

Efficiency Maine Trust

Board Meeting
December 2, 2009

Meeting Minutes
Approved: December 21, 2009

Date: Wednesday, December 2, 2009
Time: 1:00 p.m. to 4:00 p.m.
Location: Cross Office Building, Room 209

Attendance:

Trust Board Members		Efficiency Maine Staff			
✓	Adam Lee, Chair	✓	Dale McCormick	✓	John Brautigam
✓	Naomi Mermin, Vice Chair		John Kerry	✓	Jean Guzzetti
✓	James Atwell, Secretary	✓	Glenn Poole	✓	Tim Vrael
✓	Michelle Atherton, Treasurer	✓	John Rohman		
		✓	Tom Tietenberg		

Other Attendees:

- Bruce Harrington, ERS
- Linda Pistner, Chief Deputy Attorney General
- Eric Belliveau, Optimal Energy
- Stephen Ward
- Todd Griset, Preti Flaherty
- Deborah Hart
- Dylan Voorhees, Natural Resources Council of Maine
- Avery Day, Pierce Atwood
- Jerry Peih, Isaacson Miller
- Tim Clark, GDS
- Stephen Cole, CEI
- Lucy VanHooke, Maine Housing
- Marjorie Love, Maine Housing
- Peter Merrill, Maine Housing
- Ben Gilman, Maine Housing
- Dan Thayer, Thayer Corp.

1.0 Introductions, Approve Draft Agenda and Minutes

Meeting convened at 1:05 p.m.

ACTION: Upon a motion duly made (Tietenberg) and seconded (Rohman) the Board voted unanimously to approve the agenda.

ACTION: Upon a motion duly made (Tietenberg) and seconded (McCormick) the Board voted unanimously to approve the minutes of the November 18, 2009 meeting.

2.0 Briefing and Discussion on Efficiency Maine's Residential Programs

Efficiency Maine staff made a presentation describing their Residential Programs.

Note: the PowerPoint presentations provided by Efficiency Maine are available as separate files (Efficiency Maine Residential Programs Presentation and CSG Residential Programs). Please refer to these materials for more information.

John Brautigam, Director of Efficiency Maine, introduced Tim Vrabel, Deputy Director, and Sam Nutter, from Conservation Services Group (CSG), to make the presentation.

Vrabel provided an overview of Efficiency Maine's residential programs including the following highlights:

- The Efficiency Maine 2009 Annual Report was issued on December 1, 2009.
- Lighting: highlights for 2009 included improved purchase process that is easier and provides better tracking and recycling.
- Energy Star Program: a new rebate program began October 1, 2009

Efficiency Maine awarded the Residential Efficiency and Weatherization Program Contract to CSG in October. They have quickly organized and 'opened for business' on December 1. Nutter presented a summary of this program; see the associated PowerPoint file for details.

Based on Board member questions, Nutter and the other Efficiency Maine representatives provided the following additional information:

- The software CSG uses to track customers and savings will be compatible with the software used by the Maine State Housing Authority for their weatherization programs.
- Program savings will be measured in energy units (e.g., BTUs), not cost or dollars.
- Efficiency Maine will hire a separate contractor to independently provide measurement and verification of savings. Tracking will be based on a combination of projected savings and actual measurements. \$450,000 has been set aside for measurement and verification of Efficiency Maine's programs – residential, commercial, and industrial.

Mermin commented that she wanted it to be easy for customers to receive compensation/credit from all sources (i.e., federal tax credits, loans, etc.) in addition to the Efficiency Maine program. Nutter stated that it was difficult to guarantee the knowledge level of providers because they will be independent contractors doing audits and installations, not CSG staff. However, CSG will try to educate them on other sources. Brautigam noted that the marketing contractor, soon to be named, will play a big part in promoting the "one-stop shopping" concept.

3.0 Briefing on Maine State Housing Weatherization Assistance Program

Peter Merrill from the Maine State Housing Authority (MSHA) gave a presentation on MSHA's low-income home weatherization programs. Refer to the separate documents provided at the meeting for details.

Marjorie Love, also from MSHA, provided an overview of MSHA's information management system. "ECOS" (Energy Conservation Operation System) is both a database and an operational tool used in the field. It includes program delivery, tracking, accounting and monitoring data. The system was first used to manage the Low Income Home Energy Assistance Program (LIHEAP), now MSHA is adding the weatherization programs to the system. It is a "hands on" tool used from audit through reporting. When MSHA began this program, there was very little available for information management. They developed ECOS in-house and now it is considered a leader in the field, although there are many new systems available. Maine is one of the few states in the country managing both fuel savings and weatherization in one system. MSHA is happy to share their experience and knowledge with Efficiency Maine.

Atwell asked whether the homeowners contribute anything toward the weatherization. Merrill answered that they do not. The average customer income is \$11,000/year and clients are identified through local CAP agencies.

MSHA is also developing a new program, with the goal of selling aggregated tons of carbon savings on the carbon market. If MSHA is successful, the program will generate funding for more weatherization programs.

Mermin inquired about the scope of the MSHA program. MSHA representatives provided the following data:

- 60% of people who would qualify for fuel assistance apply for it.
- There are 477,000 homes in Maine and 50,000 apartment units.
- MSHA has 'touched' about 75,000 homes since their programs began.

4.0 Update on EECEBG Competitive Grant Application

John Brautigam reminded the Board that this is a \$75 million grant opportunity for retrofits focused on home weatherization. DOE is looking for innovative programs to use as pilot projects with a goal of 5:1 funding matches. Funding needs to be committed within 2 years and spent within 3 years. Together with MSHA and the State Planning Office, Efficiency Maine is developing a proposal, due December 14, based on the following approach:

- Centralized administrative function/resource with database that can facilitate different entities to get to objectives of first day savings, no upfront costs, but not in a loan format. The challenge is the financing structure. Efficiency Maine is considering on-bill financing, the PACE (Property Assessed Clean Energy) approach that involves paying for retrofits through an assessment on your property taxed, and other options.
- A resource that would allow on-bill financing by a municipality, energy provider, unregulated fuel provider, etc. Optional to the customer.
- Measurement and verification – critical because they hope to capture carbon for re-sale (similar to MSHA) and hope to be able to continue the program

after the DOE funding expires. Need to be able to demonstrate that savings are real. Showing sustainability is the game changer that DOE is looking for. The carbon methodology is the part that sets Maine aside from other states that may be submitting proposals for these funds.

It is unclear what the implication of wood fuels and carbon credits is at this time. If Maine were awarded a grant, it would be administered by the Efficiency Maine Trust.

3.0 Triennial Plan Update

Mermin explained that the work group continues to meet. Together with Optimal Energy, they will present a draft strawman at the December 21 Board Meeting. At the same time, they are continuing to work on Triennial Plan development.

There has been a change of direction for the strawman from last Board Meeting on the following items:

- Projections for savings targets – The goal will be a finite number based on the legislative savings targets. However, the target will be based on the “last normal” year (pre-recession).
- Residual fuels will be included in the liquid fossil fuels total but not in heating fuels for the strawman calculations.

Both of these directions will be reviewed as the Board continues to develop the Triennial Plan and through the stakeholder process.

Mermin urged the Board to be prepared for reviewing the strawman and noted that there will be opportunities to revise it. The focus of the discussion on December 21 will be discussion topics for the stakeholder meetings.

Poole asked about baseline setting and whether using the 2007 baseline is different from projecting consumption to 2020 and then taking the percentage savings. Tietenberg explained that energy consumption projections are showing virtually no difference and that using a known year is easier to grasp. The Trust may revise this approach, if it desires, before the Triennial Plan is finalized.

Belliveau from Optimal noted that they are requesting information from other state agencies to provide data that will help with their forecasts.

4.0 New Business

4.1 RGGI Trust update

Tietenberg noted that the last RGGI Trust meeting was on November 18, at which time they discussed allocating the 25 percent of their funds which have been held in reserve; \$2.6 M from reduced kWh usage and \$302K from greenhouse gas

reductions. A draft proposal was sent to stakeholders December 1; comments are due December 7; the next meeting is December 9 at 9:00 a.m. They hope to make a decision on spending at that meeting. Efficiency Maine received 63 responses to large project RFA, which is funded with ARRA and RGGI money. The total requests exceed available money.

Tietenberg invited Board members to attend the December 9 meeting to hear a presentation from David Littell, DEP Commissioner, on biomass fuels.

4.2 New Board Work Groups

Lee asked about the need for a new work group to address the transition from the Efficiency Maine, and other entities, to the Efficiency Maine Trust. After discussion, it was agreed that this would be handled by the Governance Work Group, although Board members cautioned that the work group not go too far into detailed planning before the Executive Director is hired.

Brautigam is concerned about the contracts that expire June 30 and the need for joint planning with the Board. Tietenberg would like to see a list of contractors, amounts, and end dates for reference. Mermin urged the use of short-term extensions to allow flexibility so that the new director and staff can participate in the decisions.

4.3 Proxy Rules

The Board discussed rules for proxy vote. It was agreed that this option is only potentially available to the ex-officio members (Kerry and McCormick) and is not required by the statute. After discussion, Poole motioned that the members must be present to vote; Rohman seconded. Discussion followed, however it was noted that one of the two ex officio members, Kerry, was not present.

ACTION: Poole withdrew the motion. Rohman seconded

It was agreed that this matter would be tabled and would be discussed at the next meeting.

4.4 Treasurer's Report

Poole requested a Treasurer's report. Atherton reported that the Trust has a functioning checkbook, has begun to pay bills, and will prepare a budget for the remainder of the fiscal year for the next Board Meeting. At the next meeting it may be necessary to vote to request transfer of additional funds from the PUC.

5.0 Public Comment

Lee noted that the Board is receiving correspondence from interested parties advocating for their interests. All correspondence will be held for the Director and Staff.

Dan Thayer, Thayer Corp. He expressed concern that groundwork laid today will determine trajectory of the Triennial Plan, especially on the testing component. The focus has become very broad and he urges the Board to allow more public comment and give sufficient time to respond. He is concerned with the societal benefit test and wants to assure that the Board is open to comment before getting too far down the road. He urged consideration of non-wood biomass, fuel crops like *miscanthus*. He believes that these crops may have potential for underutilized agricultural land in northern Maine.

Mermin reminded everyone of the stakeholder process in January and Stephen Ward is developing a list of persons interested in receiving electronic updates on the stakeholder process.

6.0 Next Meeting Agenda

Monday, December 21, 2009, 1:00 to 4:00; Room 209, Cross Office Building, Augusta

Agenda Items:

- Efficiency Maine presentation on other programs
- Triennial Plan
- Potential Study
- Financial Report
- RGGI Update
- Copenhagen Update

7.0 Executive Session

Upon a motion duly made (Tietenberg) and seconded (Atherton), the Board voted unanimously to go into Executive Session to discuss personnel issues related to the hiring of the Efficiency Maine Trust Director with representatives of the recruiting firm (Isaacson Miller), Jerry Pieh and Liz Vago.

Chairman Lee brought the Board out of Executive Session at 4:15 PM.

8.0 Adjournment of Meeting

ACTION: Upon a motion duly made (Atherton) and seconded (Mermin) the Board voted unanimously to adjourn the meeting at 4:15 p.m.