



State of Maine
Janet T. Mills
Governor

March 10, 2026

Senator Denise Tepler, Chair
Representative Vicki Doudera, Chair
Members of the Joint Standing Committee on Environment and Natural Resources
100 State House Station
Augusta, ME 04333-0100

Senator Mark W. Lawrence, Chair
Representative Melanie F. Sachs, 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) 2025 Annual Report

Dear Senator Tepler, Senator Lawrence, Representative Doudera, Representative Sachs,
Members of the Joint Standing Committee on Environment and Natural Resources, and
Members of the Joint Standing Committee on Energy, Utilities and Technology:

The Regional Greenhouse Gas Initiative (RGGI) is a cooperative, market-based effort among the states of Connecticut, Delaware, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, Rhode Island, Vermont, and Virginia (Virginia participated from 2021 through 2023 and is considering rejoining) to cap and reduce carbon dioxide (CO₂) emissions from the power sector. RGGI represents the first cap-and-invest regional initiative implemented in the United States.

Title 38 Maine Revised Statutes (M.R.S.) §580-B, sub-§10, established by Public Law, Chapter 317 of the 123rd Legislature and amended by Public Laws, Chapter 372 of the 124th Legislature, Chapter 369 of the 126th Legislature, and Chapter 550 of the 132nd Legislature directs the Department of Environmental Protection (DEP), the Public Utilities Commission, and the trustees of the Efficiency Maine Trust (the “Trust” or “Efficiency Maine”) to submit a joint report to the joint standing committees of the Legislature having jurisdiction over natural resource matters and utilities and energy matters by March 15th annually, regarding items related to implementation of the RGGI. In September of 2025, pursuant to Public Law 2025, Chapter 476, the Department of Energy Resources (DOER) replaced the Public Utilities Commission as

one of two authorized representatives for the State to the RGGI and therefore, is replacing them as a signatory to this letter. This letter serves as the annual report and addresses the six items currently 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.

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 (CO₂) budget units. RGGI units are tradeable allowances, with each allowance representing authorization for a regulated power plant to emit one short ton of CO₂. As a group, CO₂ budget units (RGGI units) located in Maine and throughout the RGGI region have experienced significant reductions in CO₂ 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). Compared to an average over the three most recent years, **annual CO₂ emissions from RGGI units within the State of Maine have decreased by 60%** from levels emitted during the baseline period and **annual CO₂ emissions from RGGI units within all RGGI participating states have decreased by over 50%** from levels emitted during the baseline period.

The RGGI program was originally designed to stabilize CO₂ emissions from RGGI units in the region for the period from 2009 through 2014. Subsequently, beginning in 2015 and extending to 2018, the annual cap on emissions was to have been reduced by 2.5% per year to achieve a 10% reduction in emissions from baseline levels. Due to the achievement of greater reductions in CO₂ 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 build on these significant emission reduction achievements. For the calendar year 2014, the annual cap for the region was reduced from 165 million allowances to 91 million allowances, representing a 45% reduction in the cap. Maine's share of the adjusted regional annual cap was 3.6%, which represented approximately 3.3 million allowances in 2014. The 91 million allowance annual cap was further adjusted to address a surplus of unused allowances remaining in the secondary 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 adjusted cap continued to be reduced at the rate of 2.5% per year between 2015 and 2020. The RGGI participating states completed a second program review in 2017, which resulted in agreement by the participating states to make further changes to the program, including extending the regional cap reduction period from 2020 through 2030 and reducing the regional annual cap by a fixed amount of 2,275,000 allowances per year (representing 2.5% of the 2014 regional cap). A third program review was completed in 2025, and legislation was passed by the Maine Legislature and signed into law by Governor Mills on March 9, 2026, to incorporate additional changes to the program as a result of the completion of this most recent program review. These changes include adjusting the cap beginning in 2027 and as stipulated by the amended law through calendar year 2037. Each of the RGGI participating states are required to adopt changes from the third program review by January 2027.

Following adjustments made to the regional cap and other changes to the program as a result of the 2017 program review, the RGGI expanded with New Jersey rejoining the program beginning in 2020 and Virginia joining the program beginning in 2021. With the addition of New Jersey and Virginia to the program, the regional cap was increased by 18 million allowances in 2020 to account for New Jersey rejoining, and by approximately 27.2 million allowances in 2021, to account for Virginia joining. The cap was readjusted in 2024 following the withdrawal of Virginia from the program at the end of 2023. Other states joining and withdrawing from the RGGI does not directly impact Maine's allowance budget.

Table 1 shows annual CO₂ emissions data from Maine's RGGI units from 2000 through 2025. Maine's RGGI units consist of the following facilities:

- FPL Energy Wyman, an 850 MW oil-fired power plant owned and operated by NextEra Energy Resources and located on Cousins Island in Yarmouth, Maine. This facility is currently functioning as a peaking unit that operates during times of high electricity demand when called on by ISO-New England.
- Androscoggin Energy, a 164 MW combined cycle natural gas-fired cogeneration power plant recently purchased, along with the associated paper mill, from Pixelle Androscoggin LLC by JGT2 Redevelopment. The facility is located adjacent to the former Pixelle Androscoggin paper mill in Jay, Maine, but ceased operations when the paper mill ceased operations in March of 2023 which is why zero emissions are listed in Table 1 for the years 2024 and 2025, respectively. This facility is not expected to restart.
- Bucksport Generation, a 187 MW combined cycle/simple cycle natural gas-fired power plant owned and operated by Bucksport Generation LLC and located at the former Verso Bucksport paper mill site in Bucksport, Maine. This facility began operations in 2021 and is currently functioning as a simple cycle peaking unit that operates during times of high electricity demand when called upon by ISO-New England.
- Maine Independence Station, a 550 MW combined cycle natural gas-fired power plant owned and operated by Casco Bay Energy Company LLC and located in Veazie, Maine.
- Westbrook Energy Center, a 565 MW combined cycle natural gas-fired power plant that began operations in 2021 and is owned and operated by Calpine Corporation and located in Westbrook, Maine.
- Rumford Power, a 275 MW combined cycle natural gas-fired power plant owned and operated by Revere Power LLC and located in Rumford, Maine.

Since the early 2000s, combined emissions from the RGGI units in Maine have generally decreased by a significant amount. After a relatively low emission period between 2017 and 2020, emissions increased overall between 2021 and 2024. Emissions for 2025 are projected to be approximately 6% lower than emissions in 2024; however, 2025 emissions data will not be quality-assured until the second quarter of 2026, so they are included only as projected numbers in Table 1 and its associated Bar Chart. The recent overall increase in emissions from Maine RGGI units can be explained by a combination of factors, including the variability in the number and length of hot and cold weather events from season to season and year to year, the overall variability in electricity demand, the variability in the supply of natural gas in Maine, the variability in natural gas prices, the variability in economic conditions, recovery from the COVID-19 pandemic, the operating status of other electric generation facilities in the region, and electric grid conditions. The CO₂ emissions data in

Table 1 comes from the Environmental Protection Agency’s Air Markets Program Data website: <https://campd.epa.gov> and is supplemented by CO₂ emissions data from emission reports contained in RGGI’s CO₂ Allowance Tracking System (COATS): www.rggi.org.

Table 1 and Bar Chart

Maine RGGI Source Annual CO ₂ Emissions (U.S. Tons)							
Year	FPL Energy Wyman	Androscoggin Energy	Bucksport Generation	Maine Independence Station	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	232,538	318,997	259,499	485,857	775,593	182,988	2,255,472
2015	434,966	248,856	40,954	147,372	778,410	127,963	1,778,521
2016	93,552	114,878	6,323	247,610	916,993	183,510	1,562,866
2017	103,597	136,614	5,092	147,329	572,160	104,859	1,069,651
2018	151,727	232,300	8,940	104,306	616,175	69,767	1,183,215
2019	10,136	248,036	1,313	125,099	390,823	29,423	804,830
2020	16,456	277,735	2,987	81,955	413,691	74,515	867,339
2021	9,298	300,774	4,364	235,978	771,010	145,038	1,466,462
2022	218,462	314,284	7,243	293,754	1,012,112	189,862	2,035,717
2023	44,176	62,396	10,048	415,088	956,831	175,962	1,664,501
2024	35,191	0	9,966	1,088,905	1,208,306	273,966	2,616,334
2025 (projected)	123,082	0	8,233	616,184	1,357,400	343,080	2,447,979

Maine RGGI Source Annual CO₂ Emissions

U.S. (Short) Tons of CO₂

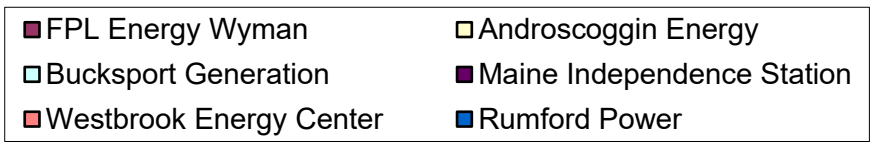
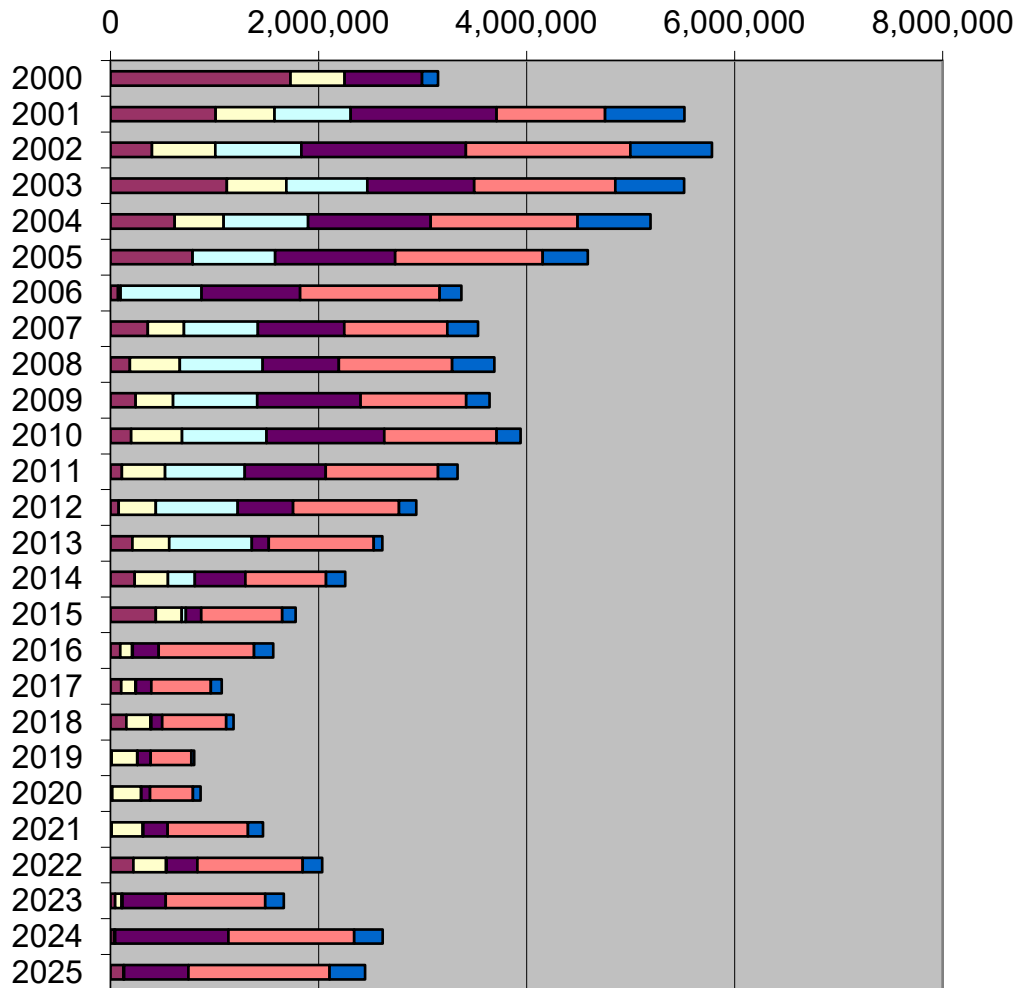


Table 2 shows annual CO₂ emissions data from all RGGI units in the region, by state, from 2000 through 2025. RGGI units in Maine accounted for approximately 3 percent of all CO₂ emissions from RGGI units in 2025. Emissions data for 2025 will not be quality-assured until the second quarter of 2026, so they are included only as projected numbers in Table 2 and its associated Bar Chart. The CO₂ emissions data in Table 2 comes from the Environmental Protection Agency’s Air Markets Program Data website: <https://campd.epa.gov> and is supplemented by CO₂ emissions data from emission reports contained in RGGI’s CO₂ Allowance Tracking System (COATS): www.rggi.org. Numbers in this report may differ from numbers in previous reports due to adjustments made by individual states based on certain CO₂ emissions being eligible for exemption because of individual state set-aside programs, eligible biomass related emissions, or eligible combined heat and power thermal output related emissions.

Table 2 and Bar Chart

RGGI Source Annual CO ₂ Emissions by State (U.S. Tons)												
Year	CT	DE	MA	MD	ME	NH	NJ	NY	RI	VT	VA	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	3,943,458	5,899,447	19,681,308	42,113,171	3,504,392	3,756	**	135,735,245
2011	7,148,159	4,150,396	15,634,925	24,699,638	3,337,460	5,525,369	17,117,779	37,148,379	3,946,582	6,537	**	118,715,224
2012	7,117,572	4,839,522	13,218,526	20,596,979	2,940,072	4,642,898	*	35,640,442	3,735,785	2,319	**	92,734,115
2013	7,456,580	4,285,050	13,677,462	18,683,424	2,612,423	3,653,195	*	33,476,561	2,771,105	2,761	**	86,618,561
2014	7,271,363	3,922,999	11,795,107	20,903,449	2,255,472	3,573,178	*	34,028,752	2,767,290	2,708	**	86,530,318
2015	8,154,364	3,519,097	12,039,394	18,050,117	1,778,521	3,818,378	*	32,550,962	3,075,646	1,216	**	82,987,695
2016	7,681,343	4,042,227	11,389,968	18,332,243	1,562,866	2,546,809	*	30,666,015	2,829,861	2,678	**	79,054,010
2017	6,832,734	3,244,029	10,888,903	12,678,303	1,069,651	1,982,047	*	24,577,905	3,213,211	4,349	**	64,491,132
2018	8,743,239	2,716,368	8,107,721	17,203,574	1,183,215	2,297,766	*	27,215,742	3,539,026	2,072	**	71,008,723
2019	8,107,905	2,024,610	6,436,139	12,925,318	804,829	1,994,454	*	24,408,013	3,151,489	546	**	59,853,303

Letter to ENR and EUT Committees

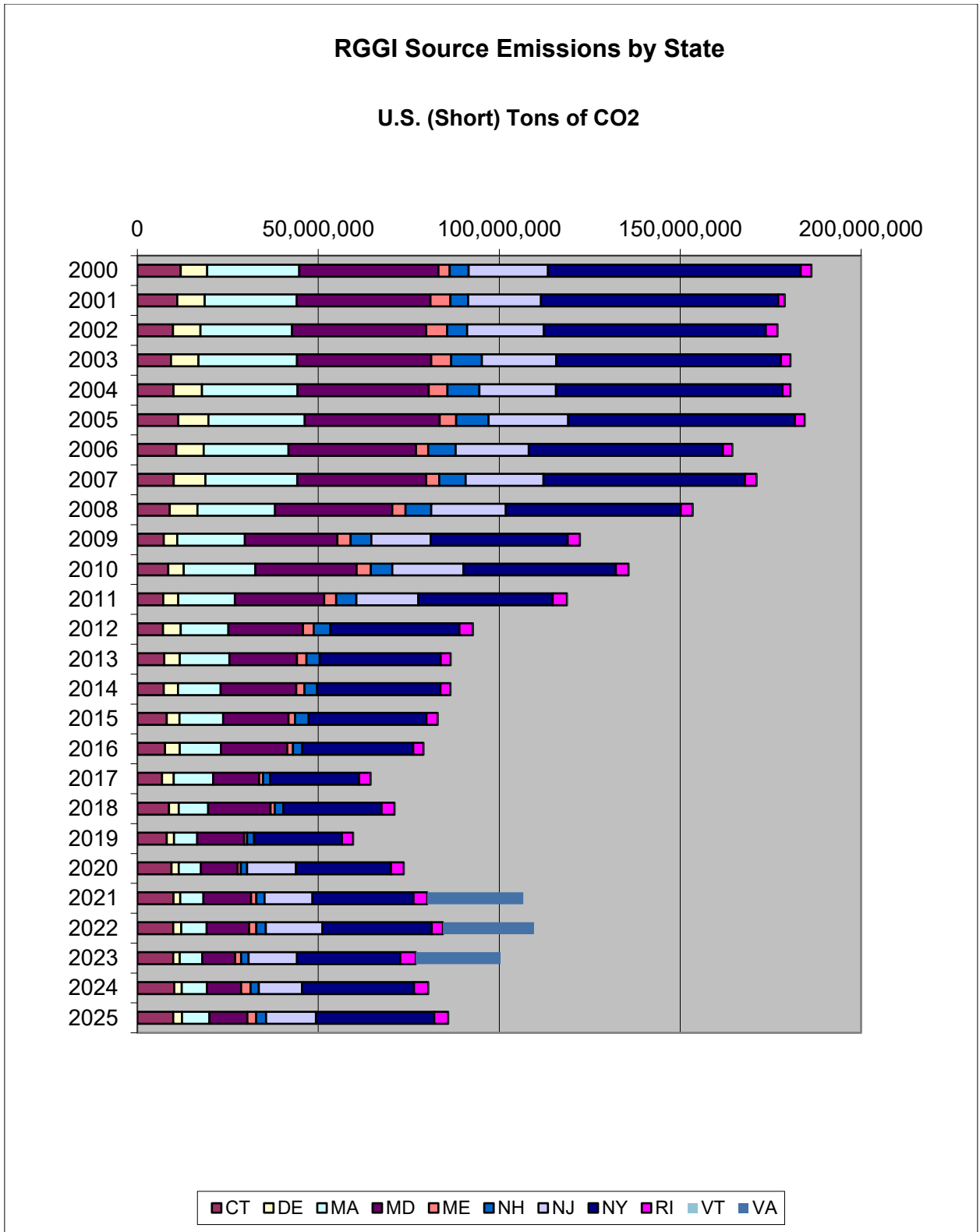
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2020	9,432,967	2,018,528	6,109,756	10,160,365	867,339	1,722,230	13,548,775	26,217,597	3,580,279	1,085	**	73,658,921
2021	9,971,233	1,856,439	6,456,382	13,123,694	1,466,462	2,291,357	13,232,337	27,897,486	3,781,117	3,059	26,566,278	106,645,844
2022	9,891,466	2,212,130	7,090,568	11,666,095	2,035,717	2,598,834	15,681,373	30,182,493	3,068,849	3,903	25,175,110	109,606,538
2023	9,909,670	1,819,126	6,203,020	9,079,162	1,664,501	2,044,023	13,381,089	28,569,831	4,271,126	2,066	23,461,035	100,404,649
2024	10,220,520	2,067,037	6,927,552	9,485,928	2,616,334	2,270,340	11,879,224	30,979,144	3,919,724	2,018	**	80,367,821
2025 (projected)	9,919,267	2,396,946	7,611,962	10,437,196	2,447,978	2,737,421	13,819,397	32,676,622	3,841,102	3,298	**	85,891,189

** New Jersey's emissions from 2012 through 2019 are not included in Table 2 since New Jersey ended its participation in RGGI at the end of 2011. Beginning January 1, 2020, New Jersey resumed participation in RGGI, so emissions from New Jersey are again included, beginning with calendar year 2020.*

*** Virginia did not begin participation in RGGI until January 1, 2021, so emissions data for Virginia are not included in this table until calendar year 2021. Virginia stopped participation in RGGI at the end of 2023.*



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

The RGGI Trust Fund is administered by the Efficiency Maine Trust (the Trust). To date, the cumulative carbon dioxide savings over the life of the measures installed through the Trust's RGGI-funded conservation programs is estimated at 6,462,558 tons. These savings can be attributed to both direct fossil fuel reductions and changes in 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). The Omnibus Energy Bill authorized the Trust to use RGGI funds for projects that reduce greenhouse gas emissions by, among other things, reducing demand for heating fuels, including heating oil.

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 to promote measures that reduce electricity consumption, increase energy efficiency or reduce greenhouse gas emissions and lower energy costs at commercial or industrial facilities, or lower residential heating demand and reduce greenhouse gas emissions from Maine homes.

Reductions of greenhouse gas emissions from offset projects.

The offset project certification and application process was implemented in June of 2009. These provisions were designed to be an alternative compliance mechanism where states would certify emission reduction projects not directly related to reducing emissions from power plants and allow offset allowances generated by these projects to be used for a small portion (3.3%) of the compliance obligation for a power plant.

Independent third-party verifier status has been approved for private entities in several of the RGGI participating states. Maine has received and approved applications from two entities for providing independent third-party verification services; however, to date, Maine has received no applications for RGGI offset projects located within the state. There has only been one project that has completed the application process in the entire RGGI region.

As a result of the third program review conducted by RGGI participating states, the offset project provisions were proposed to be eliminated from the model rule upon which individual state RGGI programs are based. Legislation has now been enacted in Maine to do the same.

B. 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 and its associated Bar Chart show the improvements in CO₂ emissions from source sectors within Maine that emit greenhouse gases. The CO₂

emissions data in Table 3 is based on data from the *Tenth Biennial Report on Progress toward Greenhouse Gas Reduction Goals*: www.maine.gov/dep/publications/reports and updated with data from the Environmental Protection Agency’s State Implementation Tool (SIT) for 2022.

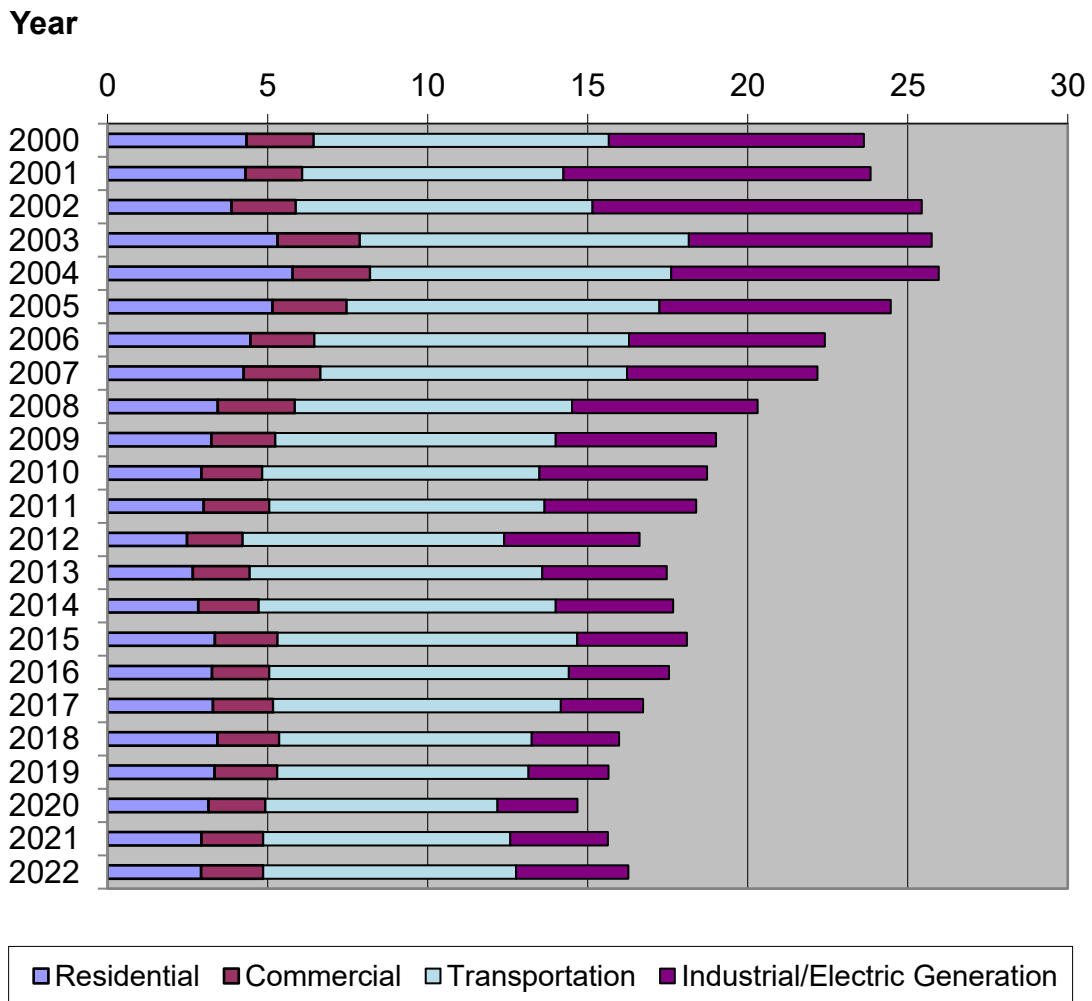
Table 3 and Bar Chart

Maine Annual CO₂ Emissions from Fossil Fuel Combustion (In Millions of U.S. Tons)					
Year	Residential	Commercial	Transportation	Industrial/Electric Generation	Total
2000	4.34	2.10	9.23	7.96	23.63
2001	4.31	1.77	8.15	9.61	23.84
2002	3.88	2.01	9.26	10.29	25.44
2003	5.32	2.57	10.27	7.59	25.75
2004	5.78	2.42	9.41	8.36	25.97
2005	5.15	2.33	9.77	7.22	24.47
2006	4.46	2.00	9.83	6.12	22.41
2007	4.25	2.40	9.59	5.94	22.18
2008	3.44	2.41	8.66	5.80	20.31
2009	3.24	2.01	8.75	5.01	19.01
2010	2.94	1.89	8.66	5.24	18.73
2011	3.01	2.05	8.60	4.75	18.40
2012	2.48	1.75	8.16	4.23	16.62
2013	2.66	1.79	9.14	3.89	17.47
2014	2.84	1.89	9.28	3.67	17.67
2015	3.36	1.96	9.36	3.43	18.10
2016	3.26	1.79	9.36	3.13	17.54
2017	3.30	1.87	8.98	2.58	16.73
2018	3.44	1.92	7.89	2.73	15.98
2019	3.34	1.96	7.86	2.49	15.65
2020	3.16	1.78	7.24	2.50	14.68
2021	2.94	1.93	7.71	3.05	15.63
2022	2.93	1.94	7.89	3.51	16.27

Note: Emissions data for calendar years 2023, 2024, and 2025 are not yet available.

Maine Annual CO2 Emissions from Fossil Fuel Combustion

US Short Tons of CO2



C. 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 FY 2025 annual report¹ illustrates a comprehensive suite of cost-effective statewide programs, operating under the brand of "Efficiency Maine," made possible through effective marketing and vendor partnerships. This has allowed the Trust to develop a robust, low-cost infrastructure for delivering energy efficiency and electrification programs to Maine residents and businesses.

By using RGGI funds to provide technical assistance and financial incentives, the Trust's programs have successfully helped Maine's residential, institutional, commercial, and larger industrial energy customers invest in their energy infrastructure. Leveraging RGGI funds, these customers have installed such upgrades as home insulation, new heating systems, and improved industrial processes that otherwise would not have occurred. Directing RGGI funds to be invested through the Trust's programs is helping Maine's energy consumers make a transition to a higher level of energy efficiency and reduced reliance on fossil fuels, while enjoying lower greenhouse gas emissions and operating costs.

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

CO₂ allowance prices associated with the RGGI program auctions have increased over the last several quarterly auctions to the \$20 to \$25 per allowance range, however to date, these increased prices have not resulted in any increased demand for offset allowances or the projects that create them. As a result of the third program review conducted by RGGI participating states, the offset project provisions were proposed to be eliminated from the model rule upon which individual state RGGI programs are based. Legislation has now been enacted in Maine to do the same.

As part of the changes proposed as a result of the third program review and as recently enacted into Maine law, cost containment mechanisms have been strengthened to ensure costs of the program do not exceed the benefits.

E. Management and cost-effectiveness of the State's energy conservation and carbon reduction programs and efforts funded by the RGGI Trust Fund through Efficiency Maine established pursuant to Title 35-A, section 10109.

Table 4 shows how the Trust expended RGGI funds in FY 2025.

¹ Efficiency Maine Trust, [FY2025 Annual Report](#), December 1, 2025.

Table 4: FY 2025 RGGI Funding

Expenditure Category	FY 2025 Funds
Commercial & Industrial Custom Program	\$ 2,905,439
Commercial & Industrial Prescriptive Initiatives	\$ 6,123,362
Home Energy Savings Program	\$ 19,225,554
Low-Income Initiatives	\$ 12,907,753
Efficiency Maine Green Bank	\$ 88,849
Strategic Initiatives (Metrics, Evaluation, Pilots, etc.)	\$ 318,408
Administration	\$ 740,269
Inter-Agency Transfers	\$ 68,396
RGGI Inc. Payment	\$ 29,702
Total	\$ 42,407,732

Table 5 shows savings of electricity (kWh), heating and process fuels (MMBtu), and greenhouse gases (GHG) attributable to the investment of RGGI funds. Every \$1 of RGGI proceeds that the Trust invested in FY2025 will save more than \$4 in energy costs over the lifetime of the measures installed.

Table 5: Results Attributable to FY 2025 RGGI Investment

Expenditure Category	FY 2025 Funds	Annual kWh Savings	Annual MMBtu Savings	Annual GHG Savings (Tons CO₂)
Commercial & Industrial Custom Program	\$ 2,905,439	(1,516,297)	104,012	7,894
Commercial & Industrial Prescriptive Initiatives	\$ 6,123,362	(1,320,376)	50,798	3,631
Home Energy Savings Program	\$ 19,225,554	(23,205,294)	317,954	16,952
Low-Income Initiatives	\$ 12,907,753	(12,169,112)	136,768	6,447
Efficiency Maine Green Bank	\$ 88,849 ²			
Strategic Initiatives (Metrics, Evaluation, Pilots, etc.)	\$ 318,408			
Administration	\$ 740,269			
Inter-Agency Transfers	\$ 68,396			
Rate Relief Fund	\$ -			
RGGI Inc. Payment	\$ 29,702			
Total	\$ 42,407,732	(38,211,079)	609,532	34,924

Notes on Tables 4 and 5:

- (1) These tables are limited to expenditures from RGGI. They do not reflect the Trust's use of other sources of funds – including the Electric Efficiency Procurement, the Forward Capacity Market, federal grant funds, the New England Clean Energy Connect Settlement, and the State General Fund – which were variously used to fund additional expenditures in the categories shown in the tables. The comprehensive expenditures of the Trust are published in the Trust's FY 2025 Annual Report.

² Includes \$83,604 in loans and \$5,245 in loan servicing/administrative costs.

- (2) Commercial & Industrial Custom Program results only reflect energy upgrades that were *completed* in FY 2025, as well as any ongoing program delivery costs. Some RGGI funds were allocated in FY 2025 to projects that will be completed in future years. The spending and savings associated with those projects will be reflected in future RGGI annual reports.
- (3) Negative kWh savings are attributable to the increase in beneficial electrification projects involving a switch away from a fossil fuel end use (e.g., heat pumps). Though these measures require increased electricity consumption, they significantly displace, and therefore reduce, MMBtu consumption of high-carbon fuels.

Commercial & Industrial Custom Program

The Trust's Commercial & Industrial (C&I) Custom Program incentivizes tailored energy projects that require unique engineering analyses and/or projects with energy conservation measures that are not covered by the prescriptive incentive program. The program is designed to overcome the barriers that confront Maine's larger businesses and institutions when making investments in complex energy efficiency and distributed generation projects. These projects represent important facility improvements that keep operating costs down for Maine's largest energy users.

The Trust completed 29 custom projects in FY 2025, 12 of which were fully or partially funded using RGGI funds. The RGGI portion of this investment will save an estimated 7,894 tons of CO₂ annually. The program also used RGGI funds to support program delivery, developing a number of projects that will come to fruition in future fiscal years. Overall, the program invested \$2,905,439 of RGGI funds, comprising approximately 42% of the program's overall expenditures in FY2025.

Commercial & Industrial Prescriptive Initiatives

The Trust's Commercial & Industrial Prescriptive Initiatives offers fixed-price financial incentives for a predefined list of widely available "off-the-shelf" efficiency measures. Typical measures promoted through this program include heating, ventilation and air conditioning (HVAC) systems; LED lighting fixtures; and sector-specific solutions such as commercial kitchen and agricultural equipment. These measures have practical applications across the state in commercial, industrial, nonprofit, government, and institutional settings. The menu of fixed incentives is used to overcome the barrier represented by the incremental cost of high-efficiency equipment. The program encourages businesses to install more energy-efficient models than they would have otherwise.

In FY 2025, the program invested \$6,123,362 of RGGI funds to support incentives for high-efficiency heating systems and ancillary equipment (with a particular focus on expanding the promotion of variable refrigerant flow [VRF] heat pump technology) and weatherization of multifamily buildings. This investment comprised approximately 32.3% of the program's overall expenditures. The efficiency projects made possible by these RGGI funds will save an estimated 3,631 tons of CO₂ annually.

Home Energy Savings Program

The Trust's Home Energy Savings Program (HESP) drives market-based home weatherization and installation of efficient heating systems by offering rebates, providing customer and vendor education, and developing and maintaining a vendor network. The program encourages energy efficiency upgrades in single-family homes, duplexes, and condominiums.

The program invested \$19,225,554 of RGGI funds in FY 2025. While the program continued to leverage these funds to support incentives for biomass boilers, biomass furnaces, and geothermal heating systems, the primary focus was on whole-home heat pump systems and weatherization. Overall, RGGI investment accounted for approximately 65.8% of the program's total expenditures. The efficiency projects made possible through these RGGI funds will save an estimated 16,952 tons of CO₂ annually.

Low-Income Initiatives

Under this program, the Trust delivers energy-efficiency benefits to low- and moderate-income households through a portfolio of initiatives within three distinct channels: market-based initiatives, targeted initiatives, and direct-mail campaigns. This blend of approaches is designed to overcome the main obstacles faced by low- and moderate-income Mainers seeking to pursue cost-effective energy efficiency improvements.

The program invested \$12,907,753 in RGGI funds in FY 2025. The majority of these funds were used to support rebates for heat pump systems serving a home's whole heating needs. The program also leveraged these funds to support the installation of heat pump water heaters to replace systems that pull domestic hot water off the boiler (i.e., tankless coil water heating). Overall, RGGI investment accounted for approximately 27.8% of the program's total expenditures. The efficiency projects made possible through these RGGI funds will save an estimated 6,447 tons of CO₂ annually.

F. 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 (including low-income), commercial and industrial customer classes, including very large customers who receive electricity at the transmission and sub-transmission level, as set forth in previous sections of this report.

G. 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 over \$294 million as of the end of calendar year 2025 (\$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, \$15 million in 2015, \$8.9 million in 2016, \$8.3 million in 2017, \$9.0 million in 2018,

\$10.4 million in 2019, \$11.5 million in 2020, \$20.5 million in 2021, \$26.8 million in 2022, \$29.5 million in 2023, \$46.5 million in 2024, and \$48.2 million in 2025). Expenditures of the Regional Greenhouse Gas Initiative Trust Fund are described in section E of this report.

Voluntary Renewable Energy Set-aside

The Voluntary Renewable Energy set-aside provisions allow the DEP to set-aside and permanently retire a portion (up to 2%) of Maine's annual CO₂ allowance budget to promote and reward the voluntary purchase by consumers in Maine of renewable energy credits generated within any participating state. 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 DEP recommends maintaining the amount of the set-aside at the current level of 2% of Maine's annual CO₂ allowance budget.

Recommendations

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

RGGI participating states completed the third program review in 2025 and state agencies in all RGGI participating states are in the process of pursuing the necessary legislative and/or rulemaking processes in their individual states to incorporate the recommended changes to the programs as a result of this most recent program review. The Department introduced a proposed bill, L.D. 2037, in the second session of the 132nd Maine Legislature to incorporate changes to Maine's RGGI implementing law. This bill was approved by the full legislature and signed into law by Governor Mills on March 9, 2026. The DEP will now begin the rulemaking process to incorporate these changes into the rules that implement the RGGI.

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

Respectively submitted,



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