



Janet T. Mills
GOVERNOR

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December 18, 2019

The Honorable Kathy Castor
Chair, Select Committee on the Climate Crisis
United States House of Representatives
H2-359 Ford Building
Washington, D.C. 20515

The Honorable Garret Graves
Ranking Member, Select Committee on the
Climate Crisis
United States House of Representatives
2402 Rayburn House Office Building
Washington, D.C. 20515

Dear Chair Castor and Ranking Member Graves:

Thank you for the invitation to provide input to the House Select Committee on the Climate Crisis via your recent request for information. On behalf of the people of Maine, I am writing to urge the Congress to support urgent action to reduce U.S. emissions and help our communities become more resilient.

Climate change is already having negative impacts in Maine and if not addressed, will have devastating effects on our state's people, economy, and natural resources into the future. As a coastal state with abundant natural resources and natural-resource based industries, the prosperity of our people, communities, and businesses depend on us taking proactive action. We know that the Gulf of Maine is warming faster than 99% of the world's oceans. Our fishermen, our farmers, and our foresters are already seeing the impacts of climate in shifting species distribution, increased precipitation, and changing pests.

I am pleased to report that Maine is taking important steps to cut emissions, prepare for a changing climate, and institutionalize the leadership and accountability needed to sustain these efforts. Since January 2019, my administration:

- joined the U.S. Climate Alliance, a bipartisan coalition of 25 U.S. states committed to meeting the Paris Climate Agreement Goals;
- set a goal to achieve statewide carbon neutrality by 2045;
- launched electric vehicle rebate and charging infrastructure programs using Volkswagen settlement funds; and
- ended a blanket ban on offshore wind power development and withdrew Maine from the offshore drilling coalition.

Cooperating with Maine's Legislature, this year I signed into law bills that:

- establish the Maine Climate Council, which will recommend a Climate Action Plan by December 2020;
- require a 45% reduction in greenhouse gas emissions by 2030 and an 80% reduction by 2050;
- increase Maine's renewable portfolio standard to 80% by 2030, up from 40%, and set a goal of 100% renewable power by 2050; and



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- encourage the development of both large-scale renewable energy projects and small distributed generation installations across the state that can be paired with energy storage;
- establish an aggressive goal of installing 100,000 new heat pumps by 2025, with supporting policy to facilitate electrification goals that will help Maine people save on their monthly heating and cooling bills as well as pilot programs for electrification in the transportation sector;
- facilitate the launch of the first floating off-shore wind demonstration project in the U.S. with leadership from the University of Maine, business partners, and significant support from the federal Department of Energy.

From avoiding the immense costs of natural disasters to growing clean energy jobs in Maine, tackling climate change head on will benefit Maine's economy. It is imperative that we address the causes and impacts of climate change, but persistent challenges remain. Like many rural states, capacity and financial constraints are constant obstacles for state and local governments in meeting the needs of rural and lower income communities. As such, Maine's people and economy stand to benefit when federal engagement and cooperation align with state goals, including those listed above. Maine welcomes existing federal cooperation and would encourage additional engagement, especially in the following areas.

I. Mitigating the Causes of Climate Change

Support for offshore wind: Maine has unprecedented offshore wind energy resources in the Gulf of Maine. Harnessing offshore wind will transform New England's energy future. Maine Aqua Ventus is a public-private consortium developing technology for the first floating offshore wind project in the country. Floating concrete technology enables access to greater wind resources in deeper waters¹ and allows more of the components to be manufactured locally, creating jobs, reducing dependency on global steel markets and ultimately lowering costs. Maine is grateful for the U.S. Department of Energy support of this project; continued support for it and the industry is appreciated.

Extend existing and create new tax credit incentives: Maine is developing policies to increase private investment in renewable energy, energy efficiency, electric vehicles, and other advanced technologies that reduce emissions. Federal tax policy can support the expansion of these investments. While extensions or expansions of the federal solar investment tax credit (ITC) and the electric vehicle tax credit were not included in recent legislation, Maine urges further consideration of these items to ensure that states which were not early adopters of these technologies can still participate. New federal tax credits for energy storage and offshore wind would encourage investment in new projects, which in turn would drive down technology and adoption costs.

Support for grid modernization and energy innovation: As new technologies provide opportunities for building a lower carbon energy future, our collective electricity grid must continue to advance as we adopt these technologies. Continued and additional federal support to improve and modernize Maine's infrastructure, from broadband to electrical grid upgrades, are paramount to Maine meeting our clean energy and climate goals.

¹ <http://maineaquaventus.com/>

Support transformation to a clean transportation sector: Fifty-four percent of Maine's emissions come from the transportation sector – as a rural state, our vehicles cover long distances. Volkswagen settlement funds enabled initial actions like a state electric vehicle rebate, but broader policies and support from the federal government is needed for small states to make the challenging transition to a clean transportation sector.

Expansion of the Low-Income Home Energy Assistance Program (LIHEAP) and Weatherization Assistance Program (WAP): The residential sector contributes 18% of Maine's greenhouse gas emissions² and fossil fuels account for 85% of home heating sources.³ Lowering heating costs through weatherization and electrification will lower greenhouse gas emissions. Maine is making significant progress in these areas this process with a goal to install 100,000 new high efficiency heat pumps by 2025 and several other initiatives through Efficiency Maine Trust. Expanding LIHEAP and WAP directly helps Maine residents by lowering heating bills and reducing emissions.

State Energy Program funding: The Maine Governor's Energy Office, like other state energy offices, is dependent on funding from the U.S. Department of Energy's State Energy Program. Robust funding of SEP is vital to the state's work combating climate change.

Agriculture, Forestry, and Working Lands: Maine, perhaps more than any other state, has a strong heritage that is tied to our foresters and farmers working on the land. Maine has over 170,000 private family woodland owners that manage over 14 million acres of forest, and over 7,000 small family farmers that manage more than 400,000 acres of cropland. For generations, those that have worked on the land have done so sustainably and to provide economic opportunity to their families. The threat of climate change to Maine's natural lands is already evident; threats to forest health include the emerald ash borer and the browntail moth, to name a few, and longer periods of drought and extreme weather patterns that Maine farmers need to adapt to. Amid these challenges, our working lands serve as an extremely valuable asset as we mitigate and adapt to climate change. The federal government can play an important role in providing resources and technical assistance in support of the many efforts our working land partners in Maine and across the country are implementing already:

- Support new science-based climate change research that provides region-specific information for farmers and foresters, including but not limited to the USDA's Forest Service Cooperative Forestry and Research Programs.
- Support soil health practices, including new funding opportunities, for state-specific initiatives.
- Create incentives for dual-use, where alternative energy production and food production co-exist.
- Protect natural resources as a means of mitigation by increasing funding for agriculture conservation easements, Land & Water Conservation Program and Forest Legacy programming.

II. Building Resilience to the Impacts of Climate Change

Institutionalize and mainstream climate resilience: Maine recently institutionalized leadership and accountability via the legislatively-created Maine Climate Council. Concurrently, a small but growing number of municipalities in Maine have established standing climate change committees. These

² Maine Department of Environmental Protection, 2018 Report on Progress Toward GHG Reduction Goals

³ U.S. Energy Information Administration, 2017

communities benefit from additional governance structures that sustain the conditions for initiating, implementing, and evaluating strategies to respond to climate change. These bodies can be effective in integrating and mainstreaming climate strategies across state and local governments. Federal policies could incentivize states and communities to institutionalize accountability and mainstream climate strategies.

Support rural and regional action: Approximately 400 of Maine's 480 municipalities have populations below 4,000 people. These smaller communities frequently lack the capacity and resources to plan and prepare in meaningful ways for climate change. In addition, climate adaptation strategies that are developed for cities and urban environments are often inappropriate, impractical, or unaffordable in rural communities. Federal policies, programs, and funding should be responsive to the needs and characteristics of small and rural communities.

Implement a comprehensive federal resilience funding strategy: The current federal funding landscape – comprised of multiple agencies, each with its own eligibilities, goals, standards, and requirements – presents an administrative burden to states and municipalities. The Government Accountability Office recommends a framework for a more comprehensive federal strategy.⁴ Such a strategy would help Maine access resources needed to identify, prioritize, and implement adaptation and resilience projects. A federal strategy should:

- Include states and municipalities as partners in developing funding frameworks, goals, and delivery mechanisms.
- Shift federal disaster and infrastructure investment sharply towards pre-disaster mitigation and climate adaptation. Federal Emergency Management Agency (FEMA) statistics show that every \$1 spent to reduce risk and exposure *before* a disaster saves \$4-\$7 in post-disaster recovery and rebuilding costs.⁵ As of March 2018, FEMA spent more than \$15 billion over 30 years on pre-disaster mitigation but in 2017 alone, federal disaster *recovery* spending topped \$170 billion.⁶
- Reform the National Flood Insurance Program (NFIP) to address sea level rise risk. The NFIP provides insurance to owners of at-risk properties in markets that private insurers will not touch. NFIP has the potential to help property owners assess and internalize sea level rise risk, however it currently undervalues and obfuscates even historic flood risks, let alone future-looking risk. NFIP currently creates a moral hazard by encouraging new construction in flood prone areas; by incentivizing rebuilding (or even requiring replacement) in flood-affected areas; and by inadequately anticipating current and future climate conditions. The NFIP could be reformed proactively to incorporate climate adaptation by:
 - Reflecting climate projections in Flood Insurance Rate Maps (FIRMs).
 - Avoiding construction in high-risk areas and areas that offer natural protective features (i.e. the original intent of the Coastal Barriers Resources Act of 1982).
 - Building on the Community Rating System's (CRS) incentive-based structure and pre-disaster focus to expand adaptive capacity in communities.
 - Incentivizing local property acquisition (buyout) programs utilizing FEMA funds to aggregate properties for transition into publicly accessible open spaces or contiguous ecological conservation districts.

⁴ <https://www.gao.gov/products/GAO-20-127>

⁵ https://www.fema.gov/media-library-data/1516812817859-9f866330bd6a1a93f54cdc61088f310a/MS2_2017InterimReport.pdf

⁶ <https://riskcenter.wharton.upenn.edu/disaster-aid/federal-disaster-rebuilding-spending-look-numbers/>

- Developing pathways for property owners to apply directly to FEMA for buyouts in places where local governments do not have the resources to facilitate property acquisitions.
- Exploring options for community-wide insurance policies that provide a basic level of insurance for property owners. This has the benefit of accelerating community-scale risk reduction actions.
- Codify the 2015 Federal Flood Risk Management Standard that, among other things, requires agencies and federally-funded projects to use “a climate-informed science approach” in determining flood risk and appropriate risk reduction strategies.⁷ The executive order strengthening the standard was rescinded in 2017. A suite of additional federal climate risk management standards could be established for hazards beyond flooding, including wildfire, drought, and vector-borne diseases.
- Add flexibility to federal programs, especially grants, that will allow communities to collaborate regionally. Rural communities frequently lack the capacity to undertake adaptation actions individually. However, they may be able to elevate their capacity by pooling resources with neighboring communities and with regional service organizations. For example, twelve towns on Cape Cod in Massachusetts are served by a regionally-managed Community Rating System (CRS) program.⁸ While FEMA recently revised its CRS program to allow this type of coordination, other federal programs, particularly grants, make it difficult for coordinated action among multiple communities in a region.
- Add flexibility for communities to access federal grants. Small and rural communities often lack the staff capacity to manage federal grants and lack the funds to meet local match requirements on federal grants. This results in federal funding more frequently landing in larger and wealthier communities. A study of FEMA buyout programming since 1989, confirms that funding flowed to wealthier communities rather than those most at risk.⁹

Thank you for the opportunity provide this input. Maine welcomes the Committee’s leadership and looks forward to opportunities for cooperation.

Sincerely,



Janet T. Mills
Governor

⁷ <https://obamawhitehouse.archives.gov/the-press-office/2015/01/30/executive-order-establishing-federal-flood-risk-management-standard-and->

⁸ <https://seagrant.whoj.edu/regional-topics/storms-erosion-flooding/community-rating-system/>

⁹ <https://www.nytimes.com/2019/10/09/climate/disaster-flood-buyouts-climate-change.html>