



SIERRA CLUB

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Re: Comments on Triennial Plan VI

I appreciate the opportunity to offer these comments on behalf of Sierra Club Maine, representing over 22,000 supporters and members statewide. Founded in 1892, Sierra Club is one of our nation's oldest and largest environmental organizations. We work diligently to amplify the power of our 3.8 million members and supporters nation-wide.

As we rapidly decarbonize our economy, we also need to ensure a just transition for workers, focusing on the communities least able to afford it.

Below we are reiterating many of our past comments to be integrated into the final plan, as they do not seem to be clearly addressed.

In addition to the efficiency scorecard ([LD 1101](#)), we recommend more incentives for [energy audits](#) so homeowners know what type of insulation and air sealing they need, and more opportunities for low and moderate income Mainers. Though there are some incentives for energy audits, they could be more available and marketed, especially for low and moderate income households. Getting the information is step one, and ensuring people are aware and have access to audits and information will help them transition off of fossil fuels, in accordance with our State's Climate Action Plan. We suggest investment in advertising the scorecard, and allocating more funds for audits for low and moderate income households.

In Triennial Plan V, initiatives for renters are missing. There needs to be some comprehensive program for renters (more information below under equity section) in order to ensure all Mainers have access to the Plan's benefits.

For the current program aspects, many are working well, and could be enhanced:

- Please maintain direct installation and pilot programs, and expand them! The more direct installation for low income households, the better. Also, for pilot programs, the mobile

home pilot program was a huge success, for instance. Hopefully, that can be expanded and become a program under Plan VI.

- Under [5.6](#), please continue to maximize Maine's EV charging infrastructure by extending Maine's EV FastCharging Network and increasing local access and destination charging with Level 2 chargers; and increase incentives including for low and moderate income households, particularly knowing that electric vehicles will increasingly become available after Advanced Clean Cars 2 is adopted in Maine. **Hopefully, the budget will be increased to more than zero. We don't have a specific number in mind, but it should be on par with the other programs.**
- Under [5.7 Demand Response and Load Shifting Initiatives](#). We support continued efforts to inform the public and to scale these projects.
- The last Plan had no rebates for E bikes. Efficiency Maine currently has incentives for E-bikes, but the program should be strengthened. Specifically, Plan VI should establish a distinct allotment within the Electric Vehicle fund called the Electric Bicycle Fund to receive a yearly stipend of at least \$200,000 from the Efficiency Maine Trust to provide a statewide electric bicycle rebate program serving low and moderate income individuals. It should also create a program offering this rebate directly to eligible individuals as determined by the trust at point of sale that will provide at least 50% of the cost of the total price of the bike and any eligible safety accessories with the maximum incentive for a standard e-bike and eligible accessories being \$1,500, and the maximum incentive for a cargo e-bike and eligible accessories being \$3,000.
- Generally, on public outreach/education, the website has a lot of information, which is very helpful. However, it can become a little challenging to navigate with so many dropdowns/pages. There could be a way to streamline and eliminate some of the dropdowns on the front page.
- Keep utilizing community college programs, apprenticeships, and other formal arrangements with organized labor.

We hope the Green Bank (p.56) continues to grow and that Efficiency Maine does indeed do these things and more:

extending eligibility for commercial loans beyond current offerings for small businesses, offering bridge loans for new construction projects in larger, commercial buildings, extending financing opportunities to projects beyond EMT-incentivized projects (e.g., Solar PV), leveraging additional third-party capital (e.g., portfolio purchases, credit enhancements, loan loss reserves).

As the Efficiency Maine Green Bank and the Trust's financing offerings continue to expand, the following recommendations would ensure improved access to alternative forms of financing:

- Based on [LD 1659](#), "*The accelerator shall ensure that 40% of its investment activity is directed to serve vulnerable communities*". Federal funds ensure more is possible. With the Home Energy Rebates program, the State should aim for at least 60% of benefits to go to low income households. It is an equity and justice issue to pay up front and then receive rebates; they should receive as much direct service up front. The Green Bank needs to be

solvent, but it should aggressively be used to electrify, and many original rebate recipients did not financially need the rebates. In order to make Green Bank programs accessible, the Trust should create a public-facing database to track federal funds that satisfy the [Justice40](#) initiative. It is not clear if this federal requirement is pro-actively managed.

- Remove the maximum loan amount (\$7,500) for low and moderate income residential projects, and finance the full project amount for any improvement that qualifies for any Low or Moderate-Income rebate. A complete home energy retrofit (eliminating fossil fuel use) could include \$10,000-\$20,000 in insulation, vapor barrier and health and safety measures, \$10,000-\$15,000 in heat pumps, and \$2,000-\$4,000 for a heat pump water heater, for a total cost of \$25,000-\$40,000 (or more if new windows or doors are needed). Even with \$13,000-\$18,000 in rebates, there is often another \$12,000-\$25,000 in costs. Tax credits are delayed so aren't helpful for the upfront costs unless someone has access to low-interest financing. To transition their home entirely off of fossil fuels, homeowners need to be able to finance the balance of the project costs. These improvements save thousands of dollars each year, but require the ability to pay the entire upfront cost.
- Partner with local banks and credit unions to offer efficiency/clean energy loans at all their retail branches. People should see advertising for 'home efficiency loans' at every bank and credit union in the state, with information on rebates and other incentives available.
- Offer financing for efficiency businesses to scale up. Low-interest loans can help our small weatherization and heat pump businesses to purchase box trucks, spray foam rigs, and other equipment needed to add more crews to their team.
- Partner with Maine Public Employee Retirement System to create a home energy loan program for all 100,000 public employees statewide. This could be funded by MainePERS as a revolving loan fund, and offer 0-2% interest loans to all public employees for home efficiency and electrification projects. [Concept paper available here.](#)
- Partner with mortgage lenders to prioritize Energy Efficient Mortgages and upfront financing for transitioning homes off of fossil fuels at the time of sale. There are 16,000-20,000 homes sold in Maine each year, if energy improvements were financed into the mortgage, this would achieve nearly half what's needed annually.

Additionally, we would like to see more progress in the following areas:

As mentioned above, we need to make electric vehicles even more affordable. And, we look forward to seeing more rebates and financing for E-Bikes.

8.2 Innovation- we think [Thermal Energy Networks \(TENS\)](#) or networked geothermal should be included as a potential pilot program with gas utilities [as done in Massachusetts](#). If TENS is of even moderate potential in Maine, it could drastically cut the need for an expanded electrical grid, and retain many current jobs from the gas system. Maybe there is a way to finance a pilot program.

Please consider the application of window mounted heat pumps in low income multi-unit housing. The lower cost of installation in comparison to mini-splits cut the gap in energy equity. The New

York City Housing Authority is currently conducting a [pilot test in NYC Housing Authority buildings](#) as part of their [Clean Heat for All Challenge](#). The window mounted heat pumps will enable rapid, low-cost electrification of space heating in multifamily buildings by reducing many of the cost barriers inherent to installing existing heat pump technologies in resident occupied apartments, including electrical system upgrades, lengthy refrigerant piping and through-wall drilling and penetrations. Midea America and Gradient, the two heat pump manufacturers, will each supply 36 units for comprehensive monitoring over the course of this upcoming winter. NYCHA began installing Midea America's units in July and will begin installing Gradient's units in December.

Please focus more on protecting renters, who make up [27% of the households in our state](#). We would like to see an initiative to get apartment owners to install EV charging stations for already built units and to plan for EV charging stations in any new multi-family development. Here are two examples from other states:

- In Connecticut, there are a few places to look for ideas to protect renters. Sections 90 and 91 of HB 6942 create a \$125 million low-interest "Housing Environmental Improvement Revolving Loan Fund" to provide funding for multi-family, tenant occupied housing in Environmental Justice communities for retrofitting projects 1) that improve energy efficiency including heat pumps, solar power generating systems, and insulation, 2) remediate health and safety concerns like mold and asbestos, and 3) provide assistance to access other state and federal energy efficiency programs. SB 998 establishes limits on late and application fees, creates a model rental agreement, increases incentives for more affordable housing, and strikes some eviction records along with other measures to help tenants.
- Michigan is looking at the "MI Affordable, Healthy Homes" proposal. The proposal would build and renovate tens of thousands of homes to make them energy efficient, free of pollutants, and protect against extreme weather. [Here is a link to the proposal](#). It's a \$1.5 billion proposal that utilizes both state and federal dollars focused on supply-side interventions, existing housing interventions, and workforce development.
- Additionally, the EU is working on new rules to boost energy performance right now: https://ec.europa.eu/commission/presscorner/detail/en/ip_23_6423

The revised [Energy Performance of Buildings Directive](#) has many items to learn from, but in particular there are measures:

- To fight energy poverty and bring down energy bills, financing measures will have to incentivise and accompany renovations and be targeted in particular at vulnerable customers and worst-performing buildings, in which a higher share of energy-poor households live.

- Member States will also have to ensure that there are safeguards for tenants, to help tackle the risk of eviction of vulnerable households caused by disproportionate rent increases following a renovation.

Please continue to focus on low/moderate income households and small businesses. In particular, the small business loan \$ amount in the Draft Overview for Public Comment seems very low.

Last, we are glad to see there is no longer cost effectiveness of subsidizing more gas infrastructure and that program will be suspended. We must transition off gas to meet our climate goals, and Efficiency Maine should continue its work to encourage electrification.

Respectfully submitted,

Matt Cannon
State Conservation & Energy Director
Sierra Club Maine