

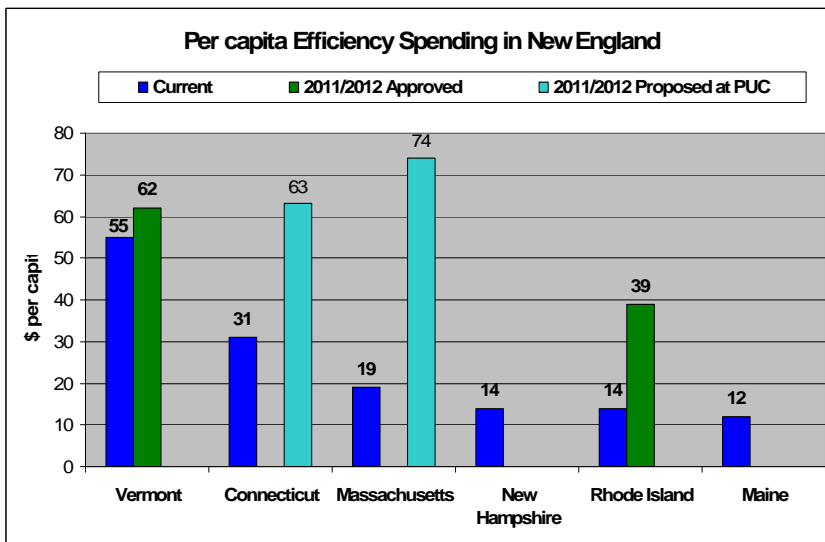


The Maine Legislature passed major energy efficiency reform legislation in 2009, entitled *An Act to Secure Maine's Energy Future*. This legislation organized the State's energy efficiency-related programs under one roof—the Efficiency Maine Trust—and set aggressive goals to cut Maine's dependence on fossil fuels (including to weatherize all homes and half of businesses by 2030, and to cut electricity use 30% and heating fuels 20% by 2020.) This law requires the Trust to design, coordinate, and integrate energy efficiency and small renewable energy programs for all energy consumers in Maine. **Much work remains to be done to implement the policies adopted last year, including the adoption of a detailed 3-year plan to begin achieving the goals and ensuring that adequate resources are available to support the plan.**

A New Triennial Plan for Maine

The critical task given to the Efficiency Maine Trust for 2010 was the creation of a detailed triennial plan which establishes strategies, programs and budgets to begin to achieve the new long-term efficiency goals. The Trust is currently developing the plan with the assistance of consultants, stakeholder and public input. The plan will be presented to the Utilities & Energy committee for their input this session. The plan must be adopted by the Trust Board, then submitted to the Public Utilities Commission (PUC) for approval.

The Triennial Plan deserves your support so that Maine can start a new chapter in harnessing energy efficiency to reduce costs, improve the environment and increase Maine's energy independence and security.



(Chart data from Environment Northeast, 2009)

Updating Maine's Efficiency Funding Mechanism

Despite the progress with efficiency legislation and programs over the past several years, Maine continues to have the lowest per capita rate of investment in energy efficiency of any New England state.

LD 1647, *An Act to Enhance Maine's Clean Energy Opportunities* improves the funding mechanisms for the Efficiency Maine Trust by giving the PUC an additional contracting tool (already used at the

PUC for renewable sources of energy) to help realize the state's efficiency opportunities. By treating energy efficiency like a resource, it will re-channel money Mainers now spend on electricity to meet our needs through efficiency instead. This update to funding is especially important for business consumers because they are most burdened by electricity costs. Modernizing and updating our efficiency funding mechanisms will make Maine more attractive for efficiency businesses and jobs, reduce energy

costs, and enable the Efficiency Maine Trust to *implement* long-term efficiency strategies in the triennial plan.

Maine must take the necessary steps to meet the state's money-saving efficiency goals with appropriate resources. In 2008, the Efficiency Maine Business Program saved electricity customers \$54 million on only a \$6.5 million budget! Maine has an opportunity to multiply this success before rising energy costs do more damage to Maine's economy.

Adopting Property Assessed Clean Energy (PACE)

LD 1717, *An Act to Increase the Affordability of Renewable Energy for Homeowners and Small Businesses* gives Maine municipalities the option of adopting a voluntary efficiency and renewable financing mechanism through property tax bills. If adopted by Maine towns and cities, this approach could remove important barriers to investing in energy efficiency.



Key general points on energy efficiency

- Energy efficiency is Maine's largest and most affordable energy resource, and it is still largely untapped. The triennial plan is a specific plan to help Maine residents and businesses tap Maine's cost-effective energy efficiency potential, save hundreds of millions of dollars, and create jobs for Maine people. Long-term contracting provides a stable funding source for efficiency, so Maine people can continue to benefit by saving two to three times as much as is invested.
- Maine needs and deserves a comprehensive energy efficiency plan that also has the *resources* that it will take to implement the plan and achieve its goals. Federal stimulus funds have allowed programs to ramp up but they will expire next year.
- In the last five years, Efficiency Maine has leveraged \$64 million in program funds for \$67 million in private funds and created total lifetime savings of over \$390 million. In 2008, the Business Program helped 700 businesses save \$50 million. This is success we can build on.
- Maine is dangerously dependent on imported oil and natural gas. We must transform our energy system to increase our energy independence in an affordable and achievable way, and energy efficiency is our best resource for doing so.
- Maine continues to have the lowest per capita rate of energy efficiency investment in New England; we must keep up to stay prosperous and competitive. Maine now invests \$12 per capita on efficiency programs, while VT, MA, CT & RI are all spending or have approved budgets to spend at least \$40-\$60 per capita on efficiency.
- A recent analysis showed that levels of efficiency program investment similar to those proposed in the Efficiency Maine Trust's "strawman" triennial plan would increase Maine's cumulative GDP over the next 20 years by \$13 billion and create over 150,000 new jobs. (Environment Northeast, 2009).