



State of Maine  
Paul R. LePage  
Governor

March 15, 2016

Senator Thomas B. Saviello, Chair  
Representative Joan W. Welsh, Chair  
Members of the Joint Standing Committee on Environment and Natural Resources  
100 State House Station  
Augusta, Maine 04333-0100

Senator David Woodsome, Chair  
Representative Mark N. Dion, Chair  
Members of the Joint Standing Committee on Energy, Utilities and Technology  
100 State House Station  
Augusta, ME 04333-0100

RE: Regional Greenhouse Gas Initiative (RGGI) Annual Report

Dear Senator Saviello, Senator Woodsome, Representative Welsh, Representative Dion,  
Members of the Joint Standing Committee on Environment and Natural Resources, and  
Members of the Joint Standing Committee on Energy, Utilities and Technology:

Title 38 Maine Revised Statutes Annotated (MRSA) §580-B, sub-§10, established by Public Law, Chapter 317 of the 123<sup>rd</sup> Legislature and amended by Public Laws, Chapter 372 of the 124<sup>th</sup> Legislature and Chapter 369 of the 126<sup>th</sup> Legislature, directs the Department of Environmental Protection (Department), the Public Utilities Commission (Commission), and the trustees of the Efficiency Maine Trust (the "Trust" or "Efficiency Maine") to submit a joint report to the joint standing committee of the Legislature having jurisdiction over natural resource matters and utilities and energy matters by March 15<sup>th</sup> annually, regarding items related to implementation of the Regional Greenhouse Gas Initiative (RGGI). This letter serves as the annual report and addresses the seven items listed in the statute. This letter also provides an update on the appropriateness of the number of allowances reserved in accordance with the voluntary renewable energy set-aside provisions and a progress report on the development of a fuel switching offset category, as required by Public Law, Chapter 369 of the 126<sup>th</sup> Legislature.

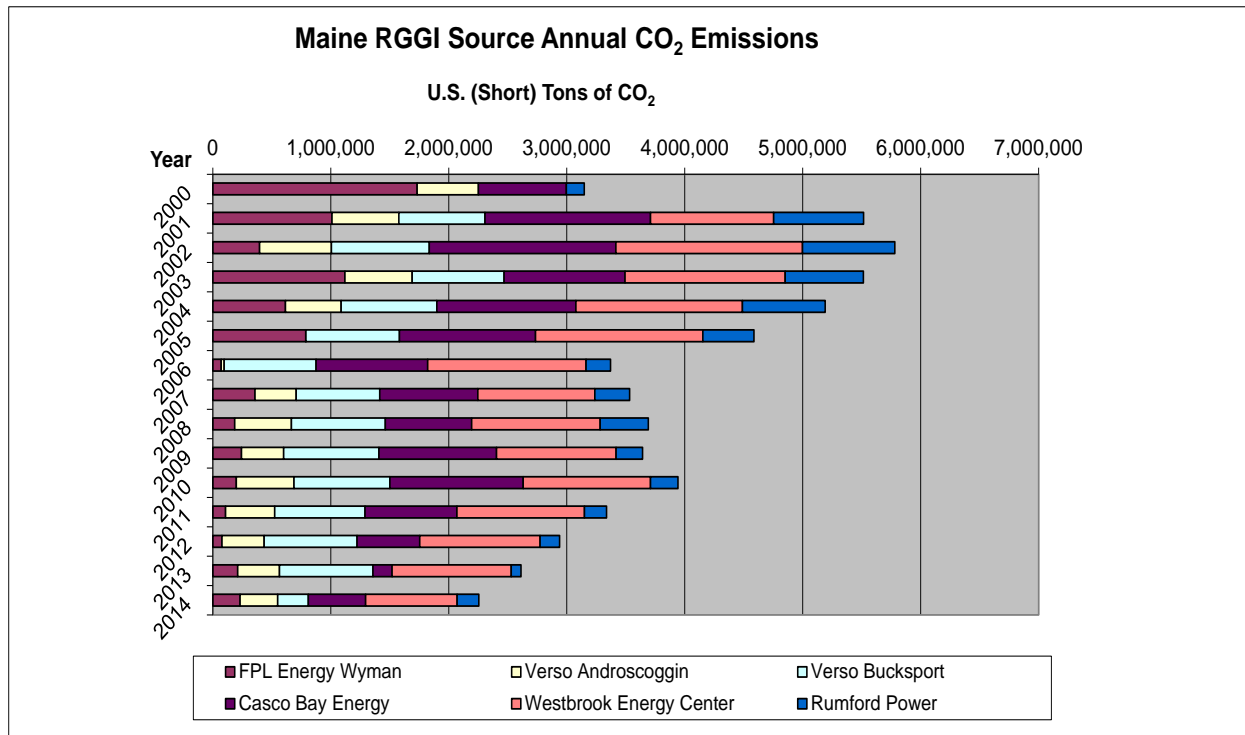
**A. The reductions of greenhouse gas emissions from carbon dioxide budget units, conservation programs funded by the Regional Greenhouse Gas Trust Fund pursuant to Title 35-A, section 10109 and carbon dioxide emissions offset projects.**

**Reductions of greenhouse gas emissions from carbon dioxide (CO<sub>2</sub>) budget units.** As a group, CO<sub>2</sub> budget units (RGGI units) located in Maine and throughout the RGGI region have experienced significant reductions in CO<sub>2</sub> emissions from the baseline period (2000 to 2005) both prior to and since the program began with the first auctions in 2008 (see Tables 1 and 2, below). To date, CO<sub>2</sub> emissions from RGGI units have decreased by approximately 50% from emission levels during the baseline period.

The RGGI program was originally designed to stabilize CO<sub>2</sub> emissions from the RGGI units in the region for the period from 2009 through 2014. Thereafter, beginning in 2015, the annual cap was to have been reduced by 2.5% per year to achieve a 10% reduction in emissions from baseline levels by 2018. Due to the achievement of greater reductions in CO<sub>2</sub> emissions from RGGI units than originally anticipated, the State of Maine, along with the other RGGI participating states, made program changes to adjust the annual cap downward in 2014 and beyond to reflect these lower emissions. For the calendar year 2014, the annual cap for the region was reduced from 165 million to 91 million allowances, representing a 45% reduction in the cap. Maine's share of the adjusted regional annual cap is 3.6%, representing approximately 3.3 million allowances in 2014. The 91 million allowance annual cap was further adjusted to address a surplus of unused allowances residing in the market following the first and second three year compliance periods, which closed at the end of 2011 and at the end of 2014, respectively. The cap is being reduced gradually at the originally planned rate of 2.5% per year between 2015 and 2020.

Table 1, on the next page, shows CO<sub>2</sub> emissions data from Maine's RGGI units from 2000 through 2013. Emissions for 2015 are projected to be lower than in 2014; however, 2015 emissions data will not be quality assured until the second quarter of 2016, so it is not included in this table.

**Table 1**

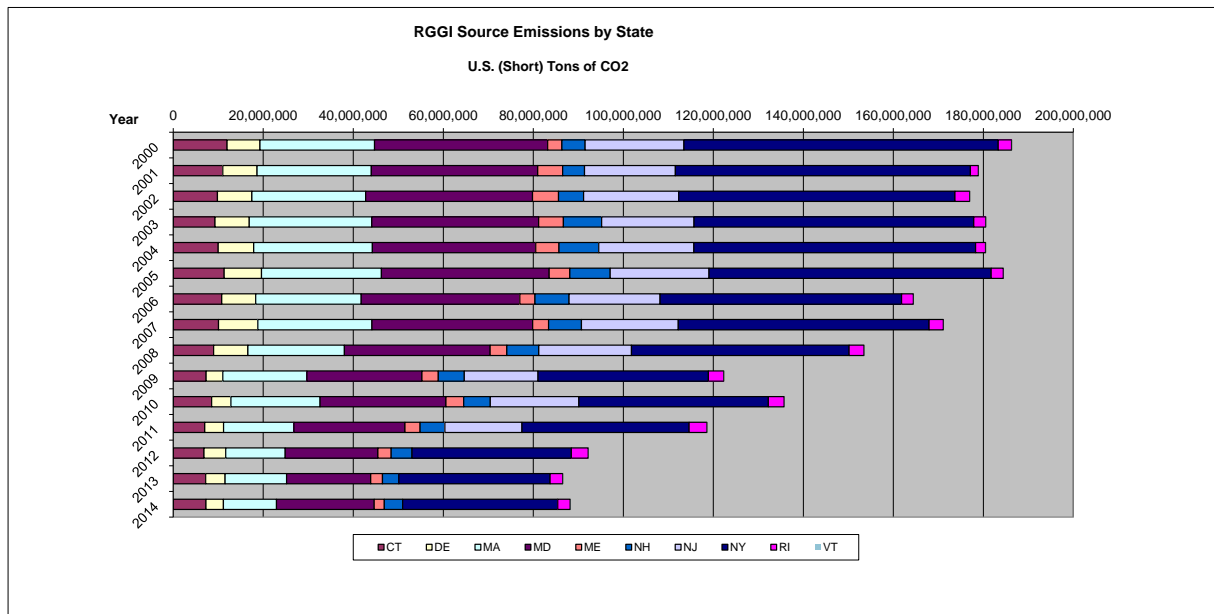


Maine RGGI Source Annual CO <sub>2</sub> Emissions (U.S. Tons)							
Year	FPL Energy Wyman	Verso Androscoggin	Verso Bucksport	Casco Bay Energy	Westbrook Energy Center	Rumford Power	Annual Totals
2000	1,731,846	519,770	0	744,689	0	153,306	3,149,611
2001	1,010,729	565,951	731,450	1,402,914	1,042,637	762,634	5,516,315
2002	397,062	608,960	829,490	1,582,011	1,580,945	782,900	5,781,368
2003	1,119,510	571,181	778,527	1,025,612	1,358,157	661,740	5,514,727
2004	616,030	472,481	810,749	1,178,901	1,412,282	701,496	5,191,939
2005	788,209	1,019	792,796	1,153,173	1,419,619	432,298	4,587,114
2006	70,853	24,826	780,609	946,041	1,341,636	207,857	3,371,822
2007	357,638	349,532	708,412	831,251	991,719	294,645	3,533,197
2008	185,915	481,163	796,139	730,736	1,090,087	407,238	3,691,278
2009	242,371	357,730	809,077	995,235	1,015,132	223,948	3,643,493
2010	198,691	489,273	813,064	1,130,402	1,079,445	232,583	3,943,458
2011	107,642	416,387	766,548	778,158	1,081,176	187,549	3,337,460
2012	77,825	357,371	787,071	532,676	1,018,917	166,212	2,940,072
2013	211,641	352,862	793,406	161,783	1,011,082	81,649	2,612,423
2014	231,610	318,997	259,499	485,857	775,593	182,988	2,254,544

**Note: Emissions from the former Mason Station in Wiscasset are not included in Table 1 because it has not operated since 2003 and is not a RGGI source.**

**B. Table 2 shows CO<sub>2</sub> emissions data from all RGGI units in the region, by state, from 2000 through 2014. Emissions data for 2015 will not be quality assured until the second quarter of 2016, so they are not included in this table.**

**Table 2**



RGGI Source Annual CO <sub>2</sub> Emissions by State (U.S. Tons)											
Year	CT	DE	MA	MD	ME	NH	NJ	NY	RI	VT	ANNUAL TOTALS
2000	11,977,434	7,308,248	25,452,680	38,446,856	3,156,292*	5,178,731	21,954,959	69,809,356	2,959,594	24,914	186,269,063
2001	11,005,310	7,612,366	25,400,430	36,980,555	5,517,285*	4,862,445	20,177,621	65,553,672	1,782,110	22,015	178,913,809
2002	9,842,414	7,616,896	25,278,273	37,084,544	5,784,563*	5,556,992	21,145,667	61,367,406	3,254,015	5,171	176,935,941
2003	9,273,759	7,628,367	27,218,204	37,064,738	5,515,325*	8,478,382	20,543,331	62,129,292	2,668,990	12,094	180,532,482
2004	9,989,119	7,884,001	26,369,630	36,281,466	5,191,939	8,812,538	21,133,145	62,612,353	2,219,100	14,779	180,508,070
2005	11,323,844	8,300,628	26,640,945	37,263,686	4,587,114	8,972,027	21,937,521	62,718,683	2,692,228	7,781	184,444,457
2006	10,761,759	7,561,295	23,449,199	35,233,070	3,371,822	7,568,884	20,224,255	53,638,129	2,625,422	6,337	164,440,172
2007	10,052,782	8,744,154	25,366,733	35,700,194	3,533,197	7,314,954	21,515,622	55,717,151	3,161,200	6,112	171,112,099
2008	8,988,858	7,615,966	21,438,041	32,383,517	3,691,278	7,095,147	20,601,805	48,348,177	3,292,517	2,559	153,457,865
2009	7,322,364	3,708,331	18,661,076	25,572,943	3,643,493	5,769,881	16,359,443	37,861,408	3,416,783	1,965	122,317,687
2010	8,527,102	4,299,269	19,804,384	27,958,958	3,943,457	5,899,447	19,681,308	42,113,171	3,504,392	3,756	135,735,244
2011	7,018,498	4,150,396	15,634,872	24,699,638	3,337,460	5,525,369	17,117,779	37,137,382	3,946,582	6,537	118,574,513
2012	6,819,155	4,839,522	13,218,481	20,596,979	2,940,072	4,642,898	**	35,417,901	3,735,785	2,319	92,213,112
2013	7,224,361	4,285,050	13,677,273	18,683,424	2,612,423	3,653,195	**	33,607,796	2,771,105	2,761	86,517,388
2014	7,271,363	3,881,298	11,793,969	21,709,133	2,254,554	4,081,341	**	34,432,956	2,767,290	2,708	88,194,602

(see next page for Table notes)

**\* *Maine's emissions for the years 2000 through 2003 are shown as slightly higher than in Table 1 because emissions from the former Mason Station in Wiscasset are included in this Table 2 as part of Maine's baseline emissions under RGGI.***

**\*\* *New Jersey's emissions are not included in Table 2 beyond 2011 since New Jersey ended its participation in RGGI at the end of 2011.***

**Reductions of greenhouse gas emissions from conservation programs funded by the Regional Greenhouse Gas Initiative Trust Fund.**

The carbon dioxide savings from conservation programs funded by RGGI monies to-date is estimated at 1,441,786 short tons, from both direct fossil fuel reductions and reduced electricity use. In June 2013, the Maine Legislature passed LD 1559, *An Act to Reduce Energy Costs, Increase Energy Efficiency, Promote Electric System Reliability and Protect the Environment*, also referred to as the Omnibus Energy Bill (Public Law 2013, Chapter 369). A critical piece of the Omnibus Energy Bill was a new directive to invest 35% of RGGI auction revenues in measures to reduce home heating demand. This change in the RGGI statute allowed the Trust to fund projects that save heating oil on a large scale, Maine's most common heating fuel, without relying on federal funds.

Maine statute directs the Trust to allocate 35% of RGGI funds to residential heating reduction programs, 50% to commercial and industrial programs and 15% to rate relief. The 15% rate relief funds were directed by the Commission to be paid to the transmission and distribution utilities for disbursement to ratepayers in order to maximize its benefit to the Maine economy. The Trust allocates the RGGI funds as directed after setting aside amounts for administration and statutorily mandated interagency transfers.

The objectives currently set in Maine statute for the Trust's use of RGGI funds are to support the goals and implementation of the carbon dioxide cap-and-trade program established under Title 38, section 580-B, and in particular to promote cost-effective energy efficiency measures to reduce greenhouse gas emissions, lower heating costs, and save electricity.

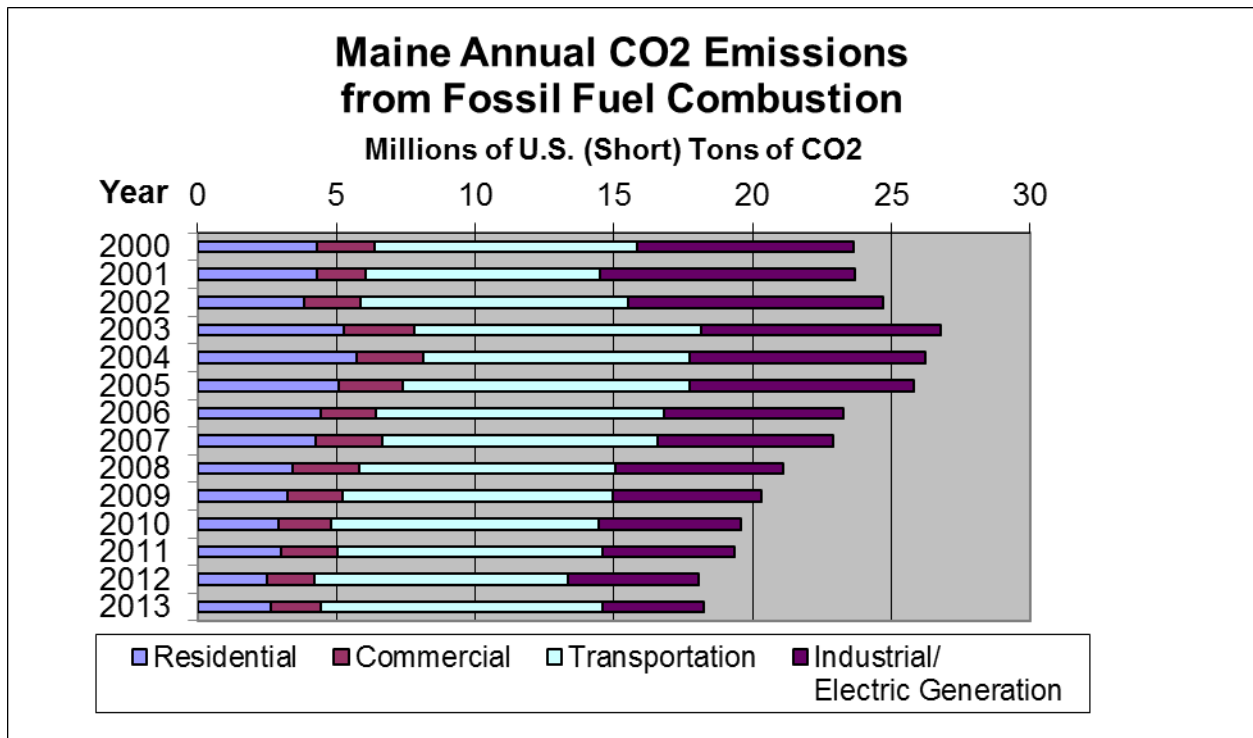
**Reductions of greenhouse gas emissions from offset projects.**

The offset project certification and application process was implemented in June of 2009. Independent third-party verifier status has been approved for private entities in several of the RGGI participating states. Maine received and approved an application from one entity for providing independent third-party verification services; however to date Maine has received no applications for RGGI offset projects located within the state. There have been no projects that have completed the application process in any other RGGI participating state. It is possible the demand for offset projects and their associated allowances may increase as a result of the recent reduction to the annual cap within the RGGI program or if allowance prices increase to a point where offset projects become more economically competitive.

**C. The improvements in overall carbon dioxide emissions and energy efficiency from sources that emit greenhouse gases including electrical generation and fossil fuel fired units.**

The yearly totals displayed in Table 3 below show the improvements in CO<sub>2</sub> emissions from source sectors within Maine that emit greenhouse gases.

**Table 3**



Maine Annual CO <sub>2</sub> Emissions from Fossil Fuel Combustion (In Millions of U.S. Tons)					
Year	Residential	Commercial	Transportation	Industrial/Electric Generation	Total
2000	4.30	2.08	9.46	7.81	23.65
2001	4.28	1.75	8.45	9.22	23.70
2002	3.85	2.00	9.65	9.18	24.68
2003	5.27	2.55	10.33	8.64	26.79
2004	5.73	2.39	9.60	8.48	26.20
2005	5.10	2.30	10.34	8.07	25.81
2006	4.44	1.98	10.37	6.50	23.29
2007	4.26	2.39	9.99	6.31	22.95
2008	3.45	2.40	9.04	6.02	20.91
2009	3.24	2.00	9.46	5.36	20.06
2010	2.94	1.89	9.39	5.49	19.71
2011	3.02	2.05	8.71	4.76	18.54
2012	2.49	1.75	8.83	3.96	17.03
2013	2.66	1.79	10.15	3.65	18.25

*Note: Emissions data for calendar year 2014 and 2015 are not yet available.*

#### **D. The maximization of savings through systemic energy improvements statewide**

The Trust's programs are described in more detail in section E. A review of the Trust's 2015 annual report illustrates a strong cost-effective statewide presence made possible through program participation and vendor partnerships. This presence has allowed the Trust to develop a robust, low-cost infrastructure for delivering energy efficiency programs to Maine's energy consumers.

By using RGGI funds to provide technical assistance and financial incentives, the Trust's programs have succeeded in helping Maine's residential, institutional, commercial, and larger industrial energy customers make investments in their energy infrastructure. Leveraging RGGI funds, these customers have installed such upgrades as ductless heat pumps, insulation, pellet boilers, combined heat and power systems, new refrigeration systems, high-efficiency lights, and improved industrial processes that otherwise may not have occurred. The investment of RGGI funds in the Trust's programs is helping Maine's energy consumers make a transition to a higher level of energy efficiency, lowering their reliance on fossil fuels while reducing their greenhouse gas emissions and their operating costs.

**E. Research and support of new carbon dioxide offset allowance categories for development in the State.**

The supply of CO<sub>2</sub> allowances in the RGGI program has been reduced in the last year, causing CO<sub>2</sub> allowance prices to increase from historic levels of between \$2 and \$3 per allowance to between \$5 and \$6 per allowance with the most recent auction clearing at \$7.50 per allowance. Due to the relatively low historical cost of allowances, there has not been a demand for offset allowances (or the projects that create them).

Section D-8 of Public Law 2013, Chapter 369, the Omnibus Energy Bill passed into law by the 126<sup>th</sup> Legislature, directs the Department and the Commission to work together to develop and promote for recognition by the other states participating in RGGI, a modification of the existing end-use energy efficiency offset category to provide incentives for industrial and residential consumers to switch from the use of oil and coal to fuels with lower greenhouse gas emissions. The law also directs the Department and the Commission to report progress on the development of this offset category as part of this annual report. To date, the Department and Commission have conferred and exchanged ideas on how best to move forward with this directive. However, considering the current lack of demand for offset allowances, the fact that many residential, commercial, and industrial customers are switching to natural gas for economic reasons alone, and issues associated with the “maximum market penetration rate” concept, the Department and Commission have determined that expending time and effort on developing this offset project category is not a cost-effective use of resources at this time. The “maximum market penetration rate” concept means that if offset projects within a specific category have already penetrated the market at a rate of 5% or more, offset projects in that category no longer qualify for offset allowances under the program. The Department and Commission will continue to monitor the level of demand for offset allowances, and if things change, will re-evaluate the situation.

**F. Management and cost-effectiveness of the State's energy conservation and carbon reduction programs and efforts funded by the Energy and Carbon Savings Trust and Efficiency Maine Trust established pursuant to Title 35-A, section 10109.<sup>1</sup>**

On July 1, 2010 the Trust assumed responsibility for the duties of the Energy and Carbon Savings Trust, which was subsequently renamed the RGGI Trust Fund. Table 4 shows how RGGI funds were expended by program in FY 2015. Table 5 shows savings of electricity (kWh), heating and process fuels (MMBtu), and greenhouse gases (GHG) attributable to the RGGI funds.

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<sup>1</sup> Given the Commission's oversight role of the Trust and the Commission's pending review of the Trust's Third Triennial Plan (Docket No. 2015-00175, Request for Approval of Third Triennial Plan Pertaining to the Efficiency Maine Trust), the Commission takes no position on the calculations or conclusions presented in this section of the report.



**Table 4: FY 2015 RGGI Funding**

<b>Program</b>	<b>FY 2015 Funds</b>
Home Energy Savings Program	\$ 4,898,783
Low Income Direct Install	\$ 700,600
Consumer Products Program	\$ 97,567
Large Customer Program	\$ 1,808,033
Business Incentive Program	\$ 3,895,344
Maine Advanced Buildings Program	\$ 113,734
Multifamily Efficiency Program	\$ 1,414,082
Cross Cutting	\$ 114,759
Administration	\$ 751,535
Inter-Agency Transfers	\$ 1,601,260
RGGI Inc. Payment	\$ 76,586
<b>Total</b>	<b>\$ 15,472,283</b>

Note: Large Customer Program funds only reflect projects that were completed in FY 2015. Some RGGI funds were allocated in FY 2015 projects that will be completed in future years. The spending and savings associated with those projects will be reflected in future RGGI annual reports.

**Table 5: Program Results Attributed to RGGI Funds<sup>2</sup>**

<b>Program</b>	<b>FY 2015 Funds</b>	<b>Annual kWh Savings</b>	<b>Annual MMBtu Savings</b>	<b>Annual GHG Savings (Tons CO<sub>2</sub>)</b>
Home Energy Savings Program	\$ 4,898,783	4,345,806	42,726	5,670
Low Income Direct Install	\$ 700,600	534,986	4,999	677
Consumer Products Program	\$ 97,567	925,262	-	381
Large Customer Program	\$ 1,808,033	6,326,218	5,402	3,680
Business Incentive Program	\$ 3,895,344	15,850,923	9,327	8,883
Maine Advanced Buildings Program	\$ 113,734	-	1,642	132
Multifamily Efficiency Program	\$ 1,414,082	-	15,909	1,281
Cross Cutting	\$ 114,759			
Administration	\$ 751,535			
Inter-Agency Transfers	\$ 1,601,260			
RGGI Inc. Payment	\$ 76,586			
<b>Total</b>	<b>\$ 15,472,283</b>	<b>27,983,195</b>	<b>80,005</b>	<b>20,704</b>

<sup>2</sup> Following the practice of energy efficiency program administrators in the region, the Trust's report in this section reflects the results of its fiscal year 2015 program activities and match what is contained its Annual Report for FY 2015. For purposes of these reports, the Trust calculated lifetime benefits and avoided oil and gas values using price forecasts from what was then the most recently available edition of the Avoided Energy Supply Costs in New England Report (AESC Report). The most recently available edition of this report was published in April 2015. It used energy price forecasts that were made at the end of 2014. Since then, energy prices have dropped. Readers are advised that updated price forecasts published recently in the 2015 EIA Annual Energy Outlook – Low Oil Price Scenario suggest that the lifetime value of oil savings reported in Table 5 and Section E of this Report may be as much as 11 percent lower than what the Trust reported in its Annual Report for FY2015 and here.

Brief details about each of these programs are as follows:

*Home Energy Savings Program*

The Home Energy Savings Program (HESP) serves as a framework for market-based weatherization and heating demand reduction achieved through a combination of rebates, financing, and customer education. HESP is designed to raise awareness about the benefits of home weatherization and to encourage homeowners to undertake cost-effective efficiency upgrades to reduce their heating demand. The Program targets residential customers, including single family homes, multifamily homes with up to four units, new home construction, and low-income households. Program activity in FY 2015 fell into one of three categories of measures: supplemental heating systems, central heating systems, and building envelope improvements.

HESP invested \$4,898,783 of RGGI funds in FY 2015, accounting for approximately 48% of the program's total expenditures. These funds allowed the Trust to leverage more than \$11.8 million in incremental private energy efficiency investments in FY 2015. Overall, RGGI funds generated annual savings of 4,345,806 kWh in avoided electricity consumption and 42,726 MMBtu in avoided energy use associated with heating oil, natural gas and other fuels.

*Low Income Direct Install*

The Trust's Low Income Direct Install initiative works directly with Maine's Community Action Programs (CAPs) to install high-efficiency supplemental heating systems (ductless heat pumps) in LIHEAP-eligible homes experiencing high heating costs. In FY 2015, the initiative installed more than 223 heat pumps in low-income homes.

In FY 2015, the Low Income Direct Install initiative invested \$700,600 in RGGI funds, comprising approximately 35% of the initiative's overall expenditures. This investment resulted in annual savings of 534,986 kWh in avoided electricity and 4,999 MMBtu in avoided energy associated with heating oil, natural gas and other fuels.

*Consumer Products Program*

The Consumer Products Program encompasses two of the Trust's initiatives – the Appliance Rebate Initiative and the Lighting Initiative.

The Appliance Rebate Initiative offers rebates on energy-efficient appliances for Maine residents and businesses. The program works with retail stores, wholesalers, and installers statewide to connect Mainers with ENERGY STAR® appliances and information on energy-efficient purchases. In FY 2015, the program incentivized air purifiers, clothes washers, dehumidifiers and heat pump water heaters.

The Lighting Initiative supports residents and businesses across the state installing high-efficiency bulbs. Compact fluorescent light bulbs (CFLs) and Light-Emitting Diodes (LEDs) use less energy than traditional light bulbs while providing the same amount and quality of light. The purchasing decision for most screw-in lighting is made at the store. To encourage the customer to choose an energy-efficient product model, this initiative works to overcome first-cost barriers by deploying in-store discounts. Retailers are then reimbursed for lowering their CFL and LED prices. For the vast majority of sales, the financial incentive was made automatically to the customer at the point of sale, requiring no paperwork. The program accounted for almost 3 million bulbs in FY 2015. This was an increase of 20% over FY 2014 and the most the program has ever distributed in a single year.

The Consumer Products program invested \$97,567 of RGGI funds in FY 2015, comprising approximately 1% of the program's total expenditures. This investment resulted in estimated annual savings of 925,262 kWh.

#### *Large Customer Program*

The Trust's Large Customer Program provides financial incentives that leverage private investment in large-scale, custom energy savings projects. The program is targeted at the largest energy consumers in Maine such as hospitals, paper mills, large manufactures and organizations with multiple facilities. The incentives provided by the program help large Maine businesses overcome barriers to energy efficiency investments and help reduce the initial capital costs of the projects. This focus allows the projects promoted by the Trust to meet corporate return-on-investment criteria. The incentives under the Large Customer Program are awarded primarily on the basis of annual energy savings per dollar of incentive funds, while project readiness, economic viability and other factors are also considered.

In FY 2015, the program offered free scoping audits to customers, focusing the marketing of those audits to customers lacking in-house expertise. Of the 23 scoping audits performed, 17 resulted in custom projects or referrals to the Business Incentive Program for projects involving prescriptive measures. The program also worked with the Maine Healthcare Association to assess opportunity within the state's hospital community and perform targeted outreach.

The Trust completed 13 Large Customer Program projects in FY 2015, four of which were funded using \$1,808,003 in RGGI funds. This investment comprised approximately 21% of the program's overall commitments, and generated electricity savings of 6,326,218 kWh and fossil fuel savings of 5,402 MMBtu annually.

#### *Business Incentive Program*

The Trust's Business Incentive Program provides education, technical assistance, quality control and financial incentives for energy upgrades and retrofits to Maine commercial, industrial, municipal, nonprofit, and institutional customers of all sizes.

The program incentivizes proven “off-the-shelf” equipment that is widely available. The incentives fund a portion of the incremental cost of efficient equipment and are designed to entice businesses to install higher efficiency models than they may have otherwise.

In FY 2015, the Business Incentive Program invested \$3,895,344 of RGGI funds, comprising approximately 21% of the program’s overall expenditures. The efficiency projects made possible by these funds generate electricity savings of 15,850,923 kWh and fossil fuel savings of 9,327 MMBtu annually.

#### *Maine Advanced Buildings Program*

The Maine Advanced Buildings (MAB) Program for commercial new construction offers comprehensive prescriptive strategies to help Maine property owners, developers, architects and engineers design new buildings and major renovations that will achieve significant energy savings when compared with traditional designs. The program offers education and financial incentives to promote and encourage a whole-building integrated design approach.

The Trust rolled out the current version of the program at the end of FY 2014 and undertook significant outreach around the program in FY 2015. The Trust focused marketing efforts on Maine’s architectural and engineering community, reaching out to architect and engineer professional associations and to prominent architecture and engineering firms. These firms, in turn, marketed the program during project proposals and in initial conversations with clients. In FY 2015, one building was completed and five projects were initiated under the MAB Program. Together, these projects are forecasted to result in approximately 264,000 square feet of high-performance construction that will realize more than 7 million MMBtu in lifetime energy savings. The MAB Program invested \$113,734 of RGGI funds in FY 2015, representing 100% of the program’s expenditures.

#### *Multifamily Efficiency Program*

The Trust's Multifamily Efficiency Program provides financial incentives for building owners to install energy efficiency measures in multifamily buildings that have five or more residential units. In FY 2015, the program discontinued the practice of offering free benchmarks and shifted its focus to promoting prescriptive measures, obviating the need for energy modeling. The application process was streamlined to make the Program accessible to more building owners, at lower cost and with fewer complications. Additionally, the Program spent significant time and effort reaching out to building owner groups and holding informational sessions to drive demand.

In FY 2015, the program invested \$1,414,082 in RGGI funds, representing 100% of its total expenditures. This enabled the program to target cost-effective energy-saving projects through an approach that was fuel neutral, reducing electricity, oil, propane and natural gas consumption across the building portfolio. The program touched 163 buildings, comprising 3,250 apartments – the most of any year so far.

The upgrades supported through the program are projected to generate fuel savings of approximately 15,909 MMBtu annually.

**G. The extent to which funds from the Regional Greenhouse Gas Initiative Trust Fund established pursuant to Title 35-A, section 10109 serve customers from all classes of the State's transmission and distribution utilities.**

Funding from the Trust was used to provide programs for residential, commercial and industrial customer classes, including transmission and sub-transmission customers, as set forth in previous sections of this report.

**H. The revenues and expenditures of the Regional Greenhouse Gas Initiative Trust Fund, established pursuant to Title 35-A, section 10109.**

Revenues from the sale of Maine's allowances under RGGI have totaled \$74.7 million as of the end of 2015 (\$5.6 million in 2008, \$9.6 million in 2009, \$8.3 million in 2010, \$5.2 million in 2011, \$5.5 million in 2012, \$14.1 million in 2013, \$11.4 million in 2014, and \$15 million in 2015). Expenditures of the Regional Greenhouse Gas Initiative Trust Fund are described in section E of this report.

**Voluntary Renewable Energy Set-aside**

The number of allowances withheld from auction for use in the Voluntary Renewable Energy set-aside Program are sufficient to adequately cover the number of claims, therefore the Department recommends maintaining the amount of the set-aside at the current level of 2% of Maine's annual CO<sub>2</sub> allowance budget.

**Recommendations**

The statutory reporting requirement also provides for the Department, the Commission, and Efficiency Maine to propose improvements to the program for the committee to consider.

Although the Department, the Commission, and Efficiency Maine do not recommend any changes to the program at this time, a regional program review is currently underway and will continue through 2016. This program review includes evaluation of the Clean Power Plan and the changes that may be needed within the RGGI program to allow participating states to utilize it as the compliance plan for the Clean Power Plan. The conclusions of this program review and consideration of the Clean Power Plan may result in recommendations for changes to the program. The committee will be made aware of any recommendations that arise from this process.

Letter to ENR and EUT Committees

March 15, 2016

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The Department, the Commission, and Efficiency Maine are available to present this report, and answer any questions you may have.

Respectively submitted,



Paul Mercer, Commissioner  
Maine Department of Environmental Protection



Carlisle J.T. McLean, Esq., Commissioner  
Maine Public Utilities Commission



Michael Stoddard, Executive Director  
Efficiency Maine Trust