

October 21, 2021

Maine Climate Council
Equity Subcommittee

VIA Web site: <https://www.maine.gov/future/initiatives/climate/climate-council/contact>

RE: *Draft Recommendations – for Deliberative Purposes, Version 8-26-2021*

Acadia Center respectfully submits the following comments on the Maine Climate Council Equity Subcommittee *Draft Recommendations for Deliberative Purposes, Version 8-26-2021*.

[Acadia Center](#) is a non-profit, research and advocacy organization incorporated in Maine and committed to advancing the clean energy future by offering real-world solutions to the climate crisis. Acadia Center tackles complex problems, identifies clear recommendations for reforms, and advocates to create significant change that supports a low-carbon economy across the Northeast which can then be a model for application elsewhere. Acadia Center identifies regional, state, and local improvements that will dramatically reduce carbon pollution and improve quality of life throughout the Northeastern United States.

The Maine Climate Action Plan sets targets and goals to reduce emissions and transition to clean energy in the fast-approaching decades. Putting in place goals for climate action is only a first step, as the actualization of those goals rest largely on effective implementation strategies and actions that follow. These strategies will bring the needed change only if they work for all communities, especially disadvantaged communities: those of low-income with history of environmental injustice (EJ). Substantial efforts are needed in research, engagement, and better understanding of communities in order for this work to benefit all.

By seeking out and amplifying the voices of EJ community leaders and advocates, as well as other major stakeholder groups and organizations whose efforts are channeled towards climate and clean energy goals, real climate progress can be made. The Maine Climate Council Equity Subcommittee must seek to include and highlight the perspectives of leaders from groups that have been historically left out. Reducing emissions, tackling climate change, and ensuring thriving communities within the next few decades can only be achieved from goals and implementation strategies that address the complex and systemic issues of pollution, environmental injustice, and climate.

Thank you for your work in developing these key equity recommendations and please consider Acadia Center as a resource in your endeavors.

Respectfully Submitted,

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Draft Recommendations for Deliberative Purposes, Version 8-26-2021.

Response by Acadia Center

To Maine Climate Council Equity Subcommittee, October 21, 2021

[Acadia Center](#) appreciates this opportunity to provide written comments in response to the Maine Climate Council Equity Subcommittee request for comments on its *Draft Recommendations for Deliberative Purposes, Version 8-26-2021*. In summary, Acadia Center supports the Draft Recommendations and suggests the following:

- Acadia Center recommends that future legislation establishes and elevates the Equity Subcommittee of the Maine Climate Council in the Climate Change Greenhouse Gas Emission Reduction statute, similar in structure and stature to the Scientific and Technical Subcommittee.
- LD 1682 necessitates a procedural approach to developing methods of incorporating equity considerations in state agency decision-making and defining “environmental justice,” “frontline communities,” “environmental justice populations” and other key terms and calls for soliciting input from the public and stakeholders. Enhancing inclusion and providing access will be key to the equity evaluation’s success.
- Acadia Center also supports including “weatherization” and “heating” under the “social services” umbrella.
- Developing an optional financial literacy program is not particularly innovative and may not bring a real solution.
- All recommendations can benefit from including organizations and groups focused on low-income communities, EJ communities, affordable housing groups, and others.
- Acadia Center recommends equitable, increased, and focused investment in accessible, affordable, and reliable public transit; electrification; and active transportation – walking and biking.
- The *Next Generation Energy Efficiency* initiative proposed by Acadia Center focuses on energy savings as a core energy system resource, but is also centered on meeting climate, environmental justice, and electrification goals.
- Acadia Center supports pilot programs and incentives to encourage landlords to adopt clean heating upgrades and renewable energy solutions, particularly in rural and low-income communities.
- A detailed on-site study of the energy impacts of efficiency upgrades in low-quality housing could reveal important information about efficiency challenges in this market segment, which would help the Efficiency Maine Trust to claim greater savings commensurate with the greater difficulty of reaching and serving these ratepayers.
- Acadia Center continues to support new sources of funding for weatherization, which may require legislative approval.

- State agencies must start prioritizing climate now to help create efficient buildings and electrified transportation, powered by clean, renewable energy. LD 1682 sets Maine on a course to do it equitably for all. State agencies need to appropriately value pollution reductions, climate impacts, public health, job creation, improved reliability, and other costs and benefits while eliminating wasteful spending and stranded costs for fossil-fuel infrastructure inconsistent with climate actions.
- Acadia Center recommends that an energy storage market assessment include exploration of the impact on resiliency, costs, and emissions in addition to a focus on grid reliability.
- Acadia Center suggests adding a recommendation to ensure equity in rate design, including time-of-use rates that are inherently more difficult for people who cannot shift their electricity usage.

Maine must expand its focus on ensuring that our most vulnerable citizens are warm, safe, and healthy and have more options to get to their jobs, doctors, and stores. Although the home energy burden for low-income households is high at 19 percent [of pre-tax income], participation in residential energy efficiency and transportation programs by low-income Mainers is limited. Barriers to participation include high upfront cost (even with incentives), split incentives between owners and renters, and insufficient informational outreach about efficiency and transportation programs. State agencies will need to do more to help low-income customers and enhance programs to benefit hard-to-reach communities, including rural parts of the State and more to alleviate energy burdens, such as enhancing energy efficiency programs to help low-income residents manage energy costs and promote customer equity. A robust equity focus with action-oriented strategies and timetables will also benefit the overall energy system by reducing ratepayer costs and environmental impacts of energy use and move us toward a stronger and more energy efficient future.

While the overarching goal of the Maine Climate Action Plan is to reduce greenhouse gases (GHG), the progress towards this end depends on how tailored the approaches are to each community across the State. For example, while emissions from buildings and transportation are a major source of GHGs, only through consideration of the infrastructure in a location can we identify the best action that suits the specific neighborhood, community, or state. Acadia Center recognizes this hindrance to states reaching their climate goals, and so has continued to press for programs that center on equity. For example, the [Next Generation Energy Efficiency](#) program is designed to help states reach climate goals by weatherizing and upgrading neglected buildings to make them more efficient, in ways that are tailored to the needs of people who have not been reached by other efficiency programs.

Understanding the needs of diverse neighborhoods will help Maine create appropriate programs and climate action plans suited to the needs of individual communities, aiding them as they make provisions that protect these communities. Additionally, awareness of the needs and concerns of environmental justice communities and low-income groups who suffer the biggest impacts from pollution and climate change should not be limited to environmental advocates and climate action groups. Equity-centered perspectives must form the fabric of climate strategies and solutions and decisions made at all levels of government. [LD1682](#), which Acadia Center helped pass in Maine, will require an evaluation of how state agencies incorporate equity considerations and perspectives in their decisions.

Acadia Center's comments reflect the importance of LD 1682 and its required equity and environmental justice evaluation for state agencies, with brief comments on specific components of the Equity Subcommittee's *Draft Recommendations* on Buildings, Energy, and Transportation.

Draft Equity Recommendations

LD 1682 elevates “equity” across state government to help mitigate energy burdens on environmental justice and frontline communities and utility customers and opens the door for all state agencies to address equity concerns in environmental justice, frontline, and other vulnerable communities that are underserved or overburdened by current energy policies, programs and systems due to geography, race, income or other socioeconomic factors.

The Governor’s Office of Policy Innovation and the Future (GOPIF), Governor’s Energy Office, Maine Public Utilities Commission (MPUC), and several stakeholders, during testimony on LD 1682, agreed that definitions of “environmental justice,” “frontline communities,” and other equity-based terms would benefit from additional engagement and refinement to ensure that those Maine individuals and communities who are most affected by energy burdens and climate impacts benefit from, and are not incumbered by, state agency decisions. As a result, LD 1682 requires GOPIF, in consultation with other states agencies and with input from the public and stakeholders, to incorporate equity considerations in decision-making and to develop definitions necessary to capture equity considerations in decision-making by February 2022. It allows for a bill to the Second Regular Session of the 130th Legislature based on their report and stakeholder engagement. The Equity Subcommittee Draft Recommendations should be part of this overall evaluation and Acadia Center supports their adoption as part of the Maine Climate Action Plan.

Cross-Cutting Recommendations

Acadia Center generally supports the other cross-cutting recommendations. But, to elevate the recommendations of the Equity Subcommittee, Acadia Center recommends that future legislation establishes and elevates the Equity Subcommittee of the Maine Climate Council in the Climate Change Greenhouse Gas Emission Reduction statute, similar in structure and stature to the Scientific and Technical Subcommittee.

Acadia Center supports the “Procedural Equity” recommendation whereby “All state policy, program, and other decision-making processes should seek to enable equitable participation from vulnerable and historically underserved communities.” LD 1682 necessitates a procedural approach to developing methods of incorporating equity considerations in state agency decision-making and defining “environmental justice,” “frontline communities,” “environmental justice populations” and other key terms and calls for soliciting input from the public and stakeholders. Enhancing inclusion and providing access will be key to the equity evaluation’s success. Acadia Center also supports including “weatherization” and “heating” under the “social services” umbrella.

Developing an optional financial literacy program is not particularly innovative and may not bring a real solution. Its “optional” designation and the avenues and method through which the program will be promoted or made known to people who need them is not detailed in the recommendation.

Transportation Recommendations

Maine’s largest source of climate pollution is also a major contributor to inequity across the state. Outdated and underfunded transportation infrastructure hinders economic opportunity and leaves too many communities isolated and vulnerable. The continued reliance on gasoline and diesel to power vehicles leaves drivers and consumers at the

whim of volatile and increasingly expensive imported fuel markets. Meanwhile, the combustion of these polluting fuels has devastating public health impacts. Worst of all, those economic burdens and public health costs overwhelmingly affect our most marginalized populations: low-income communities, communities of color, and the rural communities lacking mobility options. As Maine seeks to chart a more equitable future, a more just and sustainable transportation sector must be a top priority.

Accessible, affordable, and reliable public transit serves as the connective tissue for sustainable, equitable communities. Compared to personal vehicles, efficient public transit systems move more people more quickly, reduce transportation costs, alleviate traffic, produce less pollution, and allow communities to reclaim paved roadways for people-centric purposes and conservation. Unfortunately, Maine’s public transit systems are underfunded, leaving many riders with infrequent, unreliable service while many others have no access to transit at all. That lack of sufficient transit presents a major barrier between underserved communities and jobs, healthcare services, and other basic needs, exacerbating economic and health disparities. Increased public transit funding and fare-free transit can help deliver a more equitable, sustainable future.

Electrification of the transportation sector is also a critical pathway to addressing inequity. Acadia Center commends Efficiency Maine Trust for its commitment to equity in its delivery of electric vehicle rebates, including through offering rebates for used electric vehicles and increased rebates for low-income customers. Beyond the electrification of personal vehicles, Acadia Center also recommends an emphasis on the electrification of medium- and heavy-duty vehicles. Specifically, Maine’s adoption of the Advanced Clean Trucks rule will reduce tailpipe pollution from the medium- and heavy-duty vehicles that cause disproportionate air quality harms in already overburdened communities.

Active transportation—primarily walking and biking—offers pollution-free mobility and substantial health benefits, but the lack of safe and connected sidewalks and bike lanes can be a major deterrent. Rather than continuing the history of car-centric investment, we should be investing in infrastructure to support active mobility and complete streets, ensuring that everyone can get around safely and efficiently whether they are walking, biking, on the bus or in a car.

Finally, transportation equity cannot be achieved without input from the communities that have been historically overburdened and underserved by the transportation system. Maine’s state and local governments must formalize processes to ensure that marginalized populations have decision-making agency when it comes to the investment decisions that will shape the state’s transportation system for decades to come.

Buildings Sector Recommendations

Acadia Center generally supports the DRAFT Building Sector Recommendations. All these recommendations can benefit from including organizations and groups focused on low-income communities, EJ communities, and affordable housing groups.

While the Efficiency Maine Trust has helped Maine become a national leader in energy efficiency, far more must be done to improve the efficiency of homes and businesses and to ensure that all communities reap the full benefits of

energy efficiency. Despite the good work already done over the last ten years, there is still more that can be accomplished to ensure that efficiency programs deliver benefits equitably across all communities and income levels. Underserved groups, including renters, low-and-moderate income communities, and non-English speakers, often face the worst impacts of climate change and poor housing quality but often have been unable to easily access the benefits of efficiency programs. At the same time, efficiency programs must be better aligned with electrification efforts, and energy efficiency should be elevated as a key tool to reduce GHG emissions.

Acadia Center is bringing together these complex but overlapping issues into its [*Next Generation Energy Efficiency*](#) initiative. *Next Generation Energy Efficiency* addresses these challenges through a new approach to energy efficiency – one that focuses on energy savings as a core energy system resource, but is also centered on meeting climate, environmental justice, and electrification goals. The four pillars of *Next Generation Energy Efficiency* are to:

1. Strengthen the role of efficiency in improving housing quality;
2. Address climate mitigation and GHG reductions through energy efficiency;
3. Better align energy efficiency and electrification; and
4. Sustain investments in energy efficiency as a leading energy resource.

In the transition to cleaner heating and cooling systems and more efficient appliances, Acadia Center supports working with the Trust, Maine Housing, and other State agencies to develop pilot programs and incentives to encourage landlords to adopt clean heating upgrades and renewable energy solutions, particularly in rural and low-income communities. With the current focus on homeowners, which is critically important, we often overlook the needs of renters. Federal data show that while only about 35 percent of housing units in New England are rentals, more than 80 percent of the occupants of those units make less than \$60k/year, which is near the low-income threshold for a family of 4 in Maine (which is \$56,136). The same data show that rentals are significantly less efficient than other units.

Acadia Center supports all the recommendations related to accelerating efficiency improvements to existing buildings, as it would be extremely useful for the Trust to know where the least efficient homes are located and to have a baseline study showing precisely how inefficient those homes may be. Low- and moderate-income households, people of color, and English-isolated families tend to live in older and draftier housing units with higher heating bills. These buildings have the greatest potential for energy bill savings and emissions reduction, but they are occupied by the people who can least afford to shoulder the cost of energy upgrades. A detailed on-site study of the energy impacts of efficiency upgrades in low-quality housing could reveal important information about efficiency challenges in this market segment, which would help the Trust to claim greater savings commensurate with the greater difficulty of reaching and serving these ratepayers.

Unfortunately, the Trust can only use a limited amount of their total funding to conduct weatherization projects and, in comparison to other Northeast states, do very little insulation and air sealing. Improvements in the administration of LIHEAP funding, including barriers to total expenditure of funds each year, will help.

In addition, Acadia Center continues to support new sources of funding for weatherization, which may require legislative approval. If it were approved by the Legislature, a new surcharge on delivered fuels could generate an

amount of revenue commensurate with the weatherization target that the Trust has been asked to undertake by the Maine Climate Action Plan. Acadia Center concurs with the recommendation from the *Maine Climate Council's Buildings, Infrastructure, and Housing Working Group* pertaining to the adoption of a fuel-neutral funding mechanism. The Trust's funding comes disproportionately from electric ratepayers, who will contribute 53% of the Trust's 2023-2025 Plan budget—almost four times larger than the RGGI funding. This lack of diversity in funding sources hinders the Trust's ability to meet the goals which the Legislature and Climate Council have set for it. Seventy-two percent of occupied housing units in Maine use oil or propane for heat, yet only 35% of the HESP budget—the portion attributable to RGGI proceeds—can be used to weatherize these units. Acadia Center estimates that a conservation surcharge on delivered fuels, set at the same level as the current surcharge on natural gas,¹ could generate more than \$9.4 million in the first year. This would cost an average oil-burning home in Maine around \$12 per year but could weatherize between 1,000 and 1,500 homes. A more aggressive surcharge of 50 cents per MMBTU, which would cost an oil-burning Maine home about \$40 per year, could generate \$30.6 million annually. This is enough to weatherize at least 3,200 additional homes each year—a number close to the Climate Action Plan's target of 3,500. An average oil-heated home could save about \$400 per year. If the home were one of the 25% leakiest, it could save about \$2,500 per year.

Energy Recommendations

Acadia Center is available to the Equity Subcommittee and GOPIF to help identify the tools state agencies need to drive economic, energy, equity, and environmental benefits for all Mainers. Maine's energy economy is in transition. The massive capital and planning necessary to transform buildings, transportation, and the electricity grid over the next three decades necessitates state government reforms to help expand heating and transportation electrification; increase clean energy generation, storage, and delivery of offshore wind, solar, and other renewables; and oversee innovative utility innovation and grid modernization. The decisions that state government makes today will create the building stock, transportation systems, and electricity infrastructure of 2030, 2050, and beyond. State agencies must start prioritizing climate now to help create efficient buildings and electrified transportation, powered by clean, renewable energy. LD 1682 sets Maine on a course to do it equitably for all.

PUC Commissioners, and eventually all of state government, will need to appropriately value pollution reductions, climate impacts, public health, job creation, improved reliability, and other costs and benefits while eliminating wasteful spending and stranded costs for fossil-fuel infrastructure inconsistent with climate actions. Instead of choosing the cheapest solution in the moment, for example, the PUC can choose the best solution for both today's and tomorrow's ratepayers and require utilities to provide more innovative services to address one of the greatest crises of our time. This creates the impetus for even greater reform across state government so that agency actions are no longer roadblocks to equitable climate solutions.

Acadia Center generally supports the Draft Energy Recommendations. In Recommendation #5, Acadia Center recommends that an energy storage market assessment include exploration of the impact on resiliency, costs, and emissions in addition to a focus on grid reliability.

¹ Maine's natural gas conservation charge is set at \$0.01487 per therm, which is equal to \$0.1542 per MMBTU. This would be the equivalent of 2.1 cents per gallon of heating oil or 1.4 cents per gallon of propane.

Acadia Center suggests adding a recommendation to ensure equity in rate design, including time-of-use rates that are inherently more difficult for people who cannot shift their electricity usage. For example, TOU rates may not be feasible for seniors and other vulnerable individuals who are susceptible to heat and need to run their window air conditioners during the hottest parts of the day. Similarly, low-income households may need to do the same, especially if they live in poorly insulated homes. The MPUC must also ensure that time-varying rate costs and benefits are equitably distributed. Far more must be done to ensure that all communities reap the full benefits of time-varying rates.

A final note re: LD 1682

The Equity Subcommittee should work with GOPIF to ensure that those Maine individuals and communities who are most affected by energy burdens and climate impacts benefit from, and are not incumbered by, State agency decisions. Equity needs to be elevated in State agency decision-making to ensure that those Maine individual and communities who are most affected by energy burdens and climate impacts benefit from Commission decisions and the transition to a clean energy economy. If we are truly trying to decarbonize and electrify the economy, while alleviating or avoiding energy burdens on vulnerable communities, these considerations must be elevated State agencies' enabling statutes.

Acadia Center looks forward to working with the Equity Subcommittee to ensure that equity recommendations in buildings, power, and transportation policy builds on the solid programs already in place and fulfil the goals and targets in the Maine Climate Action Plan.

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