

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

May 27, 2015

1. Communications

a. Awareness and Press

- Outreach Events in April and May:
 - Business Incentive Program Manager Meinking was a guest presenter for the Chamber of Commerce
 - The Director of Programs and Communications Manager Charette presented to the Maine Energy Marketers Association's Convenience Store Group May 1, 2015
 - The Residential Team exhibited at a HVAC Installer event in Portland May 1, 2015
 - The Director of Communications presented at a Grants-to-Green meeting hosted by the Island Institute May 13, 2015
 - Residential Program Manager Fischer exhibited at the Cumberland Energy Fair May 18, 2015
- Website
 - 23,689 visits in April 2015
 - compare with 24,049 visits in April 2014
 - 17,583 unique visits in April;
 - 4,462 visits were driven through digital ads
 - Staff is undertaking a number web page optimizations to continue to grow engagement and support the Triennial Plan stakeholder process

b. Call Center

- averaged 283 calls per week in April 2015
- averaged 85 email inquiries per week in April 2015
- received an average of 234 rebate applications per week in April 2015
- Contract for services was awarded by recent RFP process to SaviLinx, LLC, based in Brunswick ME where Call Center operations will shift in late June

c. Government Relations

- The Executive Director provided testimony and information for
 - LD 946 (Amended to a Resolve to place a one-year moratorium on involvement in the Natural Gas Conservation Fund programs by gas utility consumers that use more than 1 million CCF/year)
 - LD 1073 (Solar Rebate for Agricultural Businesses)
 - LD 1215 (Addition of “and” to Omnibus)
 - LD 1221 (Amended such that the bill calls for elevating the Governor’s Energy Office and adding more staff/resource and changing the appointment process for the Efficiency Maine executive director)
 - LD 1314 (“the primary energy policy of the State is to reduce electric rates and costs for the State’s businesses and households as well as to reduce air pollution, including greenhouse gas emissions ... cost-effectively and to the maximum extent practicable.”)
 - LD 1355 (Solar and Heat Pumps), and
 - LD 1382 (Directs future Maine Yankee settlement funds received after July 1, 2016 by any T&D utility to be forwarded to the PUC “for investments in measures that reduce residential heating costs for low-income electricity customers”)

- Remaining bills to be heard:
 - LD 1397 (Governor’s Bill) – Establishes the “Affordable Heating from Maine’s Forests Fund” at the Trust for “investments in measures that reduce residential heating costs... consistent with [the RGGI statute] and must, to the maximum extent practicable, prioritize rural and low-income residences.” Funding will come from the Public Reserved Lands Management Fund: \$1 million in FY16 and thereafter the incremental new revenues above prior annual levels received in the PRLMF.
 - LD 1398 (Governor’s Bill) – Changes the uses of RGGI revenues such that -- in FY16, 17, 18, and 19 -- 40% of RGGI revenues currently targeted for EMT efficiency programs for commercial and industrial (C&I) customers will be moved to the utilities for disbursement to business ratepayers in a manner that provides maximum benefit to the Maine economy. This results in changing the total refund to the business customers to 55% of RGGI revenues (adding 40% to the existing 15%) and allocating 10% for EMT programs to reduce electricity consumption or GHG emissions and lower energy costs at C&I facilities.
 - LD 1400 (Governor’s Bill) – Repeals the Renewable Portfolio Standard (RPS) and repeals net energy billing; changes the Long-Term Contracting authority of the PUC so that contracts may only be for generation that has zero greenhouse gas emissions; also establishes a “distributed generation aggregator” to gather individual owners of DG to maximize energy supply benefits and compensate DG owners.

- Activity at the PUC included:
 - The PUC voted 2-1 not to reconsider its earlier decision to set the electricity conservation funding cap without consideration of the legislative intent to include the word “and.”
 - The Commission staff issued an Examiner’s Report recommending that the Trust’s plan for implementing changes to the Natural Gas Conservation Program be approved, and recommended that certain customers be exempted from participation pending the outcome of a bill at the Legislature

- EMT Staff participated in technical conferences for three separate utilities seeking PUC permission to promote customer adoption of appliances that use the utilities' services and associated energy

2. Program Highlights

a. Business Program

As of 4/30/2015:

i. Business Incentive Program – Electric

- 3,784 projects completed YTD, up from 3,358 projects last month
 - Across 2,302 participants
- Achieving 49,255,921 MWh in first year savings
 - 97% of goal (51,027MWh) at 83% of year complete
 - Compare to the 34,438 MWh first year savings for program in all of FY14
- \$10,670,642 incentives paid YTD
 - \$2,838 = average incentive per project
- Leveraging \$20,160,271 in participant investment in energy efficiency

ii. Business Incentive Program – Natural Gas

- 44 projects completed YTD
- 112,000 therms (11,415 MMBtu) of natural gas saved annually
- Using incentives of \$126,000 YTD

iii. Business Incentive Program – RGGI

- 420 heat pump projects completed in Maine businesses and institutions
 - up from 382 last month
 - 413 participants
- \$915,300 paid in incentives (up from \$851,100 last month)
 - (91% of budget) at 83% of the year gone by
- \$3,744,850 in participant investments leveraged

iv. Multi-Family Program

As of 5/15/2015

- 3,095 apartment units upgraded in 196 buildings
- Forecasting saving 24,000 MMBtu/yr
- \$1.2 million expended YTD from an annual budget of \$1.4 million

v. Large Customer Program

As of 5/22/2015:

Electric Savings PON

- Started the year with a \$15.9 million budget
 - Including roughly \$4.2 million of carryforward commitments made before FY15
 - And \$11.7 of uncommitted new funds in FY15
 - of which up to \$8 million is authorized to be paid from the “long term contract” but is contingent upon arranging qualifying projects by 6/30/2015
- Forecasting
 - ending the year committing \$8.9 million to new projects
 - leaving \$2.8 million in uncommitted funds at the end of the fiscal year
 - \$2.4 million will be Long Term contract funds that will expire and not be able to carryforward into the next fiscal year
 - \$380,000 is uncommitted cash
- Anticipating that the \$8.9 million of new commitments will save 108,000 MWh of annual energy savings over the lifetime of the measures

Large Customer GHG PON

- Started out the year with a \$4.8 million budget
 - Included roughly \$580,000 of carryforward commitments made before FY15
 - And slightly more than \$4.2 million of uncommitted new funds in FY15
- Forecasting
 - Ending the year with \$3.8 million of new funding committed
 - \$434,000 of uncommitted funds remaining at the end of the fiscal year
 - New commitments made in FY15 will save the equivalent of 316,000 gallons of oil per year over the lifetime of the measures

iv. Small Business Direct Install

As of 4/30/2015:

- 471 completed projects YTD, up from 339 last month
 - 266 in Northern Aroostook County
 - 136 in Houlton
 - 31 in Norway-Oxford area with another 66 pending
 - 37 in Waterville-Winslow area with another 59 pending
- 4.3 million kWh/year first year savings
 - Average retail savings to customer of \$110/month
- \$2.15 million expended YTD

v. **Commercial New Construction (Maine Advanced Buildings – MAB)**

As of 5/22/2015

- No new updates
- Pipeline is full compared to budget (\$500,000)
 - Projecting finishing the fiscal year with 100% of funds committed to specific projects

b. Residential

i. Home Energy Savings Program

As of 5/1/2015:

HESP Incentives

- \$8 million spent YTD on total program costs YTD, including
 - \$6.7 million for “Any Fuel” measure incentives
 - \$267,000 for Natural Gas measure incentives
 - \$1 million for delivery services, marketing, admin
- 12,300 total measures installed YTD (as of 5/20/2015), including:
 - 1,877 air sealing and assessment projects
 - More than 900 envelope insulation projects
 - 5,303 supplemental heat pumps
 - 1,000 high-efficiency conventional boilers or furnaces, including more than 200 natural gas systems on Unitil’s system receiving an additional incentive
 - 266 central pellet boilers
- Pace of market uptake has slowed from about 1,400 measures per month last fall to slightly less than 1,000 per month from January 1 to the present
 - Marketing has been modestly increased

ii. Residential Lighting and Appliance Program

As of 5/22/2015:

Lighting

- Nearly 3 million bulbs have been moved YTD, up from 2.6 million reported last month
 - Forecasting 98,000 MWh/year savings
- \$9.8 million in incentives and delivery charges YTD out of annual budget of \$11.1 million
 - forecasting ending the year 95% of program investment goal (leaving carryforward of approximately \$500,000)

Appliances

- 5,225 units installed YTD, up from 3,040 last month
 - Forecasted savings of 3,800 MWh per year
- \$983,000 invested (up from \$952,000 last month) from the budget of \$1.44 million
 - Forecasting expending 100% of the budget by year-end

iii. Low-Income (electric, natural gas, and “any fuels”)

As of 5/22/2015:

Electric

- A portion of the Retail Lighting Program budget continues to be funded with electric conservation funds earmarked for the benefit of low income customers
- CFLs are distributed through the emergency food system for low income customers (food pantries)
- Bundled measure consisting of Heat Pump Water Heater plus CFLs
 - 428 units installed (up from 139 last month) since the launch in January, with a goal of 747 by year-end
 - \$970,000 expended YTD from an annual budget of \$1.5 million

Natural Gas/Unitil Only

- \$200,000 remaining in budget for FY15, planning to be launched at start of FY2016

Any Fuels Initiative (RGGI Funded)

- 211 mini-split heat pumps installed YTD (up from 180 last month)
 - Forecasting 223 by year-end
- \$667,000 in heat pump installations expended YTD (up from \$571,000 last month) from annual budget of \$706,000

c. Strategic Initiatives (Cross Cutting)

i. Evaluation & Data Analysis

- Residential Baseline Study for the Triennial Plan
 - Field Technicians are starting home visits with blower door tests
 - C&I Baseline Study has received protective order from PUC to gather confidential consumer data and is now working with utilities to collect the data
- Third-party evaluator has completed the plan for the Large Customer Program evaluation
- Third-party evaluator has completed the plan for the Business Incentive Program evaluation

ii. Innovation Pilots

- No updates to report

3. Administration and Finance Highlights

a. Administration

- Staff held a kick-off meeting with RKO, the new auditor, who
 - Submitted an initial request for documents and
 - will perform the first round of field work in June

b. Financial

As previously reported to the Finance Committee, as of 4/30/2015:

- Revenues
 - Budgeted revenue receipts from sources in Maine and the region (ISO-NE) are \$40.7 million YTD. The revenues are relative to \$54.9 million budgeted from these sources for use in fiscal year 2015, an amount that factors in up to \$8 million through a PUC-approved long-term contract contingent upon completing qualifying projects in the Large Customer Program plus \$9.2 million of the Phase 2 Maine Yankee Settlement payments
 - The only outstanding revenues not yet received are the fourth quarter payments from RGGI and the electric System Benefit Charges, as well as the future payments that will be owed under the Long-Term Contract
 - A \$50,000 contingency in federal revenues appears in the budget, to reflect prior years' experience, and none of this amount has been drawn down to date
 - The Trust has performed \$2.0 million in interfund transfers YTD out of a full-year budgeted amount of \$2.4 million
 - The Trust has received just more than \$454,000 in miscellaneous revenues (such as interest, payments for the Boothbay NTA Pilot, payments from Summit Natural Gas, etc.) YTD
- Expenditures
 - YTD, the Trust has expended \$44.1 million, up from \$38.6 million reported last month, not including an additional approximate \$8 million in commitments made for projects funded through the Large Customer Programs
 - An additional \$30 million remains encumbered under contracts or is committed pending contract signings to deliver the Trust's suite of programs and individual projects
 - Another \$2 million is being held for statutory commitments to rate relief, agency transfers, and a loan offset fund