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# Sen. Collins should save home energy tax credit to protect Mainers from rising heating costs

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by **Opinion Contributor**

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Information on different brands of heat pumps at MAC Heat Pumps in Bangor is seen in this Sept. 6, 2023, photo. Credit: Linda Coan O'Kresik / BDN

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“At a time when hard-working Americans are worried about heating bills in June, we must provide the assistance to allow people to invest in energy efficient products that will reduce our collective demand for energy and save everyone money,” Sen. Olympia Snowe said in [a statement](#) on June 13, 2008.

Former Sen. Snowe's frustration with the Senate's failure to extend the [25C Energy Efficient Home Improvement Credit](#) back in 2008 rings true today as Congress is moving forward with a tax bill that will end this popular credit.

Over the last 10 years, Maine's retail electricity price rose by 55 percent, the third-fastest in the U.S., and is forecast to continue to increase in the years ahead. Among the most effective ways for residents to avoid being squeezed by high heating bills is to invest in high-efficiency heating systems and bring your home up to the model code on insulation and air sealing.

We are in the business of homeowner energy efficiency. TimberHP transformed a mothballed paper mill in Madison into the first producer of wood fiber insulation in the United States. Dave's Heat Pumps is part of the large network of installers helping Maine meet its target of 275,000 heat pumps by 2027. Evergreen Home Performance provides air sealing and insulation to ensure that heating systems operate at maximum efficiency, lowering home heating bills and maximizing comfort.

For all of us, the 25C Energy Efficient Home Improvement Credit is a powerful marketing tool to help Maine homeowners get over that first cost hurdle and make the efficiency investment in their homes that will pay dividends for decades to come. The importance of this credit to Maine residents can be gleaned from IRS data: In 2023, over 3 percent of all Maine tax returns claimed the 25C credit — the highest utilization rate in the United States.

The 25C tax credit is critical to advancing Maine's efforts to transition to more efficient and affordable methods of home heating. Between 2022 and 2023, the share of Maine households using heating oil dropped by more than 6 percent, marking the largest annual decrease since at least 2010. This reduction coincides with the state's aggressive promotion of heat pumps, one of the energy-efficient technologies covered by the 25C tax credit. More than 140,000 residential heat pumps had been installed by February 2024, making them more common than oil heat in newly built homes.

Finally, the credit is particularly useful to the large segment of our state who take advantage of it to undertake do-it-yourself home efficiency improvements or look to augment home heating

with qualifying high-efficiency wood and pellet heaters. The credit is clearly designed with the home heating needs of states like Maine in mind.

Back to Congress. The U.S. House has passed the budget reconciliation bill that proposes **eliminating** this credit. Now, it is the Senate's turn. Our understanding is that the **rules** of the Senate are such that this bill can pass with Republican votes only. Therefore, Maine needs Sen. Susan Collins to use her substantial influence to ensure that the 25C Energy Efficient Home Improvement Credit survives so that we can continue to harden our homes against future escalating energy bills.

