



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

**LD 1341 -- An Act To Authorize a General Fund Bond Issue
To Improve Maine's Housing Stock and Reduce Heating Costs and Oil Consumption**

**Presented to the Joint Committee on Appropriations and Financial Affairs
of the Maine Legislature**

**Augusta, Maine
June 5, 2015**

Senator Hamper, Representative Rotundo, and Honorable Members of the Joint Committee on Appropriations and Financial Affairs, on behalf of the Efficiency Maine Trust, I appreciate the opportunity to testify on LD 1341 -- An Act To Authorize a General Fund Bond Issue to Improve Maine's Housing Stock and Reduce Heating Costs and Oil Consumption.

In 2013, the Legislature passed the Omnibus Energy Bill (LD 1559) which included a goal for Efficiency Maine to weatherize, by the year 2030, "substantially all homes whose owners or occupants are willing to participate in and share the costs of cost-effective home weatherization." We estimate that the universe of residential units in Maine that could cost-effectively benefit from weatherization is somewhere between 350,000 and 450,000 units. We further estimate that those whose owners or occupants can share the cost of such work to be close to the lower end of this range. In order to meet a target of weatherizing 350,000 Maine homes, homeowners would need to undertake slightly less than 25,000 home improvement projects per year. While we are very proud of what we have been able to accomplish in the past five years, especially since receiving a sustained funding stream thanks to the passage of the Omnibus Energy Bill of 2013, we must recognize that we have only reached an annual rate of about 8,000 home energy improvement projects per year. Of that total, weatherizing and other building envelope measures constitute about 20-25% of the projects and heating system upgrades the balance. We have more work to do. This bond would help make that work possible.

The Efficiency Maine re-launched the so called Home Energy Savings Program (or “HESP”) to help homeowners reduce their heating demand in September, 2013. This followed three months of public hearings, analysis, and written comments from industry leaders, as well as approximately two years of continuous program operation using federal Recovery Act (ARRA) funding to offer financial incentives and loans for similar home improvement projects. The HESP program offers rebates on the purchase and installation of qualifying measures. The qualifying measures (and associated rebates) include high-efficiency heat pumps (\$500), high-efficiency gas/propane/oil furnaces and boilers (\$500), efficient stove systems (\$500), high insulation levels in the attic, walls, or basement walls (\$500 per zone, maximum two zones per home), and energy assessments with air sealing (\$500). With some exceptions, the program limits each home to \$1,500 in incentives. More information is available at our website <http://www.energymaine.com/at-home/home-energy-savings-program/>.

Since the program was launched in September of 2013 through February of this year, a 17-month period, Maine’s home energy consumers and the burgeoning sector of businesses that is growing to serve this market have made significant progress in transforming Maine’s homes and home heating systems. Highlights of the upgrades during this period include, but are not limited to, the purchase and installation of:

- 1,750 insulation projects and 2,680 assessments with air sealing;
- 7,100 mini-split heat pumps;
- 150 high-efficiency fossil-fired furnaces and boilers; and,
- 440 central system pellet boilers.

The economic benefits of the program have been extraordinary. The Efficiency Maine Annual Report for FY2014 indicates that even while the program was in “start-up” mode and was only operating at full-pace for half of the fiscal year, on a budget of \$5.2 million this program leveraged \$21 million in private investment in home energy upgrades. These upgrades are projected to result in more than \$40 million lower home heating costs from efficiency gains alone. Additionally, heat pumps, insulation, and high-efficiency central boilers and furnaces are cost-effectively and dramatically reducing greenhouse gas emissions, principally by reducing demand for heating oil.

In FY15, the Trust forecasts expending \$9.9 million over the course of a full year in HESP. In FY16, the Trust has approved a program budget of \$7.6 million.

It may also be worth noting that Efficiency Maine has established a unique relationship with the businesses of Maine's home energy trades -- heating contractors, energy auditors, builders and vendors. Currently 734 businesses are listed on Efficiency Maine's website and are connecting homeowners with incentives through residential programs.

Thousands of Maine homeowners visit the Efficiency Maine Trust website or call Efficiency Maine Trust's help center every month. The Efficiency Maine website is the go-to location for information for Mainers interested in energy efficiency. The Staff believes the Trust is well-positioned to support homeowners hoping to make an upgrade to eligible models, and seeks to continue doing so in the years ahead.

While it is not essential, we would find it helpful if the Legislature could find a way to indicate that the 2:1 customer contribution to the cost of projects is to be achieved across the entire portfolio of projects so that the Trust is not limited to screening this metric on every individual project.

Thank you for this opportunity to provide comments.

I am happy to answer any questions.