**Efficiency Maine Trust**

**Board Meeting Minutes**

**June 27, 2018**

**Trust Board Members:**

* David Barber
* Herbert Crosby, Secretary
* Ken Fletcher
* Al Hodsdon, Vice Chair
* Don Lewis
* Steven McGrath
* Dan Drost, designee for Dan Brennan
* David Stapp, Chair

**Efficiency Maine Trust (EMT) Staff:**

* Nat Blackford
* Ian Burnes
* Peter Eglinton
* Monté Haynes
* Greg Leclair
* Rick Meinking
* Michael Stoddard

**Other Attendees:**

* Sue Ely, NRCM
* Dot Kelly, Phippsburg
* Dylan Voorhees, NRCM
* Two (2) additional stakeholders, names and affiliations unknown

1.0 Welcome and Introductions

Mr. Stapp called the meeting to order at 9:30 a.m.

2.0 Approve Agenda and Minutes

ACTION: Upon a motion duly made (Mr. Lewis) and seconded (Mr. Fletcher), the Board voted unanimously to approve the agenda and the May Board Meeting Minutes, as amended to reflect the addition from Mr. McGrath to section 5A that reads: “Staff believe, due to the fact that their funds are received well in advance of disbursement, that no liquidity problems exist in FY2019.”

3.0 Public Comment on Agenda Items

Mr. Voorhees expressed NRCM’s interest in participating in the Triennial Plan IV process. He suggested that the Trust expand opportunities for public participation by accepting preliminary comments before the draft plan and by making sure that there is adequate time for comment on the plan by stakeholders.

Mr. Voorhees also commented on the value of additional funds for rebates on electric vehicles (EVs), noting that Maine was lagging other Zero-Emission Vehicle states with respect to EV adoption. He suggested that fostering increased EV adoption in Maine might encourage Electrify America to invest additional VW settlement funds in the state. Mr. Stoddard noted that Lisa Smith from the Governor’s Energy Office has been involved in the regional discussions, making sure to keep Maine on the radar. Mr. Voorhees further noted that NRCM determined that the Attorney General (AG) has the authority to spend the VW settlement funds in question.

4.0 Executive Director’s Report

Mr. Stoddard summarized the Executive Director’s Report. Following are items highlighted during his presentation:

* Mr. Stoddard reviewed some of the Trust’s recent publicity, including a ribbon-cutting event at the Portland Water District, events and workshops on the plan for the Electric Vehicle Supply Equipment (EVSE) initiative, and a cannabis-related article in the Portland Press Herald.
* The PUC approved the final set of recent annual updates to the current Triennial Plan relating to natural gas budgets. The decision approved the Trust’s proposal to adjust assessment amounts based on anticipated uncommitted carryforward. In addition, the PUC issued a Protective Order for utility customer data, ensuring that the Trust will receive the information in a timely fashion.
* Mr. Stoddard stated that the Trust’s programs are generally running at a pace consistent with Triennial Plan goals, with a few exceptions. The Commercial and Industrial (C&I) Custom program will not expend all of its budget in FY2018; Staff is looking carefully at the budget for FY2019. The Small Business Initiative (SBI) underwent some changes in FY2018 to make it more cost-effective, temporarily slowing program expansion. SBI will be running four active regions in the first quarter of FY2019, which will be more activity than recent quarters. The Home Energy Savings Program (HESP) is similarly under budget despite recent changes to simplify requirements and increase incentives. Mr. Stoddard also noted that, though the Trust’s ongoing partnership with the Department of Health and Human Services (DHHS) has the potential to expand the reach of its low-income initiatives, certain logistical issues have led to a lack of efficiency in delivering the program.

**5.0 Planned Business**

1. **UPDATE on Monthly Financial Reports**

Mr. Leclair noted that revenues from the Forward Capacity Market (FCM) and the Regional Greenhouse Gas Initiative (RGGI) have been slightly below forecasts. As a result, Staff is proposing (in a separate agenda item) to adjust the FCM expenditure budget for the C&I Custom Program; no action is needed at this time on the RGGI expenditure budgets. Mr. Stapp asked about the timeline for the disbursement of funds for the recently awarded Innovation pilots. Mr. Stoddard said that the Trust will finalize contracts early in FY2019, after the mandated 14-day appeal period for competitive solicitations.

1. **APPROVE FY2018 Budget Adjustments**

Mr. Stoddard reiterated that FCM revenues came in approximately $1 million below forecasts. Additionally, ISO-New England’s recent FCM rule changes resulted in a higher financial assurance requirement for the Trust. To address these issues, Staff proposes a series of budget adjustments that would lower the FCM expenditure budget for the C&I Custom Program, which has had lower than anticipated uptake.

**ACTION:** Upon a motion duly made (Mr. Lewis) and seconded (Mr. Hodsdon), the Board voted unanimously to approve amending the FY2018 budget to reduce FCM revenues by $1,050,000 to $12,950,000; and reduce the FCM C&I Custom expenditure budget by $1,650,000 to account for reduced revenues and make funds available for increased financial assurance requirements.

1. **PRESENTATION on Commercial and Industrial Retrofit Lighting Initiative**

Mr. Meinking provided an overview of the commercial lighting program for FY2019, highlighting the transition to focusing on retrofit opportunities. Given the extent of inefficient lighting in existing buildings and feedback from the C&I Prescriptive Program’s Lighting Advisory Group (LAG), the program will offer two pathways for lighting upgrades: (1) a widget-based incentive, with a fixed incentive per fixture; and (2) a pay-for-performance pathway, with an incentive based on energy (kWh) savings. This approach will be implemented using a spreadsheet tool (Cost-effective Lighting Investment Calculator or CLIC) that screens measures and generates forms. Mr. Stapp asked when the CLIC tool will be available. Mr. Meinking said he expects to start training delivery team staff on June 29,2018, with contractor trainings over the coming months.

Mr. Meinking also stated that the program will add a new measure: stairway luminaires with integrated controls. These replace the typical 24-7 stairway lights with fixtures that can modulate light output based on occupancy. Falling prices for these fixtures mean they now screen as cost-effective.

Mr. Meinking noted the addition of tubular LEDs (TLEDs) and mogul base LED lamps in the distributor screw-in LED program. Mr. Barber asked whether customers are aware of the incentives in the distributor program. Mr. Meinking explained that the discounted prices are not always obvious to customers; the program’s goal is to influence stocking practices and influence contractor purchases, to help drive the installation of efficient products.

1. **PRESENTATION on Approach to Triennial Plan IV (FY2020-22): Midstream Program**

Mr. Burnes briefed the Board on the Staff’s development of a “midstream” program in the draft Triennial Plan IV. The program would focus on the distributor part of the supply chain. The Trust currently operates distributor initiatives for commercial natural gas HVAC measures, heat pump water heaters, and screw-in LED lamps under the C&I Prescriptive Program and Consumer Products Program. For Triennial Plan IV, the Trust is considering a blended residential and commercial midstream program for plumbing and HVAC equipment. For these measures, the end user is usually relying on his/her contractor to make purchasing decisions. The program would influence this contractor decision by offering instant markdowns for efficient equipment at the point of sale (distributor). Mr. Burnes noted that distributors would need to collect installation address and certain other information to support subsequent evaluation, measurement, and verification activities.

Mr. McGrath asked how the Trust will reach all the distributors. Mr. Burnes and Mr. Meinking explained that the Trust already has relationships with most of the HVAC and plumbing distributors in the state. Mr. Hodsdon inquired about how the program will work with the contractors to discourage installation of inefficient products. Mr. Burnes explained that the program focuses on education and reducing the incremental cost so that efficient units are competitive. Mr. Lewis wondered whether staff had considered the use of spiffs to encourage salesmen. Mr. Eglinton responded that the Trust often provides funds based on per-unit sales to help support the distributor’s administrative costs to implement the program, and has previously offered spiffs to distributors (for their sales staff) and to installers if they hit certain sales targets. Mr. McGrath inquired about marketing and communications. Mr. Meinking said that the program works to educate contractors to encourage them to ask for the efficient products. Mr. Eglinton added a significant focus is developing the relationship between the program delivery team and the distributors, from the management level to the counter staff.

1. **BRIEFING on Custom Program – Project Review and Oversight**

Mr. Stoddard summarized recent questions posed by Mr. Lewis regarding the Trust’s technical review of a recently awarded C&I Custom Program project at Shaw’s. The project involves a hybrid of equipment and operational changes; without the operational savings, the project did not screen as cost-effective. Mr. Lewis suggested that the incentive should not be necessary for the operational changes, given that the customer should pursue those regardless. Mr. Stoddard mentioned that Mr. Lewis raised concerns about the Trust’s and its contractor’s ability to perform the review work. After some internal review, the Trust determined that the contractors had sufficient expertise to perform these tasks, and Staff have engaged outside experts when the Trust’s contractor did not have sufficient technical knowledge. The Trust also confirmed that the customer had provided a written statement noting that they were not going to pursue the operational shift without the additional equipment included in this project. Mr. Stoddard explained that the Trust and program team have been conducting field visits and inspections, and will review all invoices, to ensure the project meets expectations. Mr. Lewis expressed his appreciation to the time and resources the Trust and Trust staff put into the review.

1. **APPROVE Motion to move into Executive Section to Discuss Request for Designation of Confidential Information Related to Awarded Custom Programs Pursuant to 1 MRS §405(6)(F)**

**ACTION:** Upon a motion duly made (Mr. Lewis) and seconded (Mr. Barber), the Board voted unanimously to authorize the Executive Director to move into Executive Section to Discuss Request for Designation of Confidential Information Related to Awarded Custom Programs Pursuant to 1 MRS §405(6)(F). Mr. McGrath recused himself from the discussion.

1. **DISCUSSION of Confidential Information Related to Awarded Custom Project (EXECUTIVE SESSION)**
2. **APPROVE Motion to Come Out of Executive Session**

**ACTION:** Upon a motion duly made (Mr. Barber) and seconded (Mr. Fletcher), the Board voted unanimously to authorize the Executive Director to come out of Executive Section.

1. **APPROVE Designation of Confidential Information Related to Awarded Custom Project**

**ACTION:** Upon a motion duly made (Mr. Hodsdon) and seconded (Mr. Barber), the Board voted unanimously to approve the “confidential record” designation request for the Awarded Custom Project.

1. New Business

Mr. Stoddard asked the Trustees for volunteers to participate in the upcoming public hearing on changes to the Efficiency Maine rules.

**7.0 Next Meeting Agenda and Scheduling**

The next Board meeting is scheduled for July 18, 2018.

**8.0 Adjourn**

**ACTION:** Upon a motion duly made (Mr. Lewis) and seconded (Mr. Fletcher), the Board voted unanimously to adjourn the Board meeting at 11:58 a.m.