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DAN BURGESS
DIRECTOR OF GOVERNOR'S
ENERGY OFFICE

David Crane
Director, Office of Clean Energy Demonstrations
U.S. Department of Energy
1000 Independence Avenue SW
Washington, DC 20585

December 5, 2022

RE: Request for Information - Energy Improvements in Rural or Remote Areas Program (DE-FOA-0002841)

Dear Director Crane,

The Maine Governor's Energy Office (GEO) welcomes the opportunity to provide input on topics of rural and remote clean energy needs and opportunities in Maine. The responses below are intended to highlight Maine's rural characteristics and encourage the Office of Clean Energy Demonstrations (OCED) to consider Maine's context when designing the Energy Improvements in Rural or Remote Areas program.

Category 1: Respondent Characteristics

1.1 What type of organization do you represent, or are you responding as a private citizen? To help DOE categorize responses, please use one of the following respondent classifications: private citizen, government, community-based organization, labor union, energy provider, American Indian Tribe and Alaska Native Village, or other tribal organization, for-profit company, other type of non-profit entity, or other. If other, please specify.

The Governor's Energy Office is Maine's designated State Energy Office.

1.2 What role would you or your organization play in an energy project conducted through this program?

The GEO is tasked by law with carrying out the responsibilities of the State relating to energy resources, planning and development. The GEO recognizes the once-in-a-generation investment in energy infrastructure the Bipartisan Infrastructure Law (BIL) represents, and views funding available through BIL programs such as the Energy Improvements in Rural Areas (ERA) program as important opportunities to support the transition to a more equitable and resilient clean energy economy across the entire state, including in Maine's most rural and remote communities. The pursuit of such funding opportunities aligns with the GEO's responsibilities as well as the energy, infrastructure, workforce, and equity objectives established by Maine's climate action plan, *Maine Won't Wait*. The below response may also address **Question 3.5** regarding the existing Federal, Regional, and or State entities that are already engaging in rural and remote communities that OCED should leverage.

The GEO encourages OCED to consider clarifying that funding is available to State Energy Offices and to provide maximum flexibility of rules around eligibility and dispersal. This will keep an avenue open for a state-led allocation of funds that can build on the State’s extensive experience working with stakeholders, communities, and partners to foster an effective process for rural entities to learn about and effectively leverage this funding opportunity. *The GEO will consider multiple avenues of engagement with the program in the future, including but not limited to applying directly for funding to make funds available through state processes for the eligible uses, or through partnership with or support of other eligible entities within the state.* The GEO is well-positioned to build on existing programs and initiatives – including, for example, the state’s [Offshore Wind Roadmap](#) process and the [Clean Energy Partnership](#) program – that advance the desired set of outcomes for rural and remote communities under the ERA program.

The Maine Offshore Wind Roadmap, supported by a \$2.166 million grant from the U.S. Economic Development Administration to the GEO, will create an economic development plan for the offshore wind industry in Maine by building on the state’s record of planning, research and development, and innovation that stretches back over a decade. The Roadmap exemplifies the type of decision-making process risk mitigation initiative identified as a priority in the preliminary ERA program guidelines. It is an innovative participatory planning approach aimed at accelerating community consensus-building and technology deployment. The initiative, launched in 2019 by Governor Janet Mills, aims to explore the thoughtful development of floating offshore wind in the Gulf of Maine while ensuring balance with the state’s maritime industries and environment. In addition to convening dozens of public meetings, several studies have been completed as part of the Roadmap, including assessment of the socioeconomic costs, benefits, and equity implications of potential offshore wind targets, and an evaluation of the options for development of transmission and grid integration.

The Clean Energy Partnership program similarly demonstrates innovation in the workforce space. This public-private partnership supports the continued growth of the state’s clean energy economy by preparing and expanding Maine’s clean energy workforce, as well as supporting innovation of clean technology products and services. The GEO has convened an Advisory Group which meets regularly to inform the work of the initiative to develop new curricula, provide technical training and experiential learning, deploy new job placement services, and other activities related to workforce development and training. Program partners will attract new workers to the clean energy and energy efficiency workforce, provide career training and upskilling opportunities to existing workers, increase diversity and representation in the clean energy workforce, and facilitate new and expanded clean energy apprenticeship, pre-apprenticeship, and internship models to facilitate entry into rewarding and high-paying jobs across Maine.

Looking ahead, we will continue to work to understand how the GEO can best support future project proposals benefiting the people of Maine under the ERA program, whether that is through continuation of existing GEO programs or support of new initiatives aimed at improving the “resilience, safety, reliability, and availability of, and [reducing] the adverse impacts from, energy generation by rural or remote areas.” Throughout this program development process, the GEO encourages collaboration across federal agencies to communicate the various programs under both the Bipartisan Infrastructure Law and the Inflation Reduction Act with similar or aligned purposes and entities eligible for funding towards energy improvements in rural or remote areas.

Category 2: Potential Project Details

Area Definition:

2.1 In Section 40103(c), “rural or remote area” is defined as a city, town, or unincorporated area that has a population of not more than 10,000 inhabitants. Would you characterize the area you represent or have in mind regarding this program as being rural or remote? If so, why? If you are considering many areas (e.g., as a governmental body or non-profit), what characteristics would be indicative of communities fitting this definition?

Maine is large and dispersed, about the size of the other five New England states combined. According to the U.S. Energy Information Administration, more than 3/5ths of Maine’s population lives outside of urban centers and in rural areas, the largest proportion of any U.S. state. Maine has 483 incorporated cities, towns, and plantations, only 22 of which have populations greater than 10,000 people as of the 2020 Census.

2.2 Would you characterize this area as underserved, overburdened, disadvantaged, or as having environmental justice concerns? If so, why and with what metrics? In what ways, if any, does being rural or remote shape these challenges?

A [2019 analysis](#) prepared for Maine’s Office of the Public Advocate (OPA) on home energy burdens reveals that Maine’s low-income households have a high energy burden: the average home energy burden for low-income households is 19 percent, far exceeding the thresholds for several definitions of energy poverty. Also cited in the OPA study, the American Council for an Energy-Efficient Economy’s (ACEEE) 2018 national study considered differences in energy burden related to home energy use by region and for rural and non-rural populations. It found that rural energy burdens are highest in New England, East South Central, and Mid-Atlantic Regions.

Maine currently has the highest reliance on fuel oil in the country. At least half of low-income households primarily heat their homes with fuel oil in all 16 Maine counties, but fuel oil usage is higher in the most northern and rural counties than Maine’s more southern and urban counties.

While most of Maine is part of the regional transmission grid operated by ISO-New England, the northern part of the state instead links to Canada by way of Canada’s New Brunswick Power Corporation, and is operated by the Northern Maine Independent System Administrator. This is the only portion of the U.S. grid disconnected in this way.

New England’s over-reliance on natural gas for electricity generation and oil to heat our homes puts the state at risk of price swings caused by the global market. Maine people are feeling these effects by way of increased electricity and heating bills as international fossil fuel prices rise - with recent global events adding more uncertainty in the future. To help protect Maine from this volatility, the state has put in place some of the nation’s most ambitious targets in law to transition to renewable energy, advanced policies to reduce consumption of fossil fuels through energy efficiency measures like heat pumps and weatherization, and became one of the first states in the nation to set targets for energy storage.

Maine has now exceeded its statutory goal of reducing oil consumption by at least 30% from 2007 levels by 2030; Maine is 38% below 2007 levels as of 2019. But even with this considerable progress, Maine remains the most heating oil dependent state in the country, with 58% of Maine’s homes reliant on heating oil, and spends more than \$4 billion annually on imported fossil fuels.

These goals, targets and requirements establish the direction for Maine’s energy future that will deliver clean, affordable energy to Maine people and businesses. Access to renewable energy for people across Maine remains critical to not only ease our reliance on fossil fuels, but also help offset rising energy costs caused by global fossil fuel markets.

2.3 What, if any, energy challenges does the rural or remote area have? What are the community’s priorities among these challenges? Has the area considered specific solutions and, if so, what progress has been made to implement the solutions? Answers can cover both a specific community you represent as well as broader categories or types of relevant communities.

A [study on rural efficiency gaps](#) supported by DOE funding and authored by the Island Institute in collaboration with the GEO, illustrates the energy challenges faced by rural and remote communities throughout the U.S., highlighting the “rural energy efficiency gap,” and the key barriers to implementing energy efficiency programs in rural communities.

The report groups barriers to rural energy efficiency into three categories: geographic barriers, financial barriers, and awareness and access barriers. More broadly, these include geographic isolation combined with a lack of economies of scale in small communities that inhibits access to financing, incentives, and professional services to implement projects; a lack of qualified contractors and availability of a local, skilled workforce; high upfront costs specifically for low-income rural households who typically experience a higher energy burden; a lack of access to traditional marketing channels exacerbated by limited access to reliable broadband service; and a lack of awareness or skepticism of existing resources and assistance programs.

This study also offers several “bridging models” to address these barriers through program design, policy, and community-based approaches. Some of these bridging models include:

- Geographically-equitable program design;
- Hiring and training local labor, as well as providing lodging and travel support for workforce;
- Flexible program and innovative financing options that allow for a range of efficiency activities at accessible costs;
- Leveraging community-based organizations to increase awareness and uptake; and
- Cross-sector collaboration that allows for multiple local priorities to be addressed in hard-to-serve populations.

In addition to the programs discussed under section 1.2 above, there are several examples of Maine-based programs that are implementing these bridging models to successfully reach rural communities with energy programming. For example, Efficiency Maine, the quasi-state agency that implements efficiency programs in Maine, has built a statewide network of contractors that serve both rural and urban areas, and has worked to design rebate and loan programs to be accessible to residents and businesses across a wide range of incomes. They also have programs specifically for low- and moderate-income residents, as well as flexible program design that allows customers to install weatherization projects in stages.

Conclusion

Maine's energy system, like that of most of the world, is undergoing a transformation. With broad bipartisan support from the state legislature, advocates, industry, and communities across the state, Maine has become a leader in decarbonizing its energy system to reduce greenhouse gas emissions and to help mitigate the effects of climate change on our communities, people, and environment. Maine [has made significant progress](#) on the strategies for climate action adopted with broad consensus by the Maine Climate Council and outlined in the state's award-winning *Maine Won't Wait* climate plan. The ERA program represents an opportunity to support continued progress towards these goals.

We recognize that vulnerable communities in Maine, including those who live in rural and remote areas of the state, most acutely bear the impacts of climate change. As a state, we continue to support ongoing planning and implementation of our climate and clean energy strategies to ensure benefits are shared across diverse populations of Maine people and to understand any concerns for implementation. We know that rural and remote communities across the U.S. experience additional barriers when it comes to transitioning to a decarbonized energy system, but not all rural communities face the same barriers, thus a "one-size fits all" approach won't most effectively deliver benefits to rural communities. In recognition of this diversity, the GEO again encourages OCED to support State Energy Offices' engagement with rural and remote communities and to provide maximum flexibility of rules around eligibility and dispersal. The GEO believes that keeping an avenue open for a state-led allocation of funds will foster an effective process for rural entities in the state to access funding for an equitable transition to a decarbonized energy system that improves the resilience, safety, reliability, and availability of energy in rural and remote areas.

We thank you for the opportunity to provide comments and we look forward to continued coordination with OCED and DOE on critical energy issues.

Sincerely,

A handwritten signature in black ink, appearing to read "Dan Burgess". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

Dan Burgess
Director
Maine Governor's Energy Office