

STATE OF MAINE
PUBLIC UTILITIES COMMISSION

May 29, 2024

ORDER ON REQUEST FOR
SIGNIFICANT CHANGES
AND RATEPAYER
FUNDING

EFFICIENCY MAINE TRUST
Request for Approval of Fifth Triennial
Plan for Fiscal Years 2023–2025

Docket No. 2021-00380

MAINE PUBLIC UTILITIES COMMISSION
Procurement of Electric Resources and
Assessment of Natural Resources for
Fifth Triennial Plan FT 2023-2025

Docket No. 2022-00039

BARTLETT, Chair, SCULLY and GILBERT, Commissioners

I. SUMMARY

In this Order, the Commission approves the request of the Efficiency Maine Trust (Trust) for significant changes to the Fifth Triennial Plan (Plan). The Commission approves the Trust's request to increase its electric conservation program budget. The Commission also approves the Trust's request to shift certain electric funds from existing initiatives to support the Trust's interim beneficial electrification plan, which the Trust recently adopted following enactment of the Beneficial Electrification Policy Act. Additionally, the Commission approves on an interim basis the Trust's request to suspend its natural gas conservation program, and it authorizes the Trust to return related funds to ratepayers. In this Order, the Commission also approves the Trust's request to collect electric ratepayer funding for the final fiscal year (FY) 2025 of the Plan, including authorizing the Trust to use carryforward electric funds for the FY 2025 budget as new funds. Finally, the Commission concludes that the level of electric ratepayer funding approved in this Order is consistent with the applicable cap on funding.

II. FACTUAL AND PROCEDURAL BACKGROUND ON TRUST'S REQUESTS

As summarized below, in March 2024 the Trust filed an annual update to its Plan seeking approval of significant changes. In May 2024, The Trust also filed a request for approval to collect funds for FY 2025 of the Plan. The funding request seeks to collect ratepayer funds for its electric conservation program and, because it seeks to suspend its natural gas conservation program as a significant change, the Trust also seeks to return ratepayer funds associated with its natural gas conservation program. The timing of the submission of the Trust's annual updates and funding requests near the end of the fiscal year are intentional as the funding for the Trust's approved programs are placed into utility rates July 1 of each year.

A. Trust's Annual Update and Request for Significant Changes

On March 1, 2024, the Trust filed its annual update for the Plan. 35-A M.R.S. § 10104(6) (providing Trust shall file annual update with Commission, proposing any significant changes to approved triennial plan for review and approval); *Efficiency Maine Trust, Request for Approval of Fifth Triennial Plan for Fiscal Years 2023-2025*, Docket No. 2021-00380, Order Approving Stipulation and Delegating Authority, (May 17, 2022), Stipulation, Attachment A (May 4, 2022) (requiring Trust to file annual update on or before March 1st). In the annual update the Trust summarizes nonsignificant changes, and it seeks approval for significant changes to its electric conservation program and its natural gas conservation program.

1. *Electric Conservation Program*

The Trust seeks approval for significant changes to its electric conservation program in two ways: (a) increasing the FY 2025 budget initially approved by the Commission for the electric conservation program and (b) shifting funds to support different electric initiatives than initially set forth in the Plan.¹

a. Budget Increase

The Trust seeks approval to increase the electric budget for FY 2025 to support an interim beneficial electrification plan following recently enacted legislation, the Beneficial Electrification Policy Act. 35-A M.R.S. §§ 3801-3805 (generally) and § 3803(2) (directing Trust to adopt beneficial electrification plan).² It seeks approximately \$49.5 million for measures qualifying under its interim beneficial electrification plan. The total increased electric budget requested for FY 2025 is \$73,950,358.³

¹ The Commission initially approved the Trust's Plan and associated programs and budgets in May 2022, and thereafter approved requests to collect approved ratepayer funds to support the Plan. *Efficiency Maine Trust, Request for Approval of Fifth Triennial Plan for Fiscal Years 2023-2025*, Docket No. 2021-00380, Order Approving Stipulation and Delegating Authority, (May 17, 2022); see, e.g., *Maine Public Utilities Commission, Procurement of Electric Resources and Assessment for Natural Gas Resources for Fifth Triennial Plan FY 2023-2025*, Docket No. 2022-00039, Order Approving Revised Electric Procurement and Natural Gas Assessment and Electric Funding Cap (May 31, 2023).

² Title 35-A defines beneficial electrification as "electrification of a technology or process that results in reduction in the use of a fossil fuel, including electrification of a technology or process that would otherwise require energy from a fossil fuel, and that provides a benefit to a utility, a ratepayer or the environment, without causing harm to utilities, ratepayers or the environment, by improving the efficiency of the electricity grid or reducing consumer costs or emissions, including carbon emissions." 35-A M.R.S.A. § 10102(3-A),

³ With regard to the Trust's request to collect electric ratepayer funding, which is addressed below in this Order, the Trust's procurement request is effectively less than the \$73,950,358 total budget figure because the Trust proposes shifting previously approved funds to its interim electric conservation plan and using existing carry forward funds as new funds, all of which is discussed below.

For its interim beneficial electrification plan, pending the planning, development, and finalization of its next triennial plan, the Trust has focused on expanding existing measures that are already established under the Trust's electric conservation program.⁴ For residential customers, these measures include offering new incentives for whole home heat pumps, electric vehicles, and electric hybrid vehicles. For commercial and industrial customers, the Trust will offer new incentives through the prescriptive beneficial electrification program. For these new incentives to meet the Trust's cost-effective test under the new legislation, they must be cost-effective and reliably reduce electric rates over the life of the measure. To account for the change to the way it evaluates cost effectiveness for beneficial electrification, the Trust revised Chapter 3 of its rules, which governs electric efficiency and conservation programs, to include, among other things, the updated beneficial electrification criteria.⁵ 95-648 C.M.R. ch. 3 (2024).

b. Shifting Funds

The Trust proposes shifting funds away from certain initiatives initially approved under its Plan to its interim beneficial electrification plan. For example, it proposes shifting \$8.1 million from a so-called Lost Opportunity Heat Pump Initiative to the interim beneficial electrification plan, and for example proposes shifting \$1.4 million from a low-income heat pump water heater initiative to a whole home low income heat pump initiative. As discussed below, Versant Power submitted comments opposing the \$8.1 million shift because it relates to the Trust's decision to discontinue the Lost Opportunity Heat Pump Initiative.

The Trust's currently approved FY 2025 budget includes the Trust's Lost Opportunity Heat Pump Initiative, but the Trust states its board recently approved the reclassification of \$8.1 million in funds slated for such measures to support other beneficial electrification measures. In its filings and as further explained at a technical conference, the Trust states it has discontinued, except for very low-income participants, incentives for lost opportunity heat pump installations, which were installations intended to supplement existing heating systems. While the heat pump technology is the same, the Trust has generally shifted to offering incentives only for whole-building installations of heat pumps because the Trust states such measures are more cost-effective than heat pump units that supplement other heating systems. The Trust indicated at the

⁴ The Commission has gathered from this proceeding that the Trust's planning and development of its anticipated Sixth Triennial Plan for FYs 2025-2028 is underway, and indeed scheduled stakeholder meetings appear on the Trust's website. See, e.g., <https://www.energymaine.com/triennial-plan-vi/> (last visited May 14, 2024). While adjudication of triennial plans is no longer mandatory, 35-A M.R.S. § 10104(4)(D), prior docket review of proposed triennial plans indicate the Trust will file its next plan for review by the Commission no later than November 2024, *Efficiency Maine Trust, Request for Approval of Fifth Triennial Plan for Fiscal Years 2023-2025*, Petition for Approval at 1 (Nov. 29, 2021) (requesting adjudication of proposed plan).

⁵ The Trust states its board adopted amendments to Chapter 3 on February 28, 2024, reflecting the requirements of the Beneficial Electrification Policy Act, P.L.2023, ch. 328, § 1 (codified at 35-A M.R.S. §§ 3801-3805), and that its revised Chapter 3 took effect on March 26, 2024.

technical conference that the lost opportunity heat pump installations were either narrowly or not cost effective and that therefore the Trust moved to whole home installations “to get the most out of” heat pumps and be “the most cost effective as possible” The Trust seeks approval to shift the \$8.1 million of approved funds from the discontinued initiative to new initiatives, which the Trust states is consistent with the Beneficial Electrification Policy Act.

While Versant Power supports the Trust’s beneficial electrification efforts overall, it opposes the Trust’s proposal to shift the \$8.1 million as it disagrees with the Trust’s decision to discontinue the non-whole home existing heat pump rebate program for all but low-income customers. It states that the Trust’s prior heat pump installations were popular and a shift to whole-home risks prioritizing only higher-income customers who can afford more extensive retrofits to their homes. Versant Power contends data supports the retention of the Lost Opportunity Heat Pump Initiative.

2. Natural Gas Conservation Program

The Trust also seeks approval for a significant change to suspend its natural gas conservation program, 35-A M.R.S. § 10111, beginning FY 2025 because while the Trust states cost-effective measures remain available, the savings do not justify continuation of the program.⁶ Under the Trust’s proposed change, natural gas efficiency ratepayer funding for FY 2025 would be reduced by \$1,717,943 and, as discussed in more detail below, the Trust seeks an order directing it to return existing ratepayer funds to ratepayers.

The Trust proposes suspending its natural gas measures until such time that the Trust has identified sufficient cost-effective opportunity to warrant the resumption of program activity. In determining the cost effectiveness of the program, the Trust states it considers, among other things, the Trust’s costs in administering the program. The Trust states the magnitude of currently cost-effective savings is too small to justify the costs of continuing to administer the natural gas conservation program for FY 2025. The Trust states there is no calculation demonstrating the program’s lack of cost effectiveness, but rather it relies on its experience in implementing the program in making the cost effectiveness determination.⁷

⁶ In discovery, the Trust provided a spreadsheet and narrative, explaining which measures under its approved natural gas conservation program remain cost effective. The Trust’s position is that “a finding that individual natural gas measures are cost-effective does not convey a finding of sufficient cost effective, achievable opportunity to warrant the continuation of the Trust’s natural gas conservation program.” ODR 02-01.

⁷ The Trust further, states, however, that measures funded by sources other than ratepayer funding may be available to provide opportunities for natural gas consumers to access incentives to undertake efficiency improvements. For example, the Trust states that under the proposed suspension it does not expect to discontinue incentives for cost-effective projects within its custom program, stating it expects to fund such projects with alternative revenues, including from RGGI. Thus, while as discussed below the Commission approves the Trust’s request to suspend its natural gas conservation program on an interim basis, if there are cost-effective measures that would be beneficial for natural gas customers, the Commission’s understanding is that such measures will still be available through the custom program using other funding sources or, alternatively, the Trust could request approval of a significant change to determine how to fund the measure during FY 2025.

Several parties raised concerns about the proposed suspension of the natural gas conservation program.⁸ The natural gas utilities generally commented that the Trust has not produced sufficient data to demonstrate the natural gas conservation program is not cost effective and further questioned whether an alternative, cost effective, natural gas conservation program could be designed. As summarized by the Office of the Public Advocate:

The Trust is proposing to suspend its natural gas programs because its entire suite of programs as a whole, when administrative costs are considered, would not be cost effective in FY 2025. The Trust suggests that stakeholders focus on evaluating what changes can be made to its natural gas conservation programs in the next triennial plan, the planning of which is already underway. While this proposal is not optimal, the OPA sees no other path forward at this point in time. The OPA hopes that the Trust is able to develop robust, cost-effective programs in its next triennial plan in order to reduce natural gas usage and the resulting greenhouse gas emissions. The OPA intends to be an active participant in the Trust's stakeholder process for its Sixth Triennial Plan.

OPA Comments at 2 (May 8, 2024).

B. Trust's Request for Approval of Electric Procurement and Natural Gas Assessment

On May 1, 2024, in accordance with the stipulation and order approving the Trust's Plan, *Efficiency Maine Trust, Request for Approval of the Triennial Plan for Fiscal Years 2023-2025*, Docket No. 2021-00380, Order Approving Stipulation and Delegating Authority (May 17, 2022) & Stipulation (May 4, 2022), the Trust filed its request for approval of ratepayer funds to support its electric and natural gas conservation programs for FY 2025. In its filing, the Trust seeks electric procurement funds for FY 2025, and it seeks to return existing natural gas assessment funds to ratepayers in FY 2025.

1. Electric Procurement

While as stated above the Trust is seeking a total electric conservation program budget of \$73,950,358 for FY 2025, the Trust states it need collect only \$60,350,358 from ratepayers as it intends to use carryforward funds to reduce the need for ratepayer funds. The total proposed amount of electric carryforward funds, which would offset its total electric procurement request for FY 2025, is \$13,600,000. The Trust requests that these carryforward funds be applied to the FY 2025 budget as new funds so the unspent, uncommitted carryforward from individual programs would be available to the Trust to reallocate consistent with the most recent approved triennial plan budget and the funds would not be required to be allocated to the specific program from which it was carried over.

Thus, the Trust seeks an increase in funding and to offset the need for ratepayer funding by shifting existing and carryforward funds to fund its electric conservation program,

⁸ Notably, the Efficiency Maine Trust Act provides, among other things, that the Trust "shall establish a cost-effective conservation program to promote the efficient use of natural gas," and that reasonable percentages of available natural gas funding be directed to programs for low-income residential and small business consumers. 35-A M.R.S. § 10111(1).

including its interim beneficial electrification plan. The following table and narrative explain the Trust's ratepayer funding request.

1	Previously Approved FY 2025 Electric Efficiency Program Budget (5/17/2022 Order)	\$ 50,774,338
2	Approved FY 2025 Electric Efficiency Program Budget after Reallocation to BE Programs	\$ 35,744,350
3	New Beneficial Electrification Programs Budget	\$ 49,523,944
4	Offset by funding from other sources	\$ (19,825,500)
5	Total Incremental Beneficial Electrification Procurement (3+4)	\$ 29,698,444
6	Total Electric Efficiency and Beneficial Electrification Program Budget (2+5)	\$ 65,442,794
7	EMT Administrative and Programming Costs	\$ 8,507,564
8	Total FY 2025 Electric Procurement Budget (6+7)	\$ 73,950,358
9	Less FY 2024 Carryforward	\$ (13,600,000)
10	Revised FY 2025 Procurement Request (8+9)	\$ 60,350,358

As referenced in row one of the table above, in the order approving the current Plan, *Efficiency Maine Trust, Request for Approval of Fifth Triennial Plan for Fiscal Years 2023-2025*, Docket No. 2021-00380, Order Approving Stipulation and Delegating Authority, (May 17, 2022), the Commission approved a three-year budget, including an electric conservation program budget for FY 2025 of \$50.8 million.⁹ The Trust's current budget request reflects that initially approved budget, but as shown in row two, the Trust is seeking to shift some approved funds (including for example the \$8.1 million discussed above) from approved initiatives to measures under its interim beneficial electrification plan. This effectively reduces the formerly approved budget to \$35.8 million.

Row three then shows the Trust's forecasted need for its interim beneficial electrification plan budget, which is \$49.5 million of funding to meet its projected achievable target. Row four shows \$19.8 million, which are dollars available from other funding sources and that will not need to be funded through electric procurement. Subtracting the funds available from other sources, row five shows the revised proposed ratepayer budget of \$29.7 million.

Row six then adds the revised formerly approved budget of \$35.8 million with the \$29.7 million needed to fully fund the beneficial electrification plan for FY 2025, resulting in the updated budget request of \$65.4 million. Row seven reflects an additional \$8.5 million requested to fund the administrative aspects of operating the Trust, and that brings the total requested electric procurement budget to \$73.9 million, which appears in row eight.

The \$73.9 million proposed budget is then offset by the figure in row nine, which is \$13.6 million of unspent FY 2024 carryforward funding that the Trust plans to treat as new funds to reduce the total procurement amount to \$60.3 million, which appears in row 10. In sum, while the Trust seeks a revised budget for electric efficiency programs of \$73,950,358 for FY 2025, it seeks to offset that by shifting proposed electric carryforward funds of \$13,600,000 to the upcoming year, and thus it seeks new electric procurement funds for FY 2025 of \$60,350,358.

⁹ The approved budget of \$50.8 million for the electric conservation program in FY 2025 did not include the Trust's administrative and programming costs, which are also reflected separately in the table above.

2. *Natural Gas Assessment*

Regarding natural gas assessment funds for FY 2025, and consistent with its request for approval to suspend its natural gas conservation program, the Trust proposes to collect no ratepayer funds in FY 2025 and to return existing ratepayer funds following the conclusion of the current program year. The Efficiency Maine Trust Act requires the Trust to return unspent, uncommitted natural gas efficiency funds within two years of collection. 35-A M.R.S.A § 10111(2). Therefore, the Trust requests that the Commission direct it to return all unspent, uncommitted funds to the natural gas utilities for return to ratepayers following the conclusion of the Trust's independent audit for FY 2024 and its board's review and acceptance of that audit.

C. Process on Trust's Requests and Party Comments

Commission Staff provided an opportunity for comments, discovery, and argument on the Trust's proposed significant changes and request for ratepayer funding. On March 4 and 28, 2024, Commission Staff provided parties with an opportunity to file comments on the Trust's annual update and requests for significant changes and sought additional information from the Trust. On April 11, 2024, the Trust and parties filed additional information and comment in the docket, and on April 17, 2024, Commission Staff convened a technical conference. The utilities and the Office of the Public Advocate participated in the technical conference, and thereafter the Trust timely responded to several oral data requests issued at the technical conference.

By procedural order dated April 23, 2024, Commission Staff provided the parties with any opportunity to submit argument on the Trust's pending requests. Several parties made filings, generally supporting or not objecting to the Trust's proposed significant changes and request for approval of ratepayer funding. While there is general support for the Trust's requested approvals, parties did provide some oppositional comments.

Several parties filed specific objections and/or sought additional review of the Trust's proposals to modify its programs. Eastern Maine Electric Cooperative filed comments, objecting to any increase in electric ratepayer funding to support the Trust's electric conservation program. Further, as discussed above, Versant Power filed an objection regarding the Trust's proposed shift in program funding, following the discontinuance of certain heat pump incentives. Additionally, Central Maine Power Company and Versant Power each submitted comments questioning whether the Trust submitted sufficient data to demonstrate the cost-effectiveness of the measures proposed under the interim beneficial electrification plan. Finally, as discussed above the parties questioned whether the natural gas conservation program is or could be cost effective, and the parties also expressed an overall interest in participating in the Trust's planning and development of its next triennial plan.

III. LEGAL STANDARD

Any proposed significant change to an approved triennial plan requires Commission review and approval using the same standard as for the original review and approval of the triennial plan. 35-A M.R.S. § 10104(6). The order approving the Fifth Triennial Plan, which incorporated terms of settlement, provides details as to what constitutes a significant

change, *Efficiency Maine Trust, Request for Approval of Fifth Triennial Plan for Fiscal Years 2023-2025*, Docket No. 2021-00380, Order Approving Stipulation and Delegating Authority, (May 17, 2022), Stipulation, Attachment A (May 4, 2022), and any approved electric funding must comply with the applicable funding cap, MPUC Rules, ch. 396.

Generally, proposals to increase approved budgets and shift program funding are significant changes. For example, the proposed increase to the Plan's electric conservation program budget regarding funding the interim beneficial electrification plan constitutes a significant change because it is a modification of the total annual budget initially approved by the Commission. *Efficiency Maine Trust, Request for Approval of the Triennial Plan for Fiscal Years 2023-2025*, Docket No. 2021-00380, Order Approving Stipulation and Delegating Authority (May 17, 2022) & Stipulation, Attachment A, § 4(d) (May 4, 2022). Further, Trust requests to shift funding, greater than either 10% or \$1 million, whichever is less, from one program budget to another program budget, for example shifting \$8.1 million to its beneficial electrification program, constitutes a significant change. *Id.* § 3(b). Similarly, the Trust's request to shift carryforward funds to other programs and use them as new funds constitutes a significant change. *Id.* As to suspending a program, the Trust's proposed reduction in the natural gas conservation program budget in conjunction with suspension of the program is a significant change because it falls outside of the scope of defined non-significant changes. *Id.* §§ 3, 4 (providing any changes not designated as non-significant changes are considered significant changes).

Finally, the total amount to be included in electricity rates for funding FY 2025 must not exceed a 4% of sales cap, which is \$80.9 million, as calculated by the Commission earlier this year in accordance with Chapter 396 of its Rules. *Maine Public Utilities Commission, Determination of Efficiency Maine Trust Electric Procurement Funding Cap for Fourth Triennial Plan FY 2023-2025*, Docket No. 2022-00040, Order on Funding Cap for FY 2025 (March 28, 2024).

IV. DISCUSSION

The Commission concludes the Trust's requests for significant changes related to funding its electric conservation program including its interim beneficial electrification plan are consistent with the Efficiency Maine Trust Act. The Trust has proposed an increase in ratepayer funding, together with a proposal to shift previously approved funding and use existing carry forward funds to offset the need to collect additional electric ratepayer funds for FY 2025. This results in a slight increase from the initially approved \$50.8 million FY 2025 budget but represents an approximate increase of nearly \$26.1 million from what is currently in rates for FY 2024. *Maine Public Utilities Commission, Procurement of Electric Resources and Assessment for Natural Gas Resources for Fifth Triennial Plan FY 2023-2025*, Docket No. 2022-00039, Order Approving Revised Electric Procurement and Natural Gas Assessment and Electric Funding Cap at 2 (May 31, 2023).¹⁰

¹⁰ For FY 2024, the Trust sought electric procurement funds of \$34,197,965, an amount which had been reduced by carryforward funds of \$15,831,000. Thus, the proposed amount in rates for FY 2025 represents an approximate \$26.1 million increase from what was in rates for FY 2024.

Given this increase, the Commission acknowledges the concerns expressed by Eastern Maine Electric Cooperative and that the Trust's approach to funding will not eliminate but only limit the rate impact on electric ratepayers.¹¹ Nonetheless, the Trust's proposed budget is a result of its efforts to comply with the recently enacted Beneficial Electrification Policy Act, and in any event, the approved \$60.3 million to be included in electricity rates for funding FY 2025 of the Plan does not approach the 4% of sales cap of \$80.9 million, a cap which has been set as a matter of policy by the Legislature and implemented by the Commission through rule. *Maine Public Utilities Commission, Determination of Efficiency Maine Trust Electric Procurement Funding Cap for Fourth Triennial Plan FY 2023-2025*, Docket No. 2022-00040, Order on Funding Cap for FY 2025 (March 28, 2024). The Commission's approvals relating to the Trust's electric conservation program, however, are on an interim basis because the Commission's review is based on the Trust's interim beneficial electrification plan, in advance of the utilities' July 1, 2024, rate changes and pending the Trust's planning and development of its next triennial plan.

The parties to this proceeding raised concerns about whether the Trust has provided sufficient data to support its cost-effectiveness determinations related to its interim beneficial electrification plan, and they raised specific concerns about whether the Lost Opportunity Heat Pump Initiative ought to continue to be funded and whether barriers to entry for the whole home heat pump initiative exist. While the Trust's budget requests are consistent with its efforts to comply with the newly enacted Beneficial Electrification Policy Act, in the context of an annual update to the last year of its current triennial plan and in advance of July 1 utility rate changes, these matters have not been exhaustively vetted. Thus, the Commission expressly notes the approvals in this Order are not necessarily reflective of the Commission's anticipated future review of the Trust's electric conservation program. Because the concerns expressed by the parties will likely be raised when the Commission is tasked with review of the upcoming plan, the Commission anticipates that the issues discussed in this Order will be explored during the stakeholder phase as the Trust plans, develops, and finalizes its next triennial plan before filing at the Commission.

Similarly, as to the suspension of the natural gas conservation program, the Commission determines, on an interim basis, that the Trust has sufficiently demonstrated issues as to cost-effectiveness to warrant a temporary suspension of the program. The Commission agrees with the sentiment expressed by the Office of the Public Advocate that a temporary suspension pending further review is not optimal but reasonable given the circumstances under which the matter has been presented to the Commission for review. However, from party filings it does not appear that there has been a full dialogue among stakeholders about what opportunities might exist to develop an alternative program to the current natural gas conservation program that would satisfy the Efficiency Maine Trust Act, in which case a restart of the program could be examined. The Commission anticipates that these issues will be explored as the Trust plans, develops, and finalizes its next triennial plan before filing at the Commission as such issues will likely be raised when the Commission is tasked with review of the upcoming plan. Thus, as noted in footnote 7, the Commission

¹¹ While no updated analysis appears in the docket following the Trust accounting for the deduction of carryforward funds from the total requested procurement amount, it appears that the rate impact for the average residential customer of Central Maine Power Company would be a figure less than approximately \$2 a month. Central Maine Power Comments at 3 (April 16, 2024). For this reason and the reasons discussed in the text above, the Commission concludes the Trust's FY 2025 procurement request is in line with the budget initially approved by the Commission in its May 2022 order.

appreciates the Trust's willingness to continue some of the cost-effective natural gas measures using funding from other revenue sources, and the approval to suspend the natural gas conservation program is otherwise in the interim, pending a full factual and legal review of the natural gas conservation program and, as noted in footnote 8, the Trust's obligations under 35-A M.R.S. § 10111(1).

Finally, given the interim suspension of the natural gas conservation program and the statutory restrictions on the retention of related funds, as well as being in the interest of mitigating rate impact, the budget for FY 2025 of the natural gas conservation program is reduced to zero and the Trust's request to return existing ratepayer funds to ratepayers is approved. The natural gas utilities are therefore not required to file the June 1 sales reports required under the Commission's May 2022 order, *Efficiency Maine Trust, Request for Approval of Fifth Triennial Plan for Fiscal Years 2023-2025*, Docket No. 2021-00380, Order Approving Stipulation and Delegating Authority at 11-12, ¶ 7 (May 17, 2022), and in the alternative, the Trust is directed to file a report showing the dollar amount to be returned to each natural gas utility following the conclusion of the Trust's independent audit for FY 2024 and within 10 business days of its board's review and acceptance of that audit.

The return of ratepayer funds to ratepayers will require additional process. The Commission delegates to the Administrative Director the authority to administer, based upon the report submitted by the Trust, the amount to be returned to each natural gas utility for FY 2025 of the Plan, and directs the Administrative Director to notify the natural gas utilities of their respective calculated amounts to be flowed back to ratepayers. The Commission directs its Staff to open a separate docket to create a process to return these ratepayers funds.

V. ORDER

For the foregoing reasons, the Commission orders as follows:

- (1) The Trust is authorized to increase the budget for its electric conservation program for FY 2025 to \$73,950,358 to support, among other things, its interim beneficial electrification plan;
- (2) The Trust is authorized to shift previously approved funds, including the \$8.1 million previously slated for the discontinued Lost Opportunity Heat Pump Initiative, and carryforward funds to generally fund its electric conservation program and thus, the unspent, uncommitted carryforward funds are available to the Trust to reallocate consistent with the budget approved by this Order and the carryforward funds are not required to be allocated to the specific program from which the funds were carried over;
- (3) The Trust is authorized to collect \$60,350,358 in electric rates to fund FY 2025 of its electric conservation program, such sum to be determined and collected in accordance with the Commission's May 2022 order, *Efficiency Maine Trust, Request for Approval of Fifth Triennial Plan for Fiscal Years 2023-2025*, Docket No. 2021-00380, Order Approving Stipulation and Delegating Authority at 11-12, ¶¶ 4, 6 (May 17, 2022);
- (4) The Trust is authorized to suspend, on an interim basis, its natural gas conservation program;

NOTICE OF RIGHTS TO REVIEW OR APPEAL

5 M.R.S. § 9061 requires the Public Utilities Commission to give each party at the conclusion of an adjudicatory proceeding written notice of the party's rights to seek review of or to appeal the Commission's decision. The methods of review or appeal of Commission decisions at the conclusion of an adjudicatory proceeding are as follows:

1. Reconsideration of the Commission's Order may be requested under Section 11(D) of the Commission's Rules of Practice and Procedure (65-407 C.M.R. ch. 110) within **20** days of the date of the Order by filing a petition with the Commission stating the grounds upon which reconsideration is sought. Any petition not granted within **20** days from the date of filing is denied.
2. Appeal of a final decision of the Commission may be taken to the Law Court by filing, within **21** days of the date of the Order, a Notice of Appeal with the Administrative Director of the Commission, pursuant to 35-A M.R.S. § 1320(1)-(4) and the Maine Rules of Appellate Procedure.
3. Additional court review of constitutional issues or issues involving the justness or reasonableness of rates may be had by the filing of an appeal with the Law Court, pursuant to 35-A M.R.S. § 1320(5).

Pursuant to 5 M.R.S. § 8058 and 35-A M.R.S. § 1320(6), review of Commission Rules is subject to the jurisdiction of the Superior Court.

Note: The attachment of this Notice to a document does not indicate the Commission's view that the particular document may be subject to review or appeal. Similarly, the failure of the Commission to attach a copy of this Notice to a document does not indicate the Commission's view that the document is not subject to review or appeal.