



Triennial Plan VI

Fiscal Years 2026-2028

Stakeholder Event

June 14, 2024

Agenda for the Day

9:00 AM – **Overview of draft plan – Michael Stoddard**

9:40 AM – **Refreshment Break**

9:45 AM - **Breakout sessions - Staff**

- Residential / Income Eligible / Retail and Distributor
- Commercial / Industrial
- Demand Management / Innovation
- EV / Transportation
- Green Bank / Finance Initiatives

11:30 AM - **Adjourn**

Housekeeping

- **Questions** - We welcome your questions during each breakout session.
- **Restrooms** - are off the main hallway.
- **Refreshments** - are available throughout the morning.



Triennial Plan VI

Fiscal Years 2026-2028

Overview of the Draft Plan

Overview Agenda

1. Benefits of the Draft Plan
2. Major changes over Triennial Plan V (FY2023-FY2025)
3. Other programmatic highlights
4. Financial highlights of the draft Plan

Benefits of the Plan - Big Picture

- Lower overall energy bills for Maine homes and businesses.
- First plan to implement Beneficial Electrification Policy Act (BEPA). If fully funded, has the potential to suppress electricity rates by up to \$550 million over the lifetime of the beneficial electrification measures installed during the Plan's 3 years of activity.
- Bold expansion of initiatives to help manage costs of electricity by managing time of use for electronic equipment and avoiding periods of peak demand.
- Significantly advance carbon reduction targets set in Maine statute to mitigate, and improve resilience to, the harmful impacts of climate change.
- Important contribution to putting Maine on a path to energy independence and insulating Maine consumers from volatility of global energy prices.
- Promotes investment in upgrades to Maine's building sector and transportation equipment, leading to more good jobs and development.

Benefits of the Plan - By the Numbers

- 38,000 homes heated entirely with heat pumps
- 6,500 low-income homes heated entirely with heat pumps
- 9,900 homes weatherized (1,500 low-income, 1,800 moderate-income, 6,600 all-income)
- 1,700 new battery systems in homes and small businesses
- \$38 million invested in small businesses
- Potential for up to \$550 million suppression of electricity rates

Major Changes over Triennial Plan V

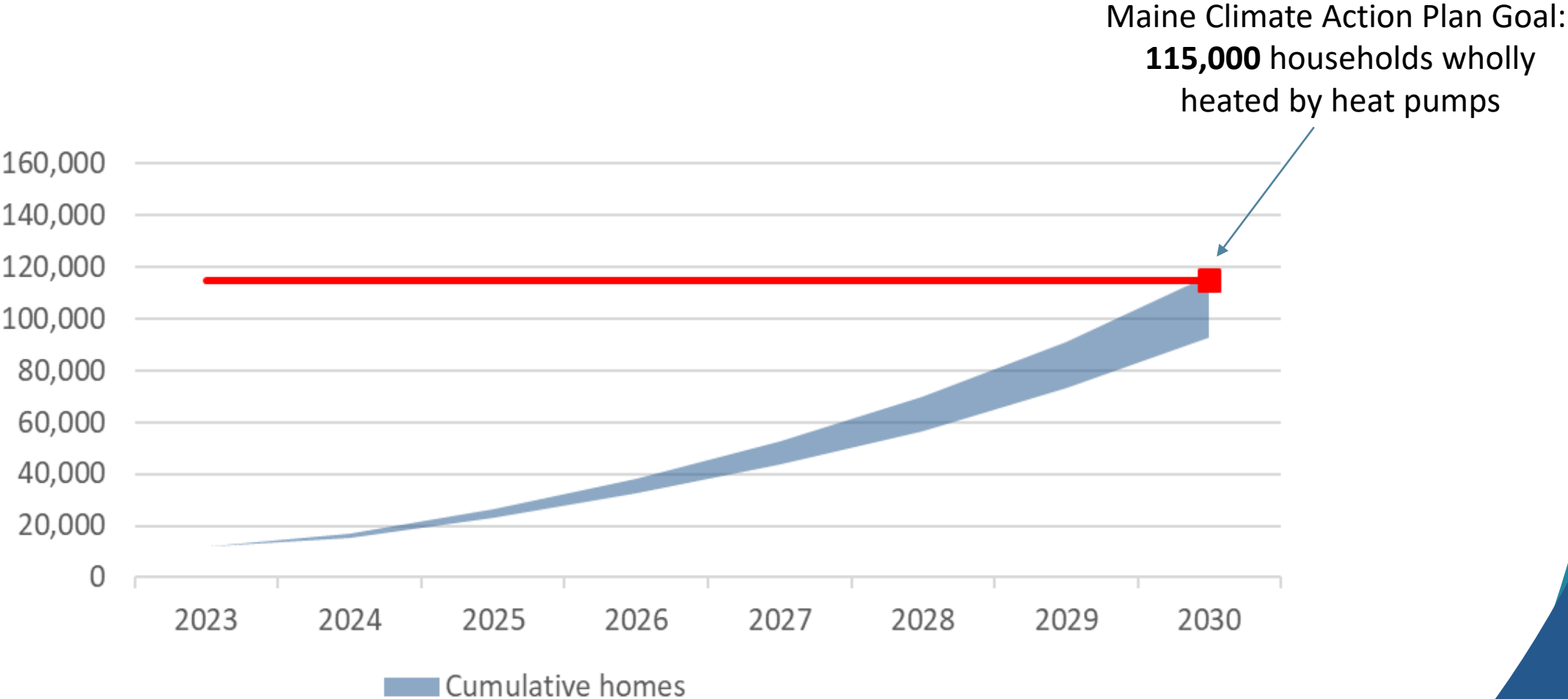
Beneficial Electrification Policy Act (LD 1724, 2023)

- Requires calculation of electric MACE (maximum achievable cost-effective) energy efficiency opportunity to include all **beneficial electrification measures that are cost-effective and that reliably reduce electricity rates over the life of the measure.**
- Beneficial electrification measures that pass this screening test are eligible to be funded by the Electric Efficiency Procurement (i.e., electric ratepayers).
 - Significant impact on the electric budget, but also reduces rates by definition.
- Currently qualifying beneficial electrification measures:
 - residential whole-home heat pumps
 - multifamily and commercial whole-building/zone heat pumps
 - rooftop unit heat pumps
 - commercial heat pump water heaters (fuel legacy)
 - EV's are still under review

Transition to Whole-Building/-Zone Heat Pumps

- In FY2024, EMT modified rebate eligibility: only heat pump systems designed to meet all of the heating needs of a building.
- This change was influenced by:
 - new federal tax credit for heat pumps (30% up to \$2,000);
 - need to accelerate activity to meet the Maine Climate Council's (MCC's) whole-home heat pump goals; and
 - results of EMT evaluation showing significantly reduced savings from underusage of heat pumps when operating concurrently with (as supplement to) central furnace/boiler.
- Eligibility criteria from FY24 continues throughout TPVI.
 - Exception: EMT will continue to offer rebates for supplemental heat pumps to low-income customers who generally cannot take advantage of the tax credit.

Progress to Goal – Heat Pumps Serving Whole Home



Significantly Diminished Lighting Opportunity

- EMT discontinued incentives for screw-in LED bulbs in FY2023
 - federal regulations phased out incandescent and halogen bulbs,
 - LED bulbs became the "standard" or "baseline" for purchase of new general service lamps

Significantly Diminished Natural Gas Opportunity

- There is renewed cost-effective opportunity during TPVI to achieve natural gas savings in TPVI for a limited number of measures:
 - **residential weatherization**
 - **C&I Custom Program projects**
- TPVI provides budget to pursue these measures.
- Overall, natural gas efficiency opportunity is considerably lower than in TPV.

Discontinuing One Strategy for Heat Pump Water Heaters

- The Draft Plan for TPVI finds that the market for heat pump water heaters serving income-eligible households can be more cost-effectively served through the Retail and Distributor Initiatives:
 - making HPWH comparably priced or less expensive than base water heater when customers replace their old water heater at or near the time of burnout,
 - using a modest customer contribution to the cost,
 - stretching the budgets further to reach more homes and more savings.

Discontinuing Residential Biomass Incentives

- Pellet boiler/furnace measure in homes:
 - does not screen cost-effective, and
 - frustrates near-term goals for “gross” carbon reductions.
- Staff recommends discontinuing the measure in residential buildings
 - free up RGGI funds to ensure full funding of weatherization or offset Electric Efficiency Procurement (e.g., for beneficial electrification).
- Biomass measures in non-residential buildings will remain eligible through the Thermal Energy Investment Program.

Other Programmatic Highlights

Expanded Efficiency Maine Green Bank (EMGB)

- EMGB's capitalization will roughly double with the influx of federal capital from the US EPA's Greenhouse Gas Reduction Fund.
- EMGB is actively expanding administrative capacity:
 - adding a new online portal to facilitate customers accessing financing information and loans for qualifying energy projects;
- Increasing the breadth of finance initiatives as funding allows

Expanded Demand Management Program

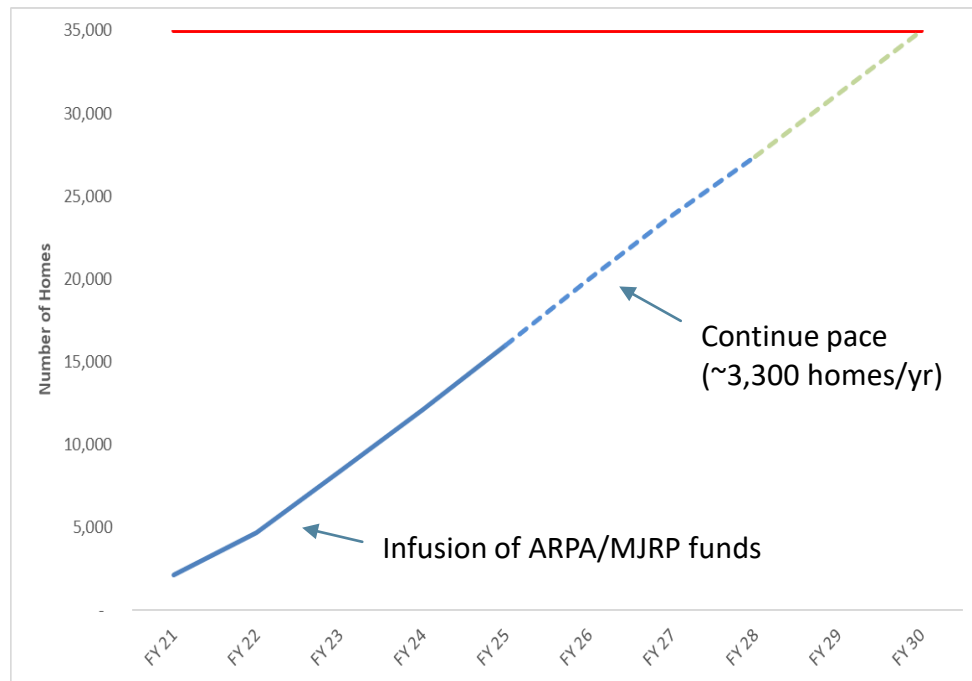
- Home Batteries
 - New program will incentivize customers purchasing home reliability solutions when they involve:
 - home batteries (vs. fossil fuel-fired generators)
 - used to reduce system (grid) peaks.
- Managed EV Charging
 - Program will offer incentives for new home EV chargers when they are:
 - pre-set to shift charging out of peak periods that increase costs for all Maine ratepayers.
 - Customers may opt out on any day, but the charger reverts to off peak charging the next day.
- Program also will continue to grow the Demand Response Initiative and large battery offering.

Expanded Focus on Low-Income Multifamily

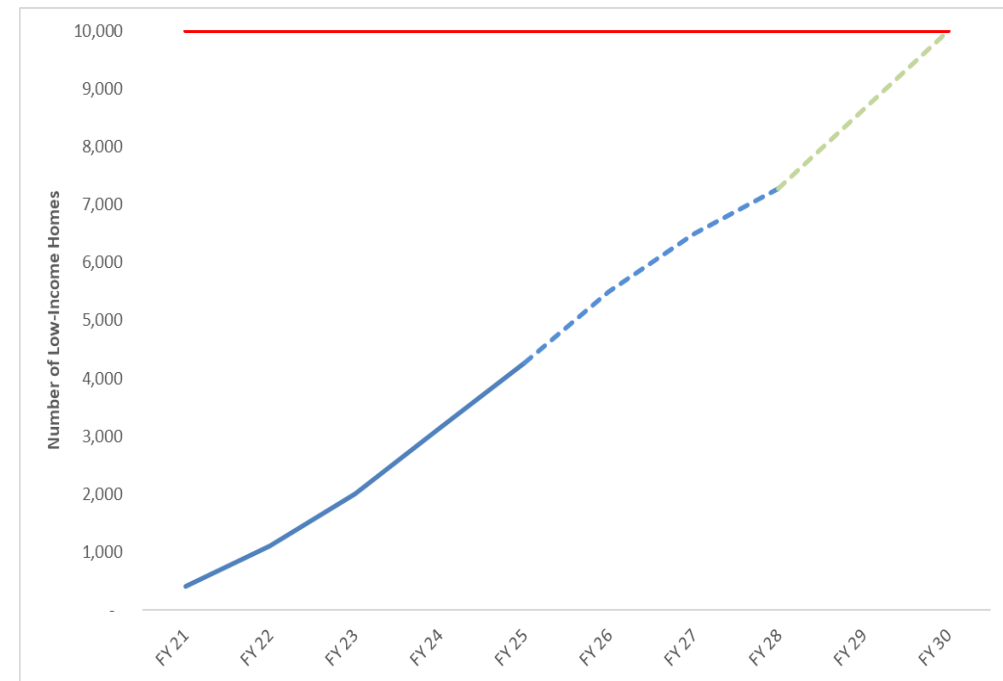
- EMT will leverage the majority of its approximately \$70 million funding for Home Energy Rebates from the Inflation Reduction Act (IRA) to support beneficial electrification of low-income multifamily buildings.

Commitment to Weatherization

Progress to Goal: Total Number of Homes Weatherized: **35,000**



Progress to Goal: Total Number of Low-Income Homes Weatherized: **10,000**



Note: Graphs reflect homes weatherized through both EMT and MaineHousing programs. The graph showing the number of low-income homes weatherized is a subset of the total number of homes weatherized.

Financial Highlights of the Draft Plan

Triennial Plan VI Draft Budgets

- Total TPVI budget = **\$525 million** (assuming full funding)
- Major sources of funding include:
 - Electric Efficiency Procurement
 - Regional Greenhouse Gas Initiative (RGGI) revenues
 - Forward Capacity Market (FCM) revenues
 - New England Clean Energy Connect (NECEC) Settlement
 - American Rescue Plan Act (ARPA) funds
 - Inflation Reduction Act (IRA) Home Energy Rebates funds
 - US Department of Energy - Energy Improvements in Rural or Remote Areas grant
 - Inflation Reduction Act (IRA) Home Energy Rebates funds
 - IRA Greenhouse Gas Reduction Fund (GGRF)
 - National Electric Vehicle Infrastructure (NEVI) Program Funds
 - Charging and Fueling Infrastructure (CFI) grant funds

Known Federal Funds

TPVI marks the continuation of a period marked by a once-in-a-generation investment by the federal government to support energy efficiency initiatives

Electric MACE Budget and The Electric Procurement "Cap"

- Estimated 3-year MACE budget (i.e., electric procurement) = **\$379.6 M**
 - With full funding of beneficial electrification, this investment is expected to suppress electricity rates by up to **\$550 M**
- Statute places a cap on the portion of the budget that is funded through the electric procurement: the electric procurement from the utilities **cannot exceed 4%** of retail electricity sales in Maine.
- MACE budget may exceed the cap in FY2026 and likely exceeds the cap in FY2027 and FY2028.
- EMT will work with stakeholders and the Board to develop strategies to address this funding gap. Options could include:
 - Securing new offsetting funds. (e.g., two pending federal grant applications, additional RGGI)
 - Work with policymakers to revisit the level of the cap
 - Scale back incentives and/or program activity

FY2026 Draft Budget

Program	Electric	NG	RGGI	FCM	Settlement	Federal/Other
C&I Custom Program	\$2,698,000	\$213,760	\$4,178,889	\$-	\$-	\$-
C&I Prescriptive Initiatives	\$16,126,461	\$-	\$3,674,524	\$-	\$633,333	\$11,428,331
Retail and Distributor Initiatives	\$16,787,200	\$-	\$-	\$-	\$-	\$-
Income Eligible Home Programs	\$35,750,049	\$250,000	\$9,060,276	\$828,000	\$1,266,667	\$4,228,998
Home Energy Savings Program	\$15,080,464	\$600,000	\$7,086,312	\$4,004,536	\$-	\$-
Electric Vehicle Initiatives	TBD	TBD	TBD	TBD	TBD	TBD
Demand Management Program	\$5,150,060	\$-	\$-	\$-	\$-	\$-
Innovation	\$915,922	\$10,638	\$240,000	\$48,325	\$-	\$-
Public Information	\$457,961	\$5,319	\$120,000	\$-	\$-	\$-
Administration	\$5,800,000	\$74,463	\$800,000	\$-	\$100,000	\$233,740
EM&V	\$2,289,806	\$26,594	\$600,000	\$120,813	\$-	\$222,650
Inter-Agency Transfer	\$915,922	\$10,638	\$240,000	\$48,325	\$-	\$-
Total	\$101,971,846	\$1,191,411	\$26,000,000	\$5,050,000	\$2,000,000	\$16,113,719
Estimated Electric Procurement Cap	\$102,800,000					

FY2027 Draft Budget

Program	Electric	NG	RGGI	FCM	Settlement	Federal/Other
C&I Custom Program	\$2,698,000	\$213,760	\$4,178,889	\$-	\$-	\$-
C&I Prescriptive Initiatives	\$17,512,027	\$-	\$3,563,412	\$-	\$633,333	\$11,448,598
Retail and Distributor Initiatives	\$18,003,200	\$-	\$-	\$-	\$-	\$-
Income Eligible Home Programs	\$44,867,049	\$250,000	\$9,171,387	\$828,000	\$1,266,667	\$4,689,085
Home Energy Savings Program	\$19,870,255	\$600,000	\$7,086,312	\$3,860,995	\$-	\$-
Electric Vehicle Initiatives	TBD	TBD	TBD	TBD	TBD	TBD
Demand Management Program	\$9,623,601	\$-	\$-	\$-	\$-	\$-
Innovation	\$1,125,741	\$10,638	\$240,000	\$46,890	\$-	\$-
Public Information	\$562,871	\$5,319	\$120,000	\$-	\$-	\$-
Administration	\$6,400,000	\$74,463	\$800,000	\$-	\$100,000	\$248,820
EM&V	\$2,814,353	\$26,594	\$600,000	\$117,225	\$-	\$222,650
Inter-Agency Transfer	\$1,125,741	\$10,638	\$240,000	\$46,890	\$-	\$-
Total	\$124,602,837	\$1,191,411	\$26,000,000	\$4,900,000	\$2,000,000	\$16,609,153
Estimated Electric Procurement Cap	\$78,400,000					

FY2028 Draft Budget

Program	Electric	NG	RGGI	FCM	Settlement	Federal/Other
C&I Custom Program	\$2,698,000	\$213,760	\$4,178,889	\$-	\$-	\$-
C&I Prescriptive Initiatives	\$19,226,955	\$-	\$3,415,264	\$-	\$633,333	\$5,581,559
Retail and Distributor Initiatives	\$19,219,200	\$-	\$-	\$-	\$-	\$-
Income Eligible Home Programs	\$56,390,049	\$250,000	\$9,319,535	\$828,000	\$1,266,667	\$5,297,867
Home Energy Savings Program	\$25,644,699	\$600,000	\$7,086,312	\$3,765,301	\$-	\$-
Electric Vehicle Initiatives	TBD	TBD	TBD	TBD	TBD	TBD
Demand Management Program	\$15,087,337	\$-	\$-	\$-	\$-	\$-
Innovation	\$1,382,662	\$10,638	\$240,000	\$45,933	\$-	\$-
Public Information	\$691,331	\$5,319	\$120,000	\$-	\$-	\$-
Administration	\$7,000,000	\$74,463	\$800,000	\$-	\$100,000	\$267,670
EM&V	\$3,456,656	\$26,594	\$600,000	\$114,833	\$-	\$222,650
Inter-Agency Transfer	\$1,382,662	\$10,638	\$240,000	\$45,933	\$-	\$-
Total	\$152,179,552	\$1,191,411	\$26,000,000	\$4,800,000	\$2,000,000	\$11,369,746
Estimated Electric Procurement Cap	TBD*					

*dependent on electric rates during CY2025