

**Executive Director's Summary Report
to the Board of Trustees
Efficiency Maine Trust**

October 12, 2011

I. Communications

a. Press

In late September, Channel 6 evening news covered a presentation by the Efficiency Maine team to business customers at an Androscoggin Chamber of Commerce seminar. The Bangor Daily News wrote a very complimentary story on a project at Skowhegan Savings Bank to install new high efficiency "thin client" computer systems replacing traditional desktop computers with help from Efficiency Maine programs. The switch saves 105 watts per hour per unit, and the bank replaced 150 units. Earlier in the month, the Trust had its OpEd published in the Kennebec Journal about how home weatherization is a piece of the puzzle to helping Mainers lower their home heating costs. Bill Nemitz column in the Portland Press Herald on September 28: "Warm way to energize economy" made favorable mention of the PACE loan opportunity that is now replacing the rebates offered by the Trust for the past 18 months.

The press also provided coverage of the OPEGA report on the Maine Green Energy Alliance finding no evidence of misuse of funds, no missing funds but significant question costs and recommendations that the Trust take more precautions when entering relationships with sub-grantees and when ensuring that sub-grantees have sufficient policies, procedures and capacity in place to comply with applicable accounting and other requirements.

b. Awareness and Education

The Trust has been preparing for the kick-off of a Campaign to increase awareness of the benefits of energy efficiency and the opportunity for Maine consumers to lower their energy costs through Efficiency Maine programs. The soft launch started in recent weeks with a presence at two fairs and the Maine Municipal Association annual conference, the launch of a campaign "splash page" at www.savelikeamainer.com. Most of the focus to date has been on customers taking action by learning more about PACE loans.

II. Finance and Administration Highlights

a. Audit

Staff worked with Macdonald Page to finalize the Financial section of the single audit and presented the draft of that section of the report to the Finance Committee. There are no “findings” of concern in this section of the audit. Macdonald Page finished this section of the audit before the rest of the sections because the State Budget Office needs these audits from all component units of government (including the Trust) in time to aggregate all of the audit reports into a single report by a deadline.

b. Compliance Oversight

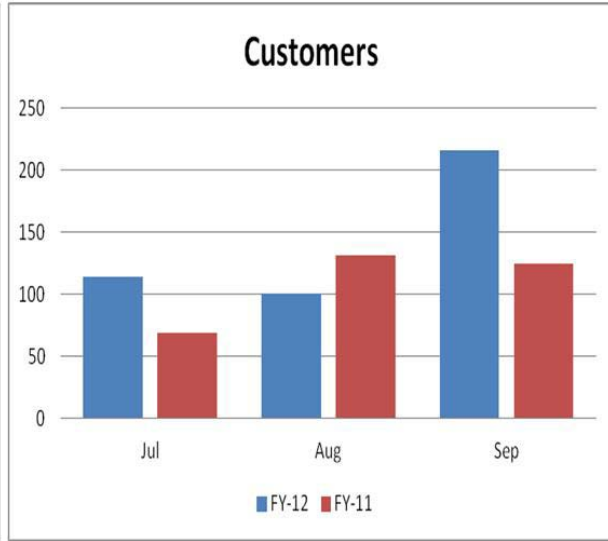
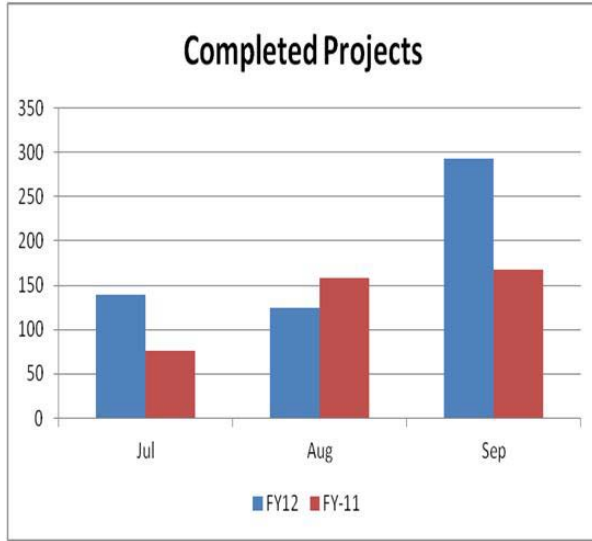
Staff also began implementation of the changes made to the Trust’s grant Monitoring and Compliance Plan at the last Board meeting. We have sent the new checklist (requesting certification of the type of governance system, the existence of financial management systems, and proper record-keeping for salaried employees) to non-profit sub-grantees who are in a similar financial relationship to the Trust as was the Maine Green Energy Alliance. We have received responses from these groups to assure ourselves that their systems of time keeping are appropriate.

Staff also co-hosted the US Department of Energy for a site visit of projects funded through the State Energy Program. Staff took the DOE program officers to the Twin Rivers mill in the County, and to a mix of commercial grant sites in southern Maine and the kick-off of the Southern Maine Community College’s new Sustainability Center. The exit report was generally very positive, and will be reported on by the Finance Committee.

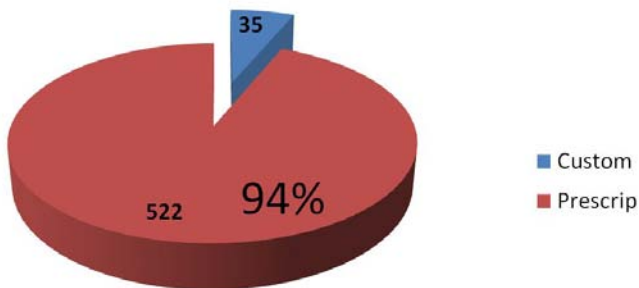
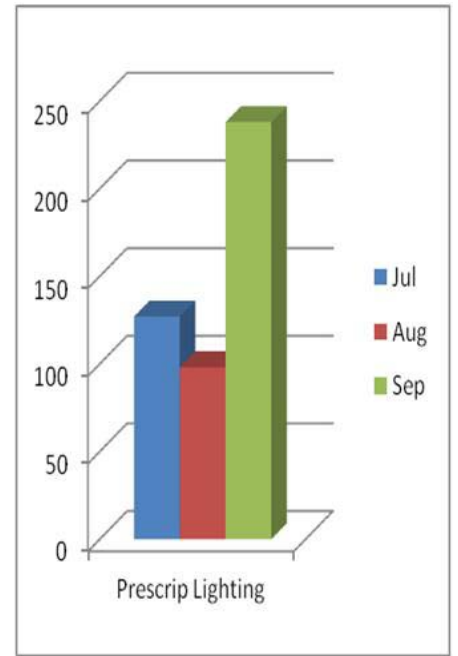
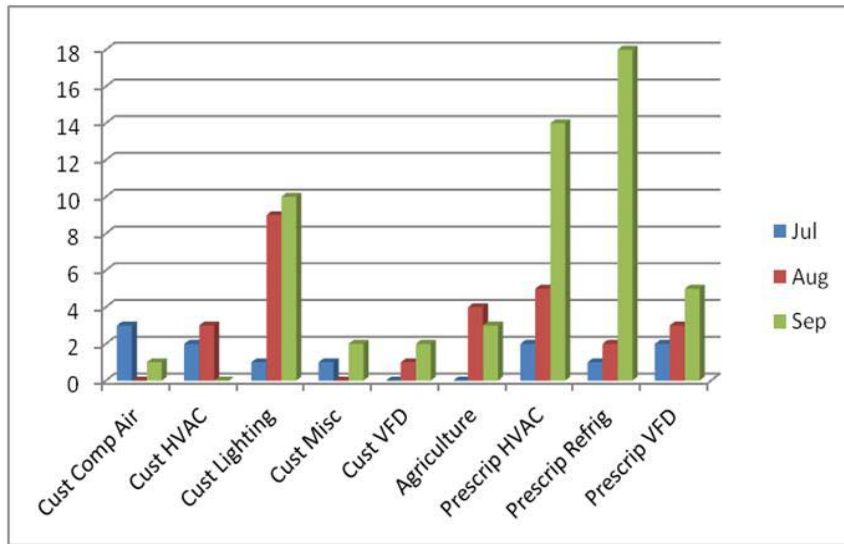
III. Program Highlights

a. Basic Business Program (Prescriptive Measures, Custom Projects)

First quarter results show good progress. We are ahead of last year in terms of the number of projects completed and the number of customers (“participants”) served.



Completed projects are on pace for all measures, including prescriptive lighting.



Ninety four percent of all projects in the Business Program this quarter were completed using the prescriptive menu approach, while only six percent were custom design projects.

ii. Maine Advanced Buildings Program

Our program to promote best energy practices in new construction is finally starting to pick up as developers are getting more projects off the ground. We have paid out \$108,000 to date in incentives to the Nextera, PowerPay, Knox County Airport, and Saco Fire Station projects, with another \$273,000 in incentives for eight new projects in the queue.

iii. Competitive Program (Large Projects)

On September 19, 2011 staff issued an RFP seeking proposals for large projects. The terms of the RFP were largely the same as what was used last year, with minor modifications to ensure quality projects and fair, efficient screening. Funding levels will range from minimum of \$100,000 to a maximum of \$500,000 per facility up to 50% of the total project costs. Proposals will be scored based upon:

- Cost effectiveness in reducing kilowatt hour consumption
- Management and resource adequacy and readiness, and,
- Economic viability

Notice of the RFP was sent directly to the Governor’s office and to Maine DEP, as well as to companies that had expressed an interest last year but had not succeeded in winning earlier bid competitions.

iv. Small Business Direct Install/On-Bill Finance

This month staff will kick off its Direct Install/On-Bill Finance pilot project in Kennebunk Light and Power territory, where there are about 30 targeted small businesses. As soon as we receive the order from the Maine PUC allowing collection of small business customer data from Bangor Hydro and Maine Public Service territories (see CIMS discussion below), the pilot will roll out in those territories. In these latter territories, the basic program design is that customers will receive an in person visit from a contractor who can complete all paperwork and scheduling in the first visit. If the customer chooses to proceed, they are eligible for an incentive for 50% of the cost of a lighting project, and can pay back the balance of the project cost on their electric bill at 0% interest. The savings should exceed the monthly payments.

v. Retro-Commissioning Pilot

Projected Energy Savings							
	Electricity-(kWh)		Propane-(gal)		#2 Fuel Oil-(gal)	Natural Gas-(Therms)	Total
<i>Savings Bank of Gardiner</i>	101,890	\$15,284			3,109	\$11,379	\$26,662
<i>Turner Building Science</i>	2,772	\$416	11	\$33			\$449
<i>Natural Resource Council</i>	2,005	\$301	154	\$468			\$769
<i>Rockland City Hall</i>	3,608	\$541	341	\$1,037			\$1,578
<i>United Methodist Church</i>	5,400	\$810	380	\$1,155			\$1,965
<i>Mayo Regional Hospital</i>	128,280	\$19,242			6,177	\$22,608	\$41,850
							\$73,273

v. Evaluation of Business Program

<i>Date</i>	<i>Milestone</i>
3/25/11	•RFP Issued
6/01/11	•Award to <i>Opinion Dynamics Corp.</i>
6/14/11	•Kickoff Meeting
6/30/11	•End of FY2011 (focus of evaluation)
July-November	•Data Collection and Analysis
11/30/11	•Final Report

<i>Process Evaluation</i>	<i>When?</i>
Interviews with Program Staff •8 in-depth interviews	•July, September
Qualified Partner Survey •20 telephone interviews	•Sept-Oct
Participant Survey •200 telephone interviews	•Sept-Oct
Non-Participant Survey •100 telephone interviews	•Sept-Oct

<i>Impact Evaluation</i>	<i>When?</i>
effRT Database & TRM Review •Ex ante savings	•July-Oct
Engineering Desk Reviews •70 prescriptive projects	•Sept-Oct
M&V Site Visits •30 custom + 1 prescriptive •Site Specific M&V Plan •On-site metering, logging	•Sept – conduct visits •Oct – retrieve loggers

b. Residential

i. Home Energy Savings incentives (rebates)

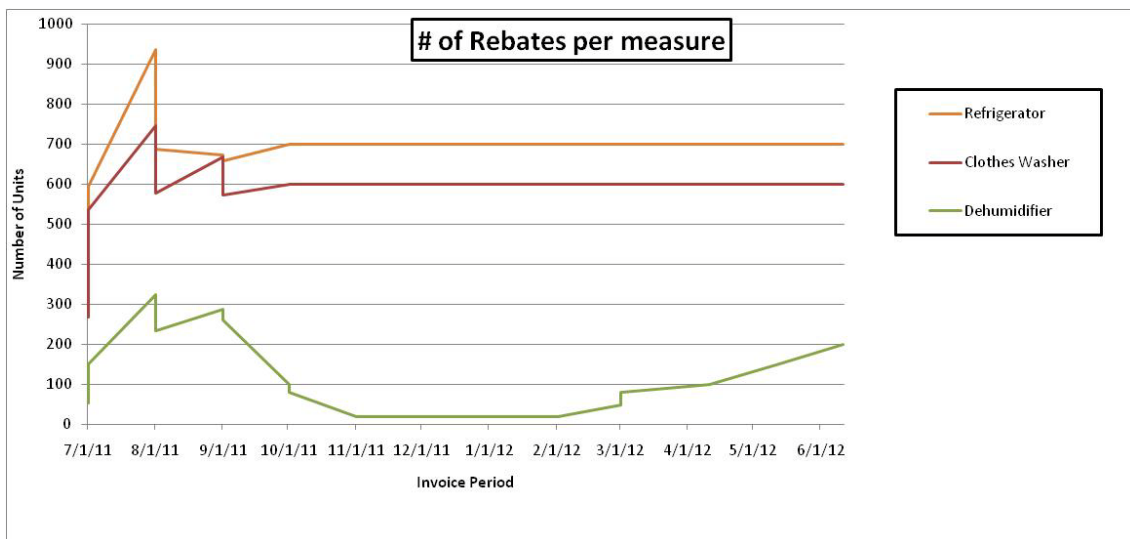
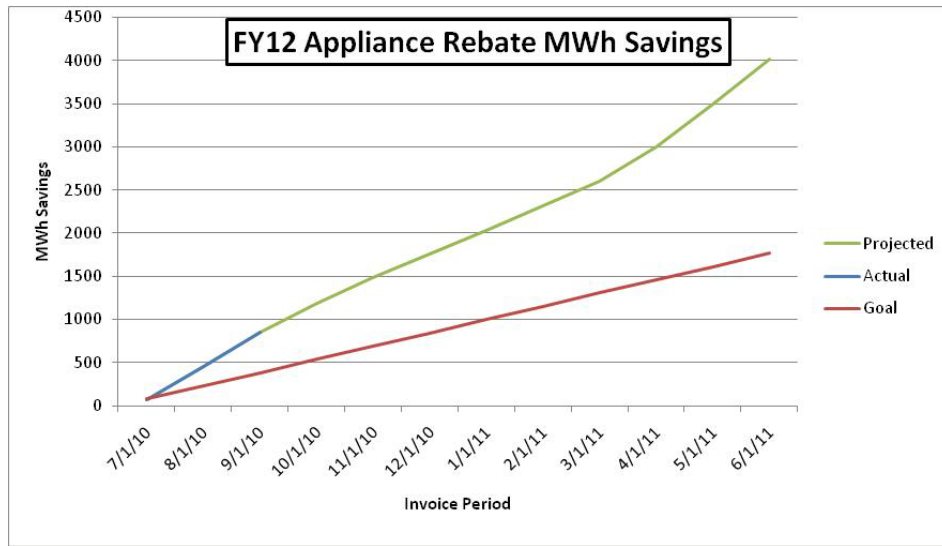
Metric	Program-To-Date
Audits	4921
Rebate reservations (actual)	3646
Rebate reservations (goal)	3325
Difference	321
Rebate reservations (% compared to goal)	110%
Completed upgrades (actual)	3127
Completed upgrades (goal)	2696
Difference	431
Completed upgrades (% compared to goal)	116%
Closed reservations (deactivated)	322
Unclaimed rebates	197
Projected quantity of upgrades (Program end)	3127
Average job cost \$	\$ 8,763
Average % total energy savings	40%
Average annual energy savings (\$)	\$ 1,425.60
Average annual energy savings (gallons of oil)	407.31
Cost per gallon of oil saved	\$ 1.20
Average incentive paid	\$ 2,773
Total program incentives paid	\$ 7,957,014

ii. Maine PACE Loan Program

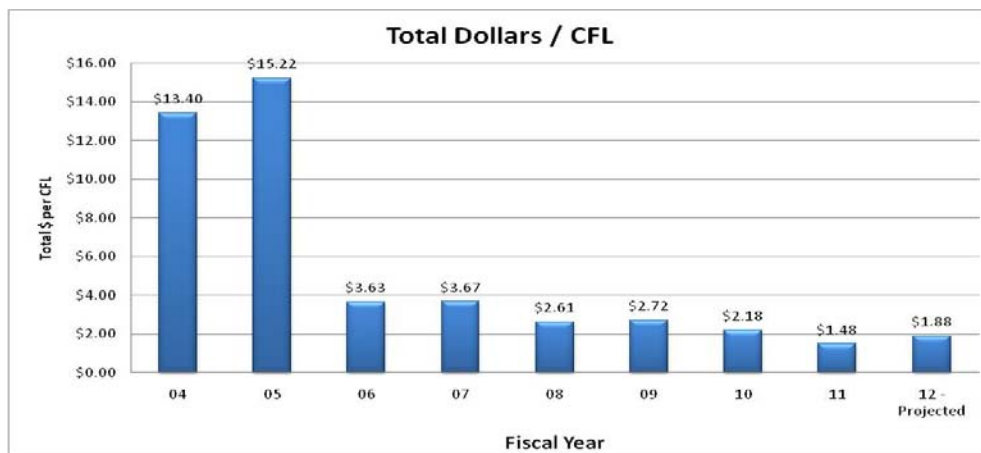
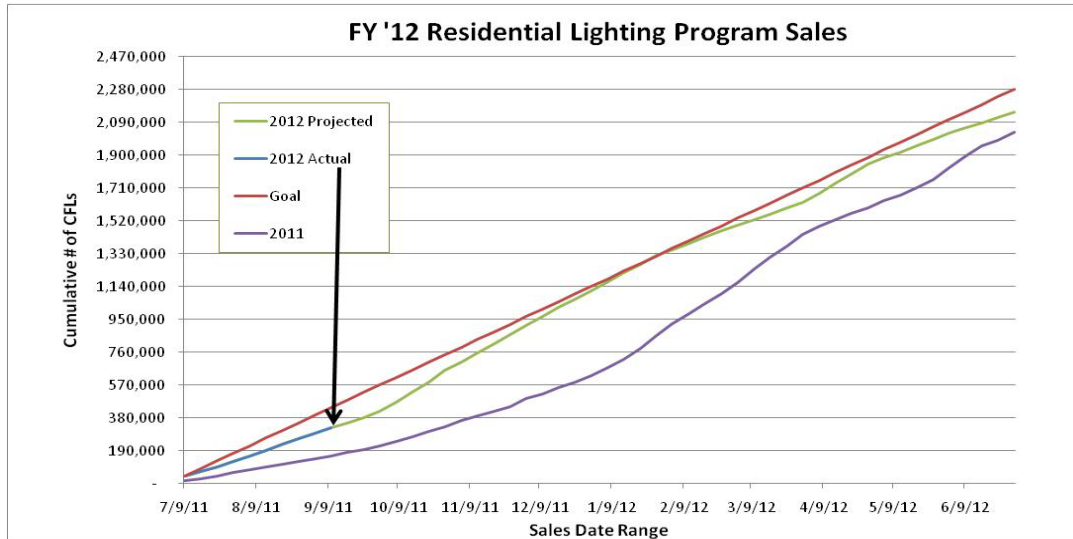
Staff reports that more than 95 towns have now opted in to the PACE Loan program. The number of loans closed as of October 3 has reached 77 for a total amount of \$1,014,448.

Staff has succeeded in getting more than 80,000 flyers announcing the PACE loan opportunity as bill stuffers into property tax bills sent out in the late summer – early fall. Together with online banner ads now appearing on the major daily newspaper’s websites, there has been significant increase in visibility and awareness of PACE which is translating into growing demand for the loans.

iii. Residential Appliance Program



v. Residential Lighting Program



vi. Replacement Heating Equipment

This program has committed all of the ARRA funds it had budgeted. Final results will be tallied after October 10, but at this point Staff is projecting:

- investing 100% of funding ahead of the US DOE deadline of April, 2012
- reaching 116% of the target we set for the number of units upgraded
- saving 91% of the target we set for energy savings
- participants will save the equivalent of nearly 3 million gallons of oil over the lifetime of their new efficient heating systems.

c. Enabling Strategies

i. Education and Training

The Trust staff is co-hosting the Maine Energy Education Forum, which will be held from 8:30 – 5:00 on October 31, 2011 at the Maple Hill Farm in Hallowell to discuss building a statewide plan for energy literacy for all Maine’s citizens.

Maine Mathematics and Science Alliance (through an NSF-funded project) and Efficiency Maine are inviting educational partners and policy makers to a one-day moderated discussion to:

- Chart a position statement and outline for a unified set of goals for energy education in Maine;
- Describe roles for organizational participants;
- Identify available resources to support energy education efforts;
- Discuss a model through which these efforts can be measured and evaluated.

A significant objective of this Forum is to help Trust staff better understand what kinds of energy awareness and education programs should be targeted by Trust program funds, and what kinds of deliverables, outcomes, and metrics are suitable for scoring future competitive solicitations of the Trust programs.

ii. Innovation

The staff has prepared an RFP to be issued in October for a new round of Innovation Project proposals.

iii. Confidential Information Management System

Staff has worked with staff at Efficiency Vermont to develop a Confidential Information Management System (CIMS) that was requested by the Maine PUC before issuing an order to distribution utilities to share customer data with the Trust for purposes of implementing the Small Business Direct Install / On Bill Finance Program. The CIMS will also be needed if and when the Trust pursues other outreach initiatives to reach targeted customer groups, such as low-income/high-use electric customers, or Non-Transmission Alternative customers.