



**Testimony of the Efficiency Maine Trust
Michael D. Stoddard, Executive Director**

IN OPPOSITION TO

LD 1101 - An Act to Support Lower Home Energy Costs by Establishing a Home Energy Scoring System

Presented to the Committee on Energy, Utilities and Technology

March 30, 2023

Senator Lawrence, Representative Zeigler, and Members of the Committee on Energy, Utilities and Technology, the Efficiency Maine Trust (the Trust) appreciates the opportunity to testify today on **LD 1101 - An Act to An Act to Support Lower Home Energy Costs by Establishing a Home Energy Scoring System**.

I appreciate that the supporters of this bill have the best intentions, and that they seek to help Maine homeowners lower their energy use and reduce greenhouse gas emissions and to improve the housing stock of Maine homes. The Trust shares these goals.

However, the Trust cannot support this bill as drafted.

First, the bill would effectively turn the Trust into the “energy police.” The bill would have the Trust develop a system of penalties to be assessed against contractors for violating energy audit standards. This would be an unprecedented role for the Trust, which is not a regulatory agency and has no apparatus or experience in a policing role. The Trust’s strength is in providing impartial information and financial incentives to entice Maine consumers to make energy improvements at their homes and businesses, and to encourage more contractors and vendors to work in this space. Slapping them with penalties seems an unlikely way to encourage them. Moreover, we already have ample leverage to dissuade or hold accountable poor performers by de-listing them from eligibility to perform rebatable work and removing their name from the online directory of eligible contractors. We don’t need to add violations and penalties to our repertoire.

Second, the bill appears to mandate that the Trust establish a single, uniform standard for energy audits that is overly complex and costly. The COVID pandemic hit the industry of home weatherization

contractors very hard. In the summer of 2020, weatherization projects were at a standstill for obvious reasons. By the following summer, it was barely any better. Contractors couldn't offer competitive wages with other employers and laid off workers. In the first months of 2022, the number of businesses offering weatherization services was down 19% from pre-pandemic levels, and the number of completed projects was down 22% from the prior year. Meanwhile, the Climate Action Plan of the Maine Climate Council had set a goal of doubling the pre-pandemic rate of weatherization projects. The Trust jumped in to help by allocating more RGGI budgets for home weatherization, raising rebates, and significantly increasing marketing. Through the spring and summer of 2022, Efficiency Maine saw the industry rebound, and by the fall of 2022 and into this past winter, contractors were so busy they had hired staff back, added more crews, and significantly increased wages. The most active weatherization contractors report to us they are now booked out about 100 days in advance. We are forecasting a 60% increase in completed weatherization projects this fiscal year compared to last.

In addition to the extremely hard work and dedication of Maine's weatherization contractors, I think there are a few notable elements of the Trust's program that have helped this industry recover from the pandemic and put weatherization back on track to meet the goals of the Climate Action Plan. Most importantly, we "keep it simple." We've tried complex and detailed requirements for undertaking energy projects and found that it creates confusion and frustration for customers and contractors. Also, we've respected the desire of independent contractors to have the freedom to develop their own, individual business strategies rather than require a "one-size-fits-all" mandate. Some contractors prefer to offer a very simplified initial assessment of the home and charge only a few hundred dollars, conserving their time, and the customer's budget, for the big-ticket items that will actually save them money and increase their comfort. Other contractors like to do an extensive energy audit, complete with analysis of the home's energy use, modeling or calculations of cost savings that could be achieved through various recommended actions, and additional explanation of the home's energy systems. These more extensive audits cost closer to \$600 to \$1,000, before any weatherization work has started. As drafted, LD 1101 appears to require that all energy audits in Maine will be of the more extensive variety. Moreover, by requiring that the audit produce an energy score, the costs will be even higher. The Trust's research indicates energy scores that would comply with this bill would likely cost between \$800 and \$1,500 or more. Our concern is that the complexity of this process, and the additional cost, will have a chilling effect on consumers considering weatherization and other home energy improvements.

While the recently enacted federal IRA legislation also offers a tax credit of up to \$150 for an energy audit, we are concerned this will not be enough help most customers overcome the cost barrier of the type of audit required by LD 1101.

Notwithstanding our misgivings about this bill's provisions on energy audits, we see real merit in the idea of developing a voluntary home energy score that could be used in Maine. And we agree that the US DOE Home Energy Score, using an asset-based approach, is a reasonable option. (We do not agree that "measuring the performance of the building," as suggested in the bill, is what the Home Energy Score does). We would be interested in working on developing such a score, and would be happy to work with the bill's supporters and other stakeholders toward that objective. This bill is not needed to

achieve that outcome. Nor is the bill necessary for the purpose of giving authorization to the trust and municipalities to implement an energy score standard or process. (We are aware of nothing prohibiting a municipality from adopting an energy score standard or requirement within its own jurisdiction.)

Finally, I should note that we have not found any funding in the emerging federal grant opportunities that would cover the costs for Efficiency Maine to perform the tasks of this bill. Even if such funding were available, we would want to think about whether dedicating it to the purposes of LD 1011 would be a higher priority than funding more weatherization projects and heat pumps.

Respectfully submitted,

/s/MDS

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