

Appendix M
Natural Gas Programs

**Appendix M
Staff Testimony**

**By Ian G. Burnes
8-21-2024**

1. What is the purpose of this testimony?

This testimony describes the Efficiency Maine Trust's (the Trust's) suspension of its natural gas conservation program in Triennial Plan VI.

2. Who is introducing this testimony?

The testimony is provided by Ian Burnes, Director of Strategic Initiatives at the Trust.

3. Mr. Burnes, please state your name, title, and business address?

My name is Ian Burnes, and I am employed by the Trust as the Director of Strategic Initiatives. My business address is 168 Capital Street, Suite 1, Augusta, ME 04330.

4. Please summarize your educational and professional experience?

I have a Bachelor of Arts Degree in Economics from Wesleyan University. I have been working at the Trust since 2009. My responsibilities include the oversight of the strategic initiatives team that implements the Trust's customer tracking database, maintains the Technical Reference Manuals, oversees the program evaluations, and manages the Trust's resource in ISO-NE's Forward Capacity Market. Before coming to the Trust I worked at the Governor's Office of Energy Independence and Security.

5. Please summarize why the Trust has suspended its natural gas conservation program in Triennial Plan V and what its plans are for Triennial Plan VI.

Beginning in FY2025, the Trust suspended all natural gas measures. This suspension reflected the sharply diminished potential for natural gas maximum achievable cost-effective (MACE) natural gas efficiency opportunity.

In TPVI, after applying the AESC 2024 avoided costs, residential weatherization is now cost effective and the Trust will reinstate the program. It will also offer incentives through the Custom Program for commercial and industrial customers.

6. Please explain the Trust's findings related to the cost-effectiveness of residential measures for natural gas conservation.

The Trust reviewed the cost effectiveness of weatherization measures using the AESC 2024 and found that residential weatherization measures were cost effective across two of the three offerings. Moderate income weatherization was not found to be cost effective, but the Trust proposes offering all three measure categories. The Trust is able to achieve administrative efficiencies by using the statewide program delivery infrastructure for natural gas weatherization, but to do this it must have the same offering as Home Energy Savings Program. The savings for weatherization measures are based on the

projects rebated in FY2024 with natural gas avoided costs. It is possible that the moderate-income category would become benefit-cost positive with a different aggregate measure mix (for example, more homes completing air sealing or less homes completing wall insulation), different pre-existing insulation levels, and/or different sized projects.

Table 1: Benefit Cost Ratio Comparison

	Low Income Weatherization	Moderate Income Weatherization	General Income Weatherization
AESC 2021 (TPV)	0.59	0.46	0.85
AESC 2024 (TPVI)	1.01	0.80	1.44

7. Please explain the Trust’s findings related to the cost-effectiveness of Distributor Initiatives natural gas measures.

The analysis of program activity that prompted the Trust to suspend all natural gas measures under this program still stands for TPVI. This analysis shows that the efficient systems that were incentivized under the program became the “baseline” equipment customers choose.

8. Please explain the Trust’s findings related to the cost-effectiveness of Commercial and Industrial (C&I) Prescriptive Program natural gas measures.

The analysis of program activity that prompted the Trust to suspend all natural gas measures under this program beginning in FY2025 still stands as these measures have such a rapid payback that they are likely to persist in the market without requiring additional incentives from the Trust.

9. Please explain the Trust’s findings related to Custom Program natural gas projects.

The Trust has identified a budget for Custom Natural Gas projects based on past program history but the same challenges that led the Trust to suspend the program in FY2025 remain. At the request of the local distribution companies (LDCs), the Trust has been required by Commission order to separately track budgets of each LDC and to limit the use of each budget to projects located in the service territory of each LDC. The practical effect of this limitation is that the Trust must often wait years to accumulate sufficient funds to support projects in a given service territory. Once the Trust does have sufficient funds available, a small number of projects can easily exhaust that program budget in the relevant LDC territory. Requirements for the return of funds unspent or uncommitted within two years of their collection from consumers further contributes to this challenge. The Trust is hopeful that through the Triennial Plan proceeding, that it can work on process with the LDC’s that will overcome these challenges.

10. Does this conclude your testimony?

Yes.