



SIERRA CLUB

MAINE CHAPTER

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To: Committee on Energy, Utilities and Technology
From: David Gibson, Sierra Club Maine
Date: May 6, 2021
Re: Testimony in support of LD 1659: **An Act To Create the Maine Clean Energy and Sustainability Accelerator**

Senator Lawrence, Representative Berry, and members of the Committee on Energy, Utilities and Technology: my name is David Gibson, and I am a resident of Morrill. I am representing Sierra Club Maine and our 22,000 supporters and members across the state. We wanted to offer our enthusiastic support for: *LD 1659 An Act To Create the Maine Clean Energy and Sustainability Accelerator*.

I am a Certified Energy Manager and LEED Accredited Professional for Building Design and Construction through the US Green Building Council. I have more than a decade of experience leading efficiency and clean energy projects, including 2 years leading the implementation of efficiency programs for the Nevada Governor's Office of Energy. During that time, I also led efforts to create a Green Bank. This was successful in 2017 when Nevada passed legislation creating the Nevada Clean Energy Fund, which uses the green bank model to fund clean energy projects. I have also designed solar and heat pump systems for households across Maine for the last 3 years.

The biggest barrier to efficiency and clean energy projects is the upfront cost. Most projects will pay for themselves in less than 15 years, offering a solid return on investment. The intent of this legislation is to both increase the availability of financing and decrease the interest rates, making financing widely available for efficiency, clean energy and other climate solutions.

Maine has approximately 500,000 homes in need of air sealing, insulation, heat pumps, and similar measures. A comprehensive whole-house energy retrofit often costs \$10,000-\$20,000, depending on a wide array of variables. This means we need to invest \$5 billion-\$10 billion for residential efficiency in the coming years, and similar amounts will be needed for rooftop solar. Municipal buildings and businesses will require billions more in investment.

Efficiency Maine has some of the best rebate programs in the country. However, rebates alone cannot drive the investments needed, and one entity cannot manage this scale of investments by itself. Maine's banks and credit unions loan billions of dollars each year for mortgages, car loans, business loans, and for a variety of other investments.

The primary role of the Accelerator is to create partnerships between those with expertise in efficiency, clean energy, and other climate solutions, and those with financial expertise and capital to loan out. **This bill provides Efficiency Maine with the structure to partner with local banks, credit unions, CDFIs, and other lenders.** In time, homeowners and small business owners will be able to go to nearly any local lender in the state to finance efficiency and clean energy improvements, just like they can go to any of these lenders for a home mortgage or car loan.

The Accelerator is designed to address market barriers. It is modeled after the Connecticut Green Bank, which has over a decade of experience and has successfully deployed over \$2 billion in capital. The Connecticut Green Bank has developed solutions we can replicate in Maine. **This legislation will help to decrease risk for lenders, reduce borrowing costs, and reduce loan limitations like income or credit score requirements.** Across Maine, low-income families spend a larger portion of their income on heating oil and propane and have the greatest need for efficiency improvements. LD 1659 specifically calls for 40% of funding to be directed to low-income communities and communities of color, to assist those who need it most.

The Maine Clean Energy and Sustainability Accelerator will help to:

- Increase loan availability
- Decrease risk for lenders
- Decrease interest rates for consumers
- Decrease paperwork/regulatory burden/project soft costs
- Decrease fossil fuel expenditures leaving the state economy (currently more than \$4 billion each year)
- Increase participation from local lenders
- Increase funding/# of loans made
- **Create local clean energy jobs**
- **Increase local tax revenue and economic growth**

The projects funded by the Accelerator will:

- Reduce operating (utility) costs
- Reduce carbon footprint
- Increase home or building value
- Increase building comfort
- Improve health and safety

This legislation is modeled closely after federal legislation, HR 806/S.283, the Clean Energy and Sustainability Accelerator Act (<https://www.congress.gov/bill/117th-congress/house-bill/806/text>). This federal bill has bipartisan cosponsors, and has also been included as part of President Biden's American Jobs Plan. Funding proposals for HR 806 range from \$27 billion to \$100 billion. A key element of the federal legislation is that it will pass funds through to state-level green bank entities. **Passing LD 1659 will give Maine a jump-start, helping to ensure that no time is lost and that we can increase funding for climate solutions as soon as possible.**

Finally, here are some resources that the committee might find helpful:

- Environmental Priorities Coalition Fact Sheet:
<https://protectmaine.org/assets/factsheets/Green-Bank-2021-Factsheet.pdf>
- 2020 Maine Green Bank Summit:
<https://www.sierraclub.org/maine/2020-green-bank-summit>
- Fact Sheet from Union of Concerned Scientists on Maine Clean Energy Finance (2016):
<https://www.ucsusa.org/sites/default/files/attach/2016/12/maine-clean-energy-finance.pdf>
- Coalition for Green Capital overview of the Federal legislation:
<https://coalitionforgreencapital.com/wp-content/uploads/Accelerator-One-Page-21.02.11.pdf>
- Connecticut Green Bank 2020 Annual Report:
<https://www.ctgreenbank.com/wp-content/uploads/2020/12/Annual-Report-FY20-final.pdf>

LD 1659 will increase collaboration between Efficiency Maine and local lenders throughout the state. It will improve financing options for clean energy and climate solutions. It offers a clear solution that has been proven successful by other states. We offer our full support for this legislation.

Thank you Representative Zeigler for bringing this legislation forward.

We ask the committee to vote
LD 1659 Ought to Pass.