

## **6.2 Innovation**

### **6.2.1 Overview**

The Trust's Innovation Program provides funding to conduct pilot projects that demonstrate new types of energy efficiency, conservation, or alternative energy measures, or new strategies for promoting such measures. The program focuses on measures that show significant potential to be cost-effective and to provide energy savings or greenhouse gas savings but are not yet well understood or established in the marketplace. The measures piloted may or may not prove to be cost-effective or popular in the Maine marketplace. Part of the purpose of the Innovation Program is to use smaller pilot projects to generate findings about cost effectiveness and market demand before making larger investments on incentives and program delivery.

The Innovation Program facilitates the early stages of market transformation. It is not intended to target a specific customer segment of the market. By its nature, this program is a tool or an avenue for testing new technologies and strategies if they show significant potential for advancing the Trust's purpose and goals, regardless of which customer sector is served. In doing so, the Innovation Program attempts to transition new products and strategies from being unfamiliar or untested to the point that they can be incorporated into the Trust's resource acquisition, market transformation, and/or carbon reduction initiatives.

The Trust will allocate approximately 0.5% of its total program budgets to the Innovation Program. It will issue one or more competitive solicitations annually to target the specific opportunities and needs for demonstrating new program measures or designs. The Trust may, in its discretion, complement this approach by self-administering certain discreet initiatives to advance the Innovation Program objectives where to do so would be more cost-effective than outsourcing the activity.

### **6.2.2 Objectives**

- Conduct pilot projects testing new technologies or strategies to determine their potential for advancing the Trust's purpose and goals
- Increase consumer awareness of cost-effective options for conserving energy or reducing greenhouse gas emissions
- Create more favorable market conditions for the increased use of energy-efficient products and services

### **6.2.3 Market Barriers**

The Innovation Program is targeted at the barriers facing newly commercialized efficiency products and conservation applications or operations that are not widely understood or employed in the Maine marketplace. First costs tend to be even higher for newcomers that have not generated any economies of scale. Familiarity and acceptance among vendors and their customers are lower for new technologies. In many cases, a technology or process that is new to a marketplace has difficulty demonstrating that its participation in an energy efficiency program will meet the cost-effectiveness test.

## **6.2.4 Program Design**

### **Addressing Market Barriers**

In providing financial support during the early stages of commercialization, the Innovation Program provides new market participants and/or Maine contractors with an opportunity to test performance, raise product or process awareness, and build experience, moving them further along the development curve.

### **Measures Promoted**

Eligible measures include any commercially available energy efficiency, conservation, or alternative energy measure that meets the targeted criteria specified in the Trust's request for proposals and is consistent with any limitations or requirements of the revenue source that funds this program. Eligible measures typically must show that they have the potential to meet the Trust's cost-effectiveness test and that if the pilot project is successful, the measure has a reasonable likelihood of graduating into the Trust's regular program offerings. In the case of pilot projects that are awarded funding through the Regional Greenhouse Gas Initiative (RGGI) Fund, it may alternatively be necessary to demonstrate that the measure can, in theory, quantifiably and cost-effectively achieve greenhouse gas reductions.

The program may, on occasion, promote limited demonstration projects for near-commercial technologies that show substantial energy savings opportunities for the state. The program may also promote demonstration and analysis of varying program designs to help shape the ultimate program design of a full-fledged program in the Trust's portfolio.

### **Incentives and Financial Considerations**

The Innovation Program will use competitive solicitations to screen and select pilot programs for commercialized products or new ways of delivering cost-effective measures. The proposals will dictate the level of financial assistance for a given pilot project. Certain projects may offer financial incentives to customers to promote uptake of a product or process, while other projects may simply seek the Trust's investment of a portion of the costs to install the product or implement the process and then measure and report on the results.

### **Marketing and Outreach**

The Trust notifies a list of interested parties by email when there are new Requests for Proposals (RFPs), and circulates information to relevant trade associations, community groups, and media outlets. These opportunities are also posted on the Trust's website.

Throughout the Triennial Plan IV period, the Trust will conduct outreach and networking efforts with existing public and private organizations. The Innovation Program will seek to leverage the efforts of other agencies and organizations where appropriate.

When the Trust does not have a fully formed, concrete direction for an Innovation Program RFP, it may issue a Request for Information (RFI). This process allows the Trust to solicit ideas from knowledgeable members of the energy conservation community.

### **Quality Assurance/Quality Control**

Quality control features will be determined through the competitive solicitation process. If a pilot project is seeking to demonstrate a particular program design for future consideration by the Trust, QA/QC features will generally be used and tested as part of that demonstration. If a pilot is testing a particular product or process, the steps by which the results will be measured, analyzed, verified and shared should be provided in the bidder's proposal and memorialized in the contract deliverables. The Trust will maximize the use of utility interval data to help measure, verify and analyze the results of pilot projects.

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