

# STATE AND FEDERAL ENERGY POLICY INITIATIVES

## **Maine Community Action Association**

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In view of the coming heating fuel crisis, the Maine Community Action Association issued the following federal and state energy policy recommendations on August 7, 2008.

The MCAA urged Congress to:

- Raise income eligibility requirements for LIHEAP and fund the program at \$25 billion, an amount roughly equivalent to the fivefold increase in oil prices since 2002.
- Appropriate \$3 billion for home energy conservation through the Weatherization Program, which is at its lowest funding level in nearly 20 years. All households below the state median income level would be eligible to participate.
- Instruct HUD to make “Community Based Housing Development Organization” funds available to help build and sustain a community-based effort to address heating needs. These funds are available under HUD’s HOME program.
- Appropriate \$100 million for wood-based heating pilot projects to further develop possibilities in northern timber states.
- Provide an additional \$200 million to the Community Services Block Grant program for use by community action agencies in their efforts to help the tens of thousands of families in Maine and the millions across the country who will be at risk this winter.
- Allow the use of Independent Development Accounts for energy conservation improvements.

The MCAA called upon the state to:

- Appropriate \$20 million to address the high number of “no heat” situations its member agencies foresee for the coming winter.
- Ask the PUC to explore changes in the “lifeline” project for very low-income Maine households.
- Expand the appliance replacement program.
- Provide additional financial support to the community-based organizations engaged in helping the tens of thousands of Maine families expected to face a heating crisis this winter.
- Appropriate \$10 million to support a program of conversions to wood-based heating technologies.
- Call together the state’s best scientists, engineers, utility experts, financial experts, consumer advocates and others to develop a long-range plan of investment aimed at freeing Mainers from foreign oil through efforts and innovations in wind, solar, tidal, geothermal energy, superinsulation and other areas of exploration.

### **Prepared By:**

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**Senator Susan Collins**    **Contact: (207) 945-0417**  
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Senator Susan Collins has introduced the *Energy Assistance Act of 2008*. This bill includes provisions for:

- additional funding to low-income families for weatherization programs
- grant dollars for low-income families who do not qualify for energy efficiency tax credits
- low interest loans for middle-income consumers
- an extension of tax incentives for renewable energy programs
- a \$500 tax credit to help consumers purchase clean burning wood or wood pellet stoves

Senator Collins has an Energy Plan which calls for establishing a goal of energy independence by the year 2020. The plan includes the following:

- Increase American Supplies of Oil and Natural Gas
- Extend Federal Regulation to Oil Futures
- Improve Energy Efficiency and Increase Funding for Weatherization
- Fully Fund and Restructure LIHEAP
- Improve Vehicle Efficiency and Alternatives to Gasoline
- End Needless Tax Breaks for Oil Companies and Direct Funds to Consumers and Alternative Energy
- Promote Tidal, Geothermal, Solar, and Wind Energy
- Implement a Renewable Energy Standard
- Invest in Cellulosic Ethanol and Renewable Fuels
- Support Public Transportation
- Terminate Purchases for the Strategic Petroleum Reserve

**Representative Tom Allen**    **Contact: (207) 774-5019**  
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Rep. Allen has introduced H.R. 6605, *The Home Heating Fuels Cost Relief Act of 2008*. The legislation creates

- a refundable tax credit (\$1,000 for individuals and \$2,000 for couples filing jointly) for heating fuels and
- establishes a grant program for states to provide up to \$5,000 for individuals or \$10,000 per household in low interest home weatherization loans.

Rep. Allen supports the following initiatives:

- Congress must immediately repeal the tax breaks and subsidies for Big Oil that have been granted over the last seven years.
- Investors and oil companies must stop driving up the price of crude oil by engaging in financial speculation and shady overseas trading and engaging in price fixing and monopolistic schemes.
- Oil companies must dedicate some of their excessive profits to weatherization and heating assistance programs to help people lower their energy costs.

**Senator Olympia Snowe**    **Contact: (207) 945-0432**

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Senator Snowe is co-sponsoring *The Warm in Winter and Cool in Summer Act*. This bill would appropriate an emergency \$2.53 billion for the LIHEAP program.

Senator Snowe supports the *Stop Excessive Energy Speculation Act of 2008* which calls for ending oil market manipulation and rampant speculation.

Senator Snowe has been urging the Congressional leadership as well as the President to convene a bipartisan summit to develop a comprehensive national energy policy. She supports an extension of clean energy production tax credits which are set to expire at the end of this year.

### **Representative Michael Michaud**

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Rep. Michaud introduced the *Small Business Energy Emergency Relief Act of 2008*. This legislation would make low-interest loans available to small businesses that have suffered or will likely suffer substantial economic injury as a result of a significant increase in the price of heating fuel.

Rep. Michaud was a cosponsor of H.R.6022, the *Strategic Petroleum Reserve Fill Suspension and Consumer Protection Act of 2008*, which suspended shipments to the Strategic Petroleum Reserve. This bill has been passed by the House and Senate and signed by the President.

Rep. Michaud also supports closing the loopholes that allows speculators to avoid regulation by trading outside of conventional oil markets, driving up the price of fuel.

Rep. Michaud advocates an advocate for funding LIHEAP at \$5.1 billion, the program's maximum authorized spending level.

### **Governor Baldacci's Initiatives**

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### **Pre-Emergency Energy Task Force Preliminary Report**

This report lays out seven, short-term, high priority action recommendations which expand upon Maine's existing energy and transportation programs.

- 1. Provide One-Stop Shopping for All Maine Energy Resources:** streamline all existing energy referral and information services into a one-stop shopping model with a single point of contact through Maine 2-1-1 to provide accurate and timely energy information and assistance to the public.
- 2. Expand Weatherization of Maine Residences:** Expand weatherization to 5,000 Maine residences through distribution of "warm kits" before this winter in order to reduce energy consumption and lower household energy bills for low-income households.
- 3. Increase Energy Audits of Homes and Businesses for all Maine People:** Provide a free, hands-on energy audit and weatherization training course through to hundreds of volunteers and energy service providers through the community college system and other media venues.

- 4. Provide Statewide Education and Training for What Maine People Can Do Now to Prepare for the Upcoming Winter:** Use educational and outreach materials through a variety of media outlets, utilities, churches and fraternal organizations, to inform people about what action steps they should take now to weatherize their homes before winter arrives.
- 5. Expand Energy Efficiency Financing Tools for Hospitals, Schools, Nursing Homes, Municipalities, Social Service Agencies and Businesses:** Conduct outreach and education, provide technical expertise and facilitate energy audits for businesses while continuing energy financing programs for schools, nursing homes, municipalities and social service agencies.
- 6. Increase Transportation Options and Reduce Fuel Consumption:** Expand existing alternative transportation programs like Go Maine, provide fuel wise tips, promote Free Fare Fridays, and implement transit-based strategies to reduce vehicle miles traveled.
- 7. Keep People Warm and Secure in Their Homes This Winter and Beyond:** Local teams would assess local resources and needs, create an action plan for response and ensure neighbors help neighbors in keeping people safe, secure and warm this winter. The connection between rising fuel prices and the cost of food would be identified and purchase of local foods and local firewood resources for heating would be promoted.

On August 15, 2008 Gov. Baldacci announced his \$12.6 million energy action plan which proposes new investments in weatherization, low-income heating assistance and alternative modes of transportation. It also includes voluntary four-day work schedules for state employees.

Specifically, the governor would dedicate \$4.2 million to increase the Low Income Home Energy Assistance Program benefit from around \$415 to \$500 per eligible household. Additionally, a \$3.25 million emergency fund would be created in January to help families who either participate in LIHEAP or are slightly above the entitlement threshold in the event of a fuel oil emergency.

The Baldacci package would boost weatherization funding by \$2 million, allowing for an expansion of about 500 homes, and make available an additional \$1 million to upgrade furnaces in about 1,500 additional homes that are LIHEAP-eligible.

The package would reserve \$1 million of available funding in the Economic Recovery Loan Program at the Finance Authority of Maine for energy conservation projects at businesses and redirect \$1 million within the Department of Transportation.