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Chairman Lawrence, Chairman Berry and Members of the Energy, Utilities and Technology Committee,

The Office of the Public Advocate (“OPA”) testifies in “general” support of LD 1622 “An Act To Promote the Use of Wood Pellet Central Heating Systems” which directs the Efficiency Maine Trust (“EMT”) to provide a rebate from the trust’s Energy Efficiency and Renewable Resource Fund in an amount equal to 50% of the purchase price up to \$10,000 of a residential wood pellet central heating system and up to \$20,000 of a nonresidential wood pellet central heating system.

Let me explain my use of the phrase “general” support. The OPA certainly supports cost-effective energy efficiency, renewable energy technologies and a wider usage of wood pellet central heating systems. The OPA also supports the usage of reasonable and sensible rebate programs.

As you know, before serving as Public Advocate, I spent many years as a member of the legislature, including serving as the Chair of the Energy, Utilities and Technology Committee. I have been involved in shaping Maine’s energy policy for many years. We have done some things very well and other things not so well.

One of our biggest successes, I believe, was establishing the EMT. EMT was established to improve the efficiency of energy use and reduce greenhouse gas emissions in Maine. There have been some great successes. For example:

- Since the launch of the first phase of the Home Energy Savings Program (HESP 1) in 2010, the Trust has provided rebates for energy upgrades in approximately 50,000 participating Maine homes;

- Participation from schools, businesses, nonprofits and others in Efficiency Maine's C&I Prescriptive Program has allowed numerous Maine participants to reduce project costs and use energy more efficiently;
- EMT's biggest success in the home heating arena has been through their incentives and promotion of heat pumps for space heating and cooling. EMT has provided among the most generous incentives, provided training for home auditors and installers and advertised heat pump technology throughout the State. In fact, there is a flyer for heat pumps from EMT in the back of this Committee room. As a result, more heat pumps have been installed in Maine in the last three years – around 30,000 – than in any other State in the country.

But we still have many challenges ahead. Most importantly, Maine still leads the country in heating our homes with oil. Why? In my opinion it is because we haven't focused enough on viable replacements for boiler systems – whole house heating systems.

Promoting wood pellet central heating systems could provide just the alternative we need for heating with oil. It is environmentally friendly, contributes to reducing greenhouse gas emissions and it is reliable. And most importantly, it is a technology that is made here in Maine and is a natural replacement for oil.

There are several options within the EMT to fund this incentive. Most notably, the funds from the Regional Greenhouse Gas Initiative (RGGI) trust are expected to grow \$3.5 million in the next 4 years. Using a portion of those funds to support residential and nonresidential pellet boiler installations, I believe, would be a reasonable approach for the legislature to take.

What the OPA is unsure of at this time and as we review LD 1622 as currently written is the amount of the funds involved in the rebate program and look forward to hearing from EMT in this regard.

Thank you for your time, attention and consideration of this testimony. The Office of the Public Advocate looks forward to working with the Committee on LD 1622, and will be present at the work session to assist the Committee in its consideration of this bill.

Respectfully submitted,

A handwritten signature in cursive script that reads "Barry J. Hobbins".

Barry J. Hobbins, Public advocate