**Outline of Proposed Freeport Rebate Program**

Objective**:**Encourage weatherization, installation of heat pumps, use of electric vehicles and other electrically-powered devices inFreeport, especially by lower-income residents.

Rationale: (1). Lower GHG emissions; (2) benefit lower-income residents who wouldn’t be able to afford them without rebates.

Context: Homes and vehicles are (with exception of LLBean) the largest source of GHG’s in Freeport.  Heat pumps ($5 – 10,000 installed) are cheaper than vehicles ($30,000 +), such that rebate constitutes larger percentage of purchase price and therefore is more influential in motivating purchase.  Weatherization has the advantage that the applicant can, to a large degree, tailor the extent of the work to fit within his / her budget.

Design:  Proposed Freeport program modeled on existing programs in South Portland, Bangor, Auburn and other municipalities.  These programs provide rebates for weatherization, heat pumps and various electrically-powered devices (e.g., hot water heat pumps, new battery electric vehicles, electric bikes, electric lawn mowers). Proposed Freeport program focuses on weatherization, air source heat pumps and electric vehicles because: (a) they offer the biggest bang for the buck in terms of GHG emissions; (b) Efficiency Maine offers heat pump and weatherization rebates that can be combined with Freeport rebates.  It’s probably best to offer rebates on the full array of electrically-powered devices to encourage widest possible participation.

Scale:  Auburn program funded initially with $250,000 in ARPA funds.  (South Portland and Bangor also used ARPA funds.) Program was so successful in first year that Town Council voted an additional $200,000 for a total of $450,000.  Auburn has a population of 24,000; Freeport has a population of 8,767 or about 35% of Auburn’s, so proportional investment would be $148,000.

Rebate Amount: South Portland has a sliding scale depending on device, with maximum of $1,200 for air source heat pumps.  (Other towns have similar rebate amounts.)  If Freeport had same rebate schedule, $150,000 would fund 125 heat pumps; if Freeport had a cap of $2,000, $150,000 would fund 75 heat pumps.

South Portland  provides rebates for insulation of 20% of project cost up to $2,000: i.e., total project cost of $10,000.  At this rate, $150,000 would cover 75 insulation projects.

Other Rebates:  *South Portland and other programs require applicants to obtain a rebate from Efficiency Maine as a prerequisite to obtaining a municipal rebate*.  Efficiency Maine has rebates of up to $1,200 irrespective of applicant income:  Tier 1 heat pumps = $400 for first indoor unit, $200 for second indoor unit; Tier 2 heat pumps = $800 for first indoor unit, $400 for second indoor unit.  Efficiency Maine also has rebates for low and moderate income members: $2,000 for first eligible heat pump, up to $400 for second eligible heat pump.  Federal tax credits are also available: e.g., $2,000 to $8,000 (income based) for heat pump units and installation.

Eligibility:  South Portland program focuses on households with low-to-moderate income (i.e., 100% of Area Median Income).  Examples: $78,000 for one person in household to $111,700 for a four-person household.  Freeport median household income per latest Census Bureau data is $89,484 for a two-person household up to $120,000 for a family of five.

Setting eligibility for Freeport’s program at 90% of AMI would start at $80,280 for a family of two, increasing by family size up to $108,630 for a family of five.

More restrictive eligibility requirements would focus program on low-to-moderate income population; more generous requirements would allow greater number of participants.

Eligibility requirements could be relaxed if initial demand proves not as great as expected.

Qualifying Requirements:  South Portland doesn’t undertake to confirm eligibility through tax or other third-party data, but relies on the honor system. (They say more rigorous procedure would be administratively prohibitive.). Auburn has no income limits on eligibility.

Administration:  South Portland program administered by its full-time sustainability coordinator.  Approximately one to two hours per application.  A modest amount of additional staff time is required of South Portland’s accounts payable personnel.  Auburn reports that applications take 10-15 minutes to process.

Personnel Requirements:  Freeport is expecting a Community Resilience grant from the State which will fund 50% of a sustainability coordinator to be shared 50/50 with the Town of Yarmouth.  This new position or other Town staff could administer the rebate program.

Education and Outreach:  South Portland undertook an extensive education and outreach effort before launching their program.  E&O effort included lawn signs, social media, newspaper ads, free media, TV, etc.  Auburn did a little bit of E&O, but not much; most of their applicants came to the program through word-of-mouth or via the Town’s website.

To Do and Timeline:

Establish administrative procedures for Freeport program;

Launch education and outreach program;

Launch rebate program.

Why do this now?

Weatherization and heat pump contractors are currently booking months out.

We need to initiate Freeport’s program ASAP so program participants can arrange for weatherization and / or installation before next winter.

**Petition to Freeport Town Council**

As winter approaches, the cost of fossil fuels has been skyrocketing. We can save money by cutting our use of such fuels and, more importantly, the greenhouse gases they produce.

We are joining FreeportCAN in asking you to please set aside $150,000 of the Town’s existing ARPA funds to help lower-income Freeport residents with rebates on home weatherization, heat pumps and other devices that will lower their energy bills and use of fossil fuels.

These rebates are in addition to those offered by Efficiency Maine. We propose that they be made available to residents with a household income of up to 90% of Freeport median income based on household size.  For example, $80,280 for a two-person household, $90,540 for three, $100,530 for four and $108,630 for five. Total rebates will be limited to $2,000 per household.

Thank you for your serious consideration.

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Cc: climate@freeportcan.org