\$48,085,540
Portion of Distributor Initiatives	\$921,148	\$829,252	\$1,345,405	\$3,095,805
Portion of Retail Initiatives	\$375,548	\$939,248	\$1,092,187	\$2,406,983
Portion of EV Initiatives	\$175,000	\$441,153	\$816,000	\$1,432,153
<b>Total</b>	<b>\$14,079,046</b>	<b>\$17,364,691</b>	<b>\$23,576,744</b>	<b>\$55,020,481</b>

The growth in projected spending for Triennial Plan VI is driven by two major factors. The first relates to the Beneficial Electrification Policy Act, which provides a new pathway to fund whole-home heat pump projects through the Electric Efficiency Procurement where these measures are cost-effective and reliably reduce electricity rates.<sup>7</sup> This approach has allowed the Trust to set ambitious whole-home heat pump installation targets that put Maine on track to meeting its 2030 climate action plan goals. The second factor is the infusion of federal IRA Home Energy Rebate program funds to drive uptake of beneficial electrification projects in low-income multifamily housing and manufactured homes (mobile homes).

**12. What are the statutory Electric Efficiency and Conservation Fund and Natural Gas Conservation Fund allocations for low-income consumers in Triennial Plan VI, and how will the Trust meet those targets?**

See [Appendix G](#): *Statutory Budget Allocation Requirements*.

**13. Does this conclude your testimony?**

Yes.

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<sup>7</sup> For further detail, see [Appendix H](#): *Beneficial Electrification Plan*.