

**Efficiency Maine Trust  
Board Meeting Minutes**

**April 6, 2011  
Augusta Armory  
Western Avenue, Augusta, ME**

**Trust Board Members**

✓ Adam Lee, Chair	✓ 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
- Paul Badeau
- John Quartararo
- Rick Meinking
- Andy Meyer
- Elizabeth Crabtree
- Dana Fischer

**Partial List of Other Attendees:**

- Steve Hambric – OPower
- Steve Ward – Maine Community Action Association (MCAA)
- Tom Rooney – TRC Solutions
- Todd Griset – Preti Flaherty
- Cheryl Shattenberg – Community Concepts
- L. O'Rourke – Optimal Energy Group
- A. J. Ballard – Bravo Zulu Energy
- Anne D. Burt – ME Partners for Cool Communities
- Daniel Hedaya – Independent Green Energy
- Sam Hedaya – Independent Green Energy
- Bruce Harrington – Energy Resource Solutions (ERS)

**1.0 Approve Draft Agenda and Minutes**

Mr. Lee called the meeting to order at 9:42a.m.

**ACTION:** Upon a motion duly made (Tietenberg) and seconded (Atherton) the Board voted unanimously to approve the minutes from the March 2, 2011 meeting.

**ACTION:** Upon a motion duly made (Mermin) and seconded (McCormick) the Board voted unanimously to approve the agenda for today's meeting.

## 2.0 Executive Director Report

Michael Stoddard, Efficiency Maine's Executive Director, asked Andy Meyer, Residential Program manager, and Rick Meinking, Business Programs manager, to give updates on their programs.

Mr. Meinking reported on the year-to-date FY11 Business Incentive Program. He stated that as of the end of March, 2011, the business program had met 104% of the program's megawatt-hours (MWh) saved goal for the year of 39,000 MWh, with several months still to go in the fiscal year. The hard work and efficiency of the Delivery Team was recognized for its contributions to this success. Details of this update are attached. Note also was made of an increase in the Small Business Loan participation, indicating that businesses may be seeing an up-turn in the economy.

Andy Meyer gave a brief presentation on the residential programs. Please see attached PowerPoint presentation.

On the Home Energy Savings Program, the number of completed home improvement projects has reached 1,880, or 129% of goal since the program's inception. Also, nearly 2,700 comprehensive energy audits have been completed.

In the Replacement Heating Equipment Program, we instituted several program design changes in January which has increased the participation rates. Mr. Meyer reported that the program has already exceeded the yearly goal for energy savings with only 75% of the program year gone, but that we still have spent only half of the rebate budget and are pushing hard to accelerate customer uptake.

Staff reported kicking off the Appliance Rebate Program two weeks ago. This was a very successful program last year, reaching full subscription of available funds and a good cost-effectiveness score, so we are hopeful for a repeat of that success this year.

In the Residential Lighting Program, Mr. Meyer reported that, at the suggestion of the Board, staff and the Delivery Team had changed course this year by eliminating costly television advertising and investing those funds into financial incentives to the customer, effectively reducing the price of the bulbs. Compared to last year's performance of saving just over 1 million CFLs, this year we are on track to meet the target of 1.9 million CFLs at the same or lower program cost.

There was a discussion about saturation point for CFLs in the market, and about shifting program focus to LEDs over time as they become more cost-effective. It was noted that Efficiency Maine's Business Program currently has incentives available for cost-effective LED proposals.

Regarding the Maine PACE residential loan program, Dana Fischer reported that the program officially kicked off in the first week of April, and that 10 completed applications had been received by the date of the Board meeting. Staff has sent notices of the program's availability to participating municipalities and energy businesses. Efficiency Maine's website contains all the pertinent information. 66 towns have opted for program, representing more than 40 % of the state population.

### 3.0 Committee Reports

#### 1. Finance Committee

- a. **Action Item – FY 11 Budget Adjustment for HESP to move forward federal ARRA-SEP funds budgeted from FY 12 into FY 11 in the amount of \$3,076,557**

Atherton reported that the Finance Committee had reviewed the memorandum.

**ACTION:** Upon a motion duly made ( ) and seconded ( ) the board voted unanimously to adjust the FY 2011 budget as follows:

Increase the federal ARRA-SEP expenditure budget by \$3,076,557, using funding originally planned to be expended in FY 2012, and increase the expenditure budget for the Home Energy Savings Program (HESP), program 1201, by \$3,076,557.

- b. **Action Item – FY 11 Budget Adjustment for HESP to move forward federal ARRA-BetterBuildings funds budgeted from FY 12 into FY 11**

**ACTION:** Upon a motion duly made ( ) and seconded ( ) the board voted unanimously to adjust the FY 2011 budget for HESP as follows:

1. increase the federal ARRA BetterBuildings expenditure budget by \$451,758, using funding originally planned to be expended in FY 2012,
2. decrease the MGEA program budget, program 3314, in FY 2011 by \$548,242 and,
3. increase the FY 2011 Trust's Weatherization and Efficiency Program expenditure budget for the Home Energy Savings Program (HESP), program 1201, by \$1,000,000.

- c. **Action Item – Adjust the FY 2011 budget for Solar-Wind Rebates**

**ACTION:** Upon a motion duly made ( ) and seconded (Atherton), the board voted unanimously to

1. increase the federal ARRA-SEP expenditure budget by \$300,000, using funding originally planned to be expended in FY 2012, and
2. increase the Solar-Wind Rebate Program expenditure budget – program number 1209 by \$300,000.

- d. **Action Item – Approval of contract extensions**

**i. Information technology – Kinney & Associates**

Mr. Stoddard explained that this contract applies to technical support for our computers, servers, and telecommunications equipment. Staff

committed to double check to ensure that there is sufficient funding in our existing budgets to cover the projected cost of this contract.

**ACTION:** Upon a motion duly made (Mermin) and seconded (Tietenberg), the board voted unanimously to authorize the Executive Director to complete an extension of the time and materials contract with Kinney & Associates for the period January 1, 2011 to June 30, 2011 in an amount not to exceed \$80,000 for the purchase of information technology services.

**ii. Legal Services – Perkins Thompson**

Mr. Stoddard explained that legal services are used for targeted needs around managing ARRA contract and large industrial projects, and also in contracting for services to implement the PACE program. Mr. Stoddard reported that staff had received authorization from the Attorney General's Office for this proposed use of outside legal counsel.

**ACTION:** Upon a motion duly made (Mermin) and seconded (Tietenberg), the board voted unanimously to authorize the Executive Director to complete an extension of the contract with Perkins Thompson in an amount not to exceed \$60,000 for the purchase of legal services as approved by the Maine Attorney General's Office.

**e. Action Item – Approve a contract renewal for auditing services with MacDonald Page**

It was noted that MacDonald Page is an auditing firm with offices located in Augusta that has extensive experience conducting audits of government agencies and firms doing business with the government, and had served as Efficiency Maine's auditor for the prior year.

**ACTION:** Upon a motion duly made (Mermin) and seconded (Atherton), the board voted unanimously to authorize the Board Chair, Treasurer and Executive Director to complete a letter of engagement with MacDonald Page & CO, LLC in an amount not to exceed \$85,000 to conduct the FY 2011 independent audit and the preparations of all necessary and required schedules and reports.

**f. Action Item – Approve a contract for ARRA-BetterBuildings grant – Town of Rockland**

Rockland has experience as a host community for community block grants that are administered by a third party. Staff explained that this contract is modeled on an approach to community block grants that has

successfully been used by the Department of Economic and Community Development, and that has been reviewed and approved by the US Department of Energy for meeting their requirement that 60% of the grant flow directly to non-eligible municipal governments before being redirected to Efficiency Maine for purposes of implementing the BetterBuildings grant (including the Maine PACE loan program) on behalf of all the participating municipalities).

**ACTION:** Upon a motion duly made (Mermin) and seconded (Atherton), the board voted unanimously to authorize the Executive Director to complete a contract with the City of Rockland in the amount \$9,010,000.

**g. Action Item – Approve a contract for ARRA-BetterBuildings grant – City of Bath**

**ACTION:** Upon a motion duly made (Mermin) and seconded (Atherton), the board voted unanimously to to authorize the Executive Director to complete a contract with the City of Bath in the amount \$9,010,000 for the same purposes as described in item (f), above.

**h. Action Item – Approve a contract with Trans Union Office for purchase of office furniture and equipment not to exceed \$50,000:**

Staff provided an update of the status of moving plans and discussions with the PUC about taking furniture currently used by the Trust, which the authorizing statute directs to be transferred to the Trust as of 7/1/2010. Staff also reported on the history of Trans Union with the furniture staff is now using: Trans Union was selected by the PUC through a competitive bid process to assist with furnishing the PUC’s offices in 2010, was in possession of the inventory of all furniture currently used by Efficiency Maine, and finally had helped the Trust analyze (*gratis*) layout options for the new office space. The Board requested a report on the analysis of the costs of changing office locations, but also indicated the move (or procuring necessary furniture) should not be delayed by the report.

**ACTION:** Upon a motion duly made (Mermin) and seconded (Atherton), the board voted unanimously to authorize Executive Director to use Trans Union Office for the purchase of office furniture and equipment as needed for the new locations in an amount not to exceed \$50,000, with preference to use existing equipment to reduce costs as much as possible.

**i. Update on Office Location**

Discussion held and reported in item (h), above.

**j. Update on Banking RFP Status**

Mr. Quartararo reported that the RFP process is completed and that Camden National was deemed to have the best bid and was selected to provide banking services.

**k. Update on Budget Process**

Mr. Quartararo gave an update on the budget process. The Energy, Utilities and Technology (EUT) Committee met in work session and voted 7-6 to approve the Trust's budget, as it relates to the electric and natural gas System Benefit Charges (SBC), at current (flat) funding levels. The Minority Report supports increasing the Trust's budget, as it relates to the electric and natural gas SBC, consistent with the Triennial Plan.

It was also reported that through a separate bill, the Committee had voted to require the Trust to earmark \$200,000 to fund an energy audit and improvements to the state house. Staff indicated that it had submitted to the Committee a budget reflecting the \$200,000 earmark on the condition that LD 361 is enacted.

Ms. Mermin and Mr. Lee voiced concerns that it is inappropriate to have the budget micromanaged by legislation. It was noted that such an approach departs from the concept of having an independent quasi-state agency, and threatens the integrity of a formalized stakeholder process that develops and approves the Triennial Plan. It was noted that this particular project would also depart from Efficiency Maine's existing program design and best practices, which do not pay full costs for scoping (detailed) audits nor do they typically pay 100% of the customers costs to install the measure. Ms. McCormick noted that by way of example, in the context of the State Treasurer's office complying with this type of directive from the legislature would be considered a breach of fiduciary duty.

Mr. Fletcher indicated that while the Committee's intent was good, he was uncomfortable with the Committee's approach.

Mr. Poole noted that there are other ways for the State House to receive assistance from the Trust, such as through use of prescriptive measures or applying through the periodic competitive solicitations.

The Board directed staff to send a letter to the Appropriations Committee indicating the Board's concern about the line item in the Trust budget and their view that it would pose a risk to their fiduciary duty to implement the budget, or LD 361, if the earmark is retained.

## **2. Strategic Plan Committee**

### **a. Committee update**

Committee Chair Mermin provided a recap of discussions held by the Committee since the last Board meeting.

### **b. Update on status of all Program Delivery and Evaluation RFPs**

Elizabeth Crabtree, Director of Programs, reported on the status of all outstanding program Requests for Proposals (RFPs). 11 RFPs have been issued in recent months. The first three are for impact evaluations of ARRA funded programs, and these three have now been awarded. Staff is requesting volunteers from the Board to help out on any of the outstanding bids, notably for the Education and Awareness program for which there are 17 proposals.

### **c. Action Item – Approve Annual Subscription to the Commercial New Construction “Core Performance Guide” from the New Building Institute**

**ACTION:** Upon a motion duly made (Mermin) and seconded (Tietenberg), the board voted unanimously to approve the subscription for the Core Performance Guide from NBI.

## **3. Strategic Plan Committee,**

## **4. IT Database Working Group**

**a. IT Workgroup report** -- Mr. Stoddard has reached out to get technical assistance for the development and issuance of an RFP to build (or expand) the database needed to store, retrieve and analyze project data for the expanded mission of the Trust. The head of IT for Efficiency Vermont (VEIC) has recently completed a major expansion of their database and has agreed to provide this assistance to staff during the crafting of the RFP. Staff also reported that the Trust’s current database provider is willing to extend its contract beyond July 1, on the existing terms, to allow more time to issue and review an RFP.

## **5. Other**

### **a. Action Item – Approve Annual Membership in the Consortium for Energy Efficiency (CEE)**

**ACTION:** Upon a motion duly made ( ) and seconded ( ), the board voted unanimously to approve the Trust’s annual membership in CEE. Mr. Stoddard indicated that he would keep Trustees apprised of conferences and other opportunities that they might engage in to take advantage of the membership.

## **b. Legislation Update**

Mr. Fletcher updated board on bills recently heard at the legislature and the perspective of his office (Office of Energy Independence and Security - OEIS). Mr. Fletcher noted that his office is looking at bills for their impact on reduce the cost of energy to people, based on their impact on price and usage (consumption), and whether bills set forth a responsible and enduring approach.

On the budget, Mr. Fletcher indicated that any increase on the price of electricity would be very difficult to support from his office.

On the Solar and Wind Rebate Program, Mr. Fletcher reported that discussions centered on whether and how the program could meet cost-effectiveness criteria.

On Long term contracting, Mr. Fletcher indicated that this could be a means to an end. The desirability of using this means would depend on price, sustainability, and savings.

On RGGI, Mr. Fletcher said that people can debate the merits, but as Maine is already in and so are the other New England states (which set the market price of electricity), so if Maine pulls out of the program, its customers pay the cost increase but see none of the benefits.

Oil, very comprehensive bill. Reduce useage of oil inhome heating and transportation

Lee asked if it were easier to pull out of RGGI, does OIEIS support us doing so. Ken's opinion is get to the least carbon emitting tech; and also gets to foreign oil and tech issues. Much more than greenhouse gases. Has not had this conversation with governor.

Last point on the legislation is transportation issues. Oil dependency bill hasn't been worked in committee and pusehed it back to OEIAS working with EMT in thos common area. Transportation issue much larger.not lead byt EMT active participant. MDS wai and see how worksession goes. Also commented on the bill that stationaly uses of heating oil that the tri plan studies are exactly consistent with target in bill...

MDS give quick summary on legislative summary. Bill heard early this week to estb heating fuel charge. Suppoeted that in tri plan. The board reco in that study that SBC type approach is the best of the worst. In our analysis we did talk to way how the program could be evolved.

Also item on to allow munis to have right to own the street lights on the utility poles. CMP owns them and leases them to towns. Turned disconcerting since 1 million of our budget to subsidize the cost of new streetlights to towns. Pay 100

percent of the cost. Came out after the public session. As it turns out there is no viable way to achieve cost effective energy savings. In the end, the proposal was dropped.

#### **4.0 Public Comment**

Steve Ward spoke on behalf of the CAPS. Offer support of the Board's focus on fiduciary duties. CAPS concerned with having funds diverted from low-income purposes, noting that this is a slippery slope which can take away from programs that have been identified and approved by the Board through a methodical process of making the Triennial Plan and then reviewed and approved by the Public Utilities Commission.

#### **5.0 New Business**

There was no new business.

#### **6.0 Next Meeting Agenda**

The next meeting will be on the first Wednesday of the month, May 4<sup>th</sup>. Ms. Bickerman will email a reminder.

#### **7.0 Adjourn**

Motion to adjourn (McCormick) seconded (Tietenberg), approved unanimously.