

Efficiency Maine Trust
Board Meeting Minutes
April 24, 2013

Trust Board Members

James Atwell, Chair	Patrick Woodcock
Al Hodsdon, Vice-Chair	John Gallagher
Naomi Mermin	Glenn Poole
Brent Boyles, Treasurer	

Efficiency Maine Trust (EMT) Staff:

- Michael Stoddard
- Connie Packard
- Elizabeth Crabtree
- Andy Meyer
- Rick Meinking
- Anne Stephenson

Other Attendees:

- Beth Nagusky, ENE
- Dylan Voorhees, Natural Resources Council of Maine (NRCM)
- Lisa Smith, Governor's Energy Office
- Ricky Gratz, OPOWER
- Irene Scher, OPOWER
- Claudia King, Falmouth Energy Committee
- Ann Goggin, Goggin Energy
- John Hastings, Central Maine Power

1.0 Welcome and Introductions

Mr. Atwell called the meeting to order at 9:32 a.m. The Board and attendees introduced themselves.

2.0 Approve Draft Agenda and Minutes

ACTION: Upon a motion duly made (Mr. Hodsdon) and seconded (Mr. Gallagher), the Board unanimously approved the draft agenda. Upon a motion duly made (Mr. Hodsdon) and seconded (Mr. Poole) the minutes from the previous meeting were unanimously approved.

3.0 Public Comment

3.1 Mr. Voorhees shared that NRCM was involved in developing a recently printed bill, LD 1426 *An Act to Improve Maine's Economy and Lower Energy Costs through Energy Efficiency*, that touches on Efficiency Maine; the bill hopes to accelerate investments in

energy efficiency. The bill streamlines energy efficiency funding mechanisms. The bill also makes some clarifications to the goals of the Efficiency Maine Trust and directs some RGGI funds to thermal efficiency and creates a fund for voluntary contributions from the heating oil industry.

4.0 Executive Director Report

Mr. Stoddard began his report by mentioning that Efficiency Maine submitted written comments on MaineHousing's 2014 Weatherization Assistance Program Plan.

He reported that projected energy savings from the Business Incentive Program was ahead of schedule for FY 2013 delivery.

He also reported that the Large Customer Program recently awarded a number of grants including to the Rockland Waste Water Treatment Plant, National Distributors, Texas Instruments, Town of Scarborough, Exeter Agri-Energy, Hannaford Brothers, Verso Androscoggin, Huhtamaki, Duck Trap, Jasper Wyman, Village Green Maine, and Maine General Hospital.

Mr. Stoddard added that the Air Sealing Program continues to go well. Mr. Stoddard mentioned that the interim evaluation of the PACE program, which he offered to present at the next Board meeting, will be particularly useful as the Board and policy-makers look for solutions to reduce heating costs and help homeowners take action on energy efficiency measures. He added that the Call Center is making outbound phone calls to Air Sealing Program participants to solicit feedback and encourage them to consider taking further action and taking advantage of PACE loans.

Mr. Stoddard next briefed the Board on the lighting program and mentioned that the lighting program's results are particularly valuable in light of the recent price spikes for electricity generation due to the natural gas "basis differential" that occurred over the winter months. Projects like lighting that reduce winter peak load will suppress prices across the region. Mr. Stoddard cautioned that the current policy initiatives that propose to reduce funding for lighting programs have not considered the key role lighting projects play in achieving price suppression. Mr. Poole concurred and added that the price spikes haven't yet been felt by residential customers because the standard offer takes time to absorb price increases, but will be felt by electricity consumers next winter. Mr. Stoddard then shared that while lighting savings continue to be exceptional, federal standards that increase the baseline for lighting efficiency have resulted in a shrinking delta between high-efficiency and conventional bulbs and will thus cause reported savings to go down in coming years (compared to past years' savings).

Mr. Stoddard closed by reporting that Staff is writing a disaster recovery plan. He said he expects that the plan will likely include the purchase of a back-up computer server that will be housed at a separate location.

5.0 Committee Reports

a. Finance Committee

i. **APPROVE** adjustments to FY13 EMT Budget

Mr. Boyles began the finance report by sharing that committee met on April 18 to review the budget and the budget amendments described in the two memos titled “RGGI budget amendments” and “Additional budget amendments” submitted by Constance Packard.

ACTION: Upon a motion duly made (Ms. Mermin) and seconded (Mr. Poole), the Board voted unanimously to approve the budget amendments and associated program delivery contract amendments.

ii. **UPDATE – FY 14 EMT Budget, Preliminary Concept Draft**

Mr. Boyles briefed the Board on the draft budget and mentioned that the full budget will come before the Board for a vote at the next meeting.

The staff and finance committee are creating a budget based on the Base funding scenario, but have done some preliminary work generating draft budgets in the event that some incremental funding (e.g., 75% MACE recommendation of the PUC), pending before the Legislature, is approved. Mr. Boyles added that it was easier to scale the budget up than down, so the Base budget will be the one appearing before the Board. The Base budget scenario largely reflects allocations used previously in FY 2013, and like the previous year, is based on the proportion of load by customer class. It is also consistent with the budget allocations proposed and approved in the Triennial Plan.

Mr. Boyles added that the draft budget will be discussed by the finance committee at its next meeting.

Ms. Mermin posed questions about the timing of awarding delivery team contracts and how Staff will make adjustments as funding levels are later determined. Ms. Mermin also mentioned that Efficiency Maine has kept staffing levels low but that it might be time to consider moving some delivery-partner responsibilities in-house and building internal capacity in light of potentially changing funding levels.

Mr. Stoddard flagged an issue raised at the Finance Committee which might appear on a subsequent board agenda. There are two invoices from MaineHousing that Staff has not been paid. The reason is that MaineHousing is currently having an internal audit on those files to ensure that the projects complied with applicable state and federal requirements. To keep things as simple as possible, the payment is being held until the review is complete. Mr. Gallagher added that the outside firm reviewing MaineHousing files have already reviewed two HUD grants and have found no cause for concern. The review of the sub-grant from EMT is now underway.

b. Strategic Planning Committee

- i. APPROVE membership in Consortium for Energy Efficiency**
- ii. APPROVE amendment to Heliotropic Technologies**
- iii. APPROVE amendment to Direct Technology**

Mr. Boyles asked the Board to consider a memo from Elizabeth Crabtree to approve EMT's membership in Consortium for Energy Efficiency, and amend the current contracts with Heliotropic Technologies and Direct Technology. Mr. Atwell asked if the Direct Technology contract was a time and materials budget. Mr. Stoddard answered that it was, and that Staff is seeking an extension of the current contract at the same rates.

ACTION: Upon a motion duly made (Mr. Boyles) and seconded (Mr. Hodsdon), the Board voted unanimously to approve membership in Consortium for Energy Efficiency, approve the amendment to the Heliotropic Technologies contract, and approve the amendment to the Direct Technology contract in one motion.

c. Program Reports

i. LED Commercial/Residential Overlap

Several new incentives have been added to both the residential and business programs, and there are some overlaps between them that require careful planning. LED measures are appropriate in both residential and business settings, but EMT seeks to avoid providing double-incentives, double-counting of energy savings, or detrimentally disrupting the marketplace. While most fixtures incentivized through the business program are sold to Qualified Partners at wholesalers, there are also bulbs available at big box stores already discounted by the residential program. Mr. Meinking shared that he and Mr. Meyer collaborated with the program delivery teams to ensure price parity

between bulbs available at wholesalers for commercial customers and those available at retail outlets for homeowners.

Mr. Woodcock asked how efficiency of lamps impacts incentive decisions, especially now that federal light bulb standards affect the baseline. It was reported that program teams look at how other states are approaching lamp incentives. The team evaluates if an incentive is necessary to support an emerging technology, looking at its evaluation reports, market penetration studies, free-ridership values and results in other states.

The Board and Staff discussed the impacts of federal standards, market penetration studies, measure criteria and the assumptions (e.g., around baseline wattage and incremental savings) in the EMT Technical Reference Manual.

ii. EMT Energy Efficiency Heating Report

Mr. Stoddard next briefed the Board on the Energy Efficient Heating Options report which was written as part of directive to LD 1864 *An Act to Improve Efficiency Maine Trust Programs to Reduce Heating Costs and Provide Energy Efficient Heating Options for Maine's Consumers*, passed by the 125th Legislature. Mr. Stoddard thanked Mr. Meyer, Mr. Fischer, and Ms. Stephenson for contributing to the report. The report provides an overview of EMT's current heat pump pilot with Bangor Hydro and Maine Public Service, as well as data on alternative heating options from Efficiency Maine's other programs. The report includes the modeled performance of heat pumps in a typical home, as well as the efficiency and cost-savings of typical residential efficiency projects. Mr. Stoddard shared that the pilot team will be reporting back with a third-party evaluation of the performance of installed units.

iii. Legislative Update

Mr. Stoddard provided a brief overview of the bills that would most likely impact EMT. These include the Governor's Energy Bill LD 1425 and Sen. Boyle's bill LD 1426. Mr. Stoddard added that both 1425 and 1426 contemplate changing how RGGI revenues are invested. In addition, two bills contemplate reallocating revenues from Energy Corridor Infrastructure projects from EMT to other uses. LD 1252 renews the renewable rebate program which was eliminated in a drafting error in 2010. Mr. Stoddard also added that there are also bills that grapple with natural gas pipeline capacity

6.0 New Business

Mr. Hodsdon mentioned that he was involved with drafting a bill on the Kennebec Natural Gas District that will be heard at the Energy, Utilities, and Technology Committee on May 2, 2013.

Ms. Mermin mentioned that Board members may wish to attend the annual CEE meeting in Boston in late May. She asked that staff circulate the agenda and registration information to the Board.

7.0 Next Meeting Agenda and Scheduling

ACTION: The Board set the date to meet on May 22nd at 9:30 a.m.

8.0 Adjournment

ACTION: Upon a motion duly made (Mr. Hodsdon) and seconded (Mr. Boyles) the Board voted unanimously to adjourn at 12:03 p.m.