

**Efficiency Maine Trust
Board Meeting Minutes**

September 7, 2011
Governor Hill Mansion
136 State Street, Augusta, ME

Trust Board Members

✓ Adam Lee, Chair	✓ Peter Merrill for Dale McCormick
✓ Naomi Mermin, Vice Chair	✓ Ken Fletcher
✓ James Atwell, Secretary	✓ Glenn Poole
✓ Michelle Atherton, Treasurer	✓ John Rohman
	✓ Tom Tietenberg

Efficiency Maine Trust Staff:

- Michael Stoddard
- Karen Bickerman
- Elizabeth Crabtree
- Peter Roehrig
- Andy Meyer
- Ian Burnes
- Dana Fischer
- Rick Meinking
- Paul Badeau
- John Quartararo

Partial List of Other Attendees:

- Steve Ward – Maine Community Action Association (MCAA)
- Ralph Chapman – Legislator
- Ann Goggin – Goggin Company / Seacoast Energy
- Laurie Osher – Osher Environment Systems
- Natalie Hildt – Northeat Energy Efficiency Partnership, Inc.
- Dylan Voorhees – NRCM
- Jean Guzzetti – Office of Policy and Legal Analysis (Maine Legislature)
- AJ Ballard – Bravo Zulu Energy, Inc.

1.0 Approve Draft Agenda and Minutes

Mr. Lee called the meeting to order at 1:20 pm.

ACTION: Upon a motion duly made (Atwell) and seconded (Mermin), the Board voted unanimously to approve the minutes from the June 1, 2011 meeting.

ACTION: Upon a motion duly made (Fletcher) and seconded (Tietenberg), the Board voted unanimously to approve the Agenda for today's meeting.

2.0 Executive Director Report

Michael Stoddard, Efficiency Maine's Executive Director, recognized the staff for its part in making a smooth transition in June from office space at the Public Utilities Commission in Hallowell to 151 Capitol Street in Augusta.

An RFP (Request for Proposals) was issued March 18, 2011 for call center services (RFP-013-2011). Mr. Stoddard reported that a Maine company, Taction in Waldoboro, had been chosen to fulfill this need. Taction is a one-stop call center with all callers' questions being answered by the Taction employee answering the phone. The training and performance of Taction is so strong that we have experienced only occasional need to pass callers beyond the initial operator who answers the call. The board was pleased with the one-stop call center and thanked staff for making it possible.

Mr. Stoddard acknowledged that the morning symposium, *In Pursuit of Maine's Least-Cost Energy*, was informative and well received. The board agreed and asked Mr. Stoddard to arrange more such briefings or meetings, including a "results" symposium, and encouraged Staff to schedule one or more of these meetings before the end of the calendar year.

On the issue of program "results", Ms. Mermin noted that Efficiency Vermont, an entity similar to Efficiency Maine, has experienced striking success in their returns and she would like to see a presentation from them. Mr. Rohman agreed saying that while the projections about results are interesting he would like to see a presentation that looks backward comparing projections to actual results.

Mr. Stoddard stated that the OPEGA report regarding Maine Green Energy Alliance (MGEA) was completed and presented to the Government Oversight Committee on August 22, 2011. The report noted that a prior independent audit had identified a significant quantity of accounting deficiencies but that upon deeper investigation, OPEGA had found no evidence of missing funds, or misuse of funds, or inappropriate use of funds. MGEA has subsequently instituted a corrective action plan, which Efficiency Maine staff is overseeing and tracking. Once the plan is completed, Efficiency Maine staff will work with the Department of Energy (DOE) to make final determinations on whether costs are allowable and to close out the sub-grant.

A public hearing was held by the Government Oversight Committee on September 6, 2011 and Mr. Stoddard, Tom Federle, Executive Director of MGEA, and Adam Lee gave comments. The Government Oversight Committee voted to endorse OPEGA's report and asked the Trust to come back in December to report on the final disposition of MGEA costs.

The Board asked what other grants the Trust has with other organizations that are similar to the grant with MGEA. Mr. Stoddard replied that there are a handful of such grants and

that he would get a list of those grants to the board. Mr. Lee asked that Mr. Stoddard ensure these grants would be looked at carefully.

ACTION: Mr. Stoddard will provide a list of the federal grants to Mr. Lee and the board.

1. FY11 Preliminary Program Results

Andy Meyer gave a report on Residential Programs.

The weatherization program began in January 2010, with \$9,000,000; another \$3,000,000 was added in early 2011. The program has closed and we are awaiting the final submissions of completions. While these audits were not free, there were over 5,000 high-quality audits done to Maine homes. Of those audits, almost 3,000 homes have been upgraded. The DOE's minimum threshold for energy savings in these ARRA grants is 15%; the Trust's HESP rebate program has reached 41%. The average homeowner is projected to save 400 gallons of oil per year, which creates an aggregated total of over one million gallons of oil per year for the state.

The lighting program reached 110% of goal for the year -- 1.9 million light bulbs sold (about 4 light bulbs per each of Maine's 500,000 homes) since the program began. Ninety-one GWh hours (or 91,000 MWh) will be saved over the life of the lights purchased in FY11. Nationwide, CFLs lost market share last year while they gained market share in Maine. There was a discussion on market saturation of CFLs and if rebates would be offered after the federal mandate of no more incandescent light bulbs after 2012.

The appliance rebate program is funded by the System Benefit Charge on electric bills. The program is ongoing and during the last fiscal year totaled 4 GWh hours in savings. This is about 160% of the program's goal.

The Replacement Heating Equipment program started in June 2010. As of last week, 100 % of the funds had been committed. The program fell slightly short of meeting MMBTU goal staff had set, due to fewer natural gas systems being installed than projected, but still achieved savings estimated at over 100,000 gallons of oil per year.

An RFP was issued in March of 2011 for a new call center. Taction of Waldoboro, Maine won the bid and initial performance has been excellent.

Rick Meinking gave highlights on the Business Program.

- There were 1,205 participants completing 1,952 projects.
- There are now 354 Qualified Partners to do the work.
- Market transformation made it possible to discontinue the motor incentive program since all motors purchased now are energy efficient.

- The first of several webinars begins next month and they will be recorded and available to anyone at anytime via our website.
- The QP advisory committee is now meeting monthly around the state, listening to the qualified partners and understanding their needs.
- We have issued 48 small business loans amounting to \$1.2 million in principal with another \$230,000 in the pipeline. We continue to do 2 to 3 loans a month.

Ian Burnes discussed the competitive grant program.

In 2011, one competitive round of funding was completed, leading to, eighteen projects that were awarded completed. A second round of competition that had been scheduled for release in the spring of 2011 was postponed and will be going out this month (September, 2011).

PACE Program Updates

The discussion PACE was moved to the end of the agenda.

2. Symposium – In Pursuit of Maine’s Least Cost Energy

The discussion was had in Mr. Stoddard’s Executive Report.

3.0 Committee Reports

1. Finance Committee

a. FY12 Budget

Ms. Atherton introduced the FY2012 budget and the recommended motion to approve the budget.

Mr. Fletcher and Mr. Atwell had a discussion about why the budget was higher than anticipated. Explanations centered on the fact that the PACE loan fund was included in its entirety in FY12, and that certain program funds originally slated for expenditure in late FY11 were moved into FY12. Mr. Atwell acknowledged that these were questions discussed at the finance and strategic planning committee meetings and that it is a well-thought-out budget with adjustments made based on the realities of where best to use the funds.

ACTION: Upon a motion duly made (Atherton) and seconded (Mermin) the board voted 8 to 1 (Fletcher) to adopt an FY 2012 budget of \$86,384,620 to be funded by \$43,960,669 in anticipated FY 2012 revenues and \$42,423,951 in FY 2011 fund balances.

2. Strategic Planning Committee

a. Formally Accept OEIS SEP Annual Formula Grant Funds

Staff explained the SEP annual formula grant is given by US DOE to the Maine State Energy Office each year, and that there was approximately \$20,000 available this year. OEIS sought to have the funds used in a program that was scalable and to leverage existing programming, and Trust staff elected to direct the funds to the Schools for Energy Efficiency (SEE) pilot.

ACTION: Upon a motion duly made (Atwell) and seconded (Fletcher), the board voted unanimously to accept a portion of the annual State Energy Program funds from the Governor's Office of Energy Independence and Security (OEIS).

b. Long Term Contracting

Ms. Mermin removed this item from the agenda so that the staff can gather more details.

2:58 pm to 3:13 PM break.

3. Governance Committee

a. Amendments to Grant Monitoring and Compliance Manual

Mr. Atwell stated that John Quartararo would present the background information regarding the Grant Monitoring and Compliance Manual. This plan came about in response to a DOE request and OPEGA review. The area of concern with the grants include: what are the risks? Can the risks be mitigated and controlled. The goal was to have a standard operating procedure for all grants, be they federal or state.

Mr. Quartararo said that there is a supposition held that all contracts are read and understood by those parties signing. This is not always the case. This manual will include a checklist that each sub-grantee will be able to read and understand. There was a brief discussion on the merits of the manual.

ACTION: Upon a motion duly made (Mermin) and seconded (Tietenberg) the board voted unanimously to adopt the *ARRA Monitoring and Compliance Plan* and to authorize the Executive Director to revise the Plan as needed. The Plan will be reviewed at least once per fiscal year by the Governance Committee and revisions made during the year will be ratified by the Board of Trustees.

b. Slate of Officers for the Coming Year.

Mr. Atwell stated that two members of the board will have their terms expire in

a few months but at the time of the meeting, it was not known if the incumbent members would be reappointed or if new members would be appointed. Mr. Atwell reported that the Governance Committee had discussed this and decided to withhold electing officers until a new board is constituted and then the governance committee will meet to propose new officers.

4. Other

a. PACE Rule Amendment

Dana Fischer presented the PACE Program update and amendment.

The PACE program is now in 98 municipalities, with a number of others voting on it in November. This represents 57% of the population in Maine. Mr. Fischer continues to reach out to those communities who do not yet have PACE. 317 PACE loan applications have been submitted since the program was initiated, with 63 of those already approved and closed. Most of the loans are \$15,000 (with the average being \$13,500). The improvements being done to homes range from insulation to boiler replacement.

Applications for PACE loans are picking up due to continued promotional efforts and the capacity for Efficiency Maine to piggyback mailing of PACE brochures in the towns' annual tax bill mailings, as well as web-based ads on Maine-based periodicals. There have also been many PACE forums around the state; no geographic area in Maine has been left out.

The partnership with AFC First is working well, as is the new call center with Taction.

PACE rulemaking was initiated due to concerns raised by contractors with the rule's requirements for a lien waiver. The proposed rule also allows the program to use direct deposit and pay the contractor directly.

ACTION: Upon a motion duly made (Tietenberg) and seconded (Mermin) the board voted unanimously to adopt the revised Chapter 110: PACE rule.

3.0 Public Comment

Ann Goggin, a subcontractor to the town of South Berwick for a project funded through the Trust, thanked Mr. Quartararo for his willingness to meet with her and the town in South Berwick to go over the new compliance regulations. It was very useful to both her and the town.

Ms. Goggin also suggested that public perception is important and offered several suggestions about ways to increase public participation. She would like to see more information about board meetings provided in advance, on the Trust's website, and to

allow public comment to be made at the beginning of the Board meeting rather than at the end.

4.0 New Business

No new business

5.0 Next Meeting Agenda

Mr. Lee requested a follow-up to Ms. Goggin's questions with a response.

ACTION: Mr. Stoddard to formulate a response.

After discussion, the board decided to meet the second Wednesday of October and to set the schedule for the next 12 months. Karen Bickerman and Mr. Stoddard agreed to send the Board the dates of all of the second Wednesdays of each month for the next year to solicit Board feedback on whether this change (from the first Wednesday of each month) would work for Board members' schedules. .

Mr. Quartararo reminded the board that there is a September 28th review of the auditor's report.

Elizabeth Crabtree reminded the board that there is Qualified Partners banquet on October 20. Ms. Crabtree will send the board members the time for the banquet.

7.0 Adjourn

ACTION: Upon a motion duly made (Tietenberg) and seconded (Atherton) the board voted unanimously to adjourn at 4:18 p.m.