

**Efficiency Maine Trust  
Board Meeting Minutes  
April 29, 2015**

**Trust Board Members:**

- Al Hodsdon, Chair
- David Barber, Vice Chair
- Brent Boyles, Treasurer
- Lennie Burke
- Scott Dunning
- John Gallagher
- Donald Lewis
- Patrick Woodcock

**Efficiency Maine Trust (EMT) Staff:**

- Ian Burnes
- Peter Eglinton
- Dana Fischer
- James Leyko
- Constance Packard
- Anne Stephenson
- Michael Stoddard

**Other Attendees:**

- Ryan Barry, DNV-GL
- Adam Gifford, CSG
- Brooks Winner, Island Institute
- Tom Snyder, P-S Performance Group

**1.0 Welcome and Introductions**

Mr. Hodsdon called the meeting to order at 9:32 a.m.

**2.0 Approve Agenda and Minutes**

**ACTION:** Upon a motion duly made (Mr. Lewis) and seconded (Mr. Dunning), the Board voted unanimously to approve the draft agenda and approve the February and March Board Meeting Minutes and the April 17 Executive Committee Meeting Minutes.

**3.0 Public Comment on Agenda Items**

There were no public comments offered.

#### **4.0 Executive Director's Report**

Mr. Stoddard began the Executive Director's Report with public outreach efforts of the staff. He thanked Mr. Lewis for inviting him to speak to the Bangor Rotary Club on April 28, 2015. Mr. Stoddard continued the communications report by sharing that call volume has experienced a sustained increase despite changes in the Business Incentive Program.

Mr. Stoddard thanked the Board for its support over the past few weeks with Business Incentive Program (BIP) changes. Mr. Stoddard added that while many of the incentive categories in that program are closed to new applications due to the recent rapidly accelerated volume of activity, there will continue to be significant work for both contractors and the program team through the coming months and fiscal year as more than 1,000 enrolled projects in the pipeline are completed.

Mr. Woodcock shared his view that the Staff had missed the mark on changes in the marketplace and communicating with contractors, and that he would like a deeper debriefing on the program changes and lessons learned. Mr. Stoddard suggested that the surge in demand was caused in large part by the grace period that was made available, which was intended to ease the transition to lower incentives. Instead it caused a flood of requests in an attempt to lock in the original (higher) incentive levels. He acknowledged that the resulting disruption to the marketplace was not ideal and not what the Staff had hoped for. He reported that the Staff is discussing ways in which the Trust can be more nimble to address future changes in the marketplace. Mr. Lewis suggested that perhaps there could be a way to solicit anonymous feedback on market conditions and prices in order to have quicker access to marketplace trends. Mr. Stoddard committed to organizing a future discussion around the lessons learned from the FY15 experience of the Business Incentive Program.

Mr. Stoddard next reported on the Small Business Initiative, indicating that while this is the first year of the program, the Staff is interested in continuing it in FY16 with certain refinements. He also reported that the HESP Program has launched a digital ad campaign reminding homeowners that spring is a good time for home energy projects. Loan activity and HESP incentives slowed as projected in the mid-winter months. Mr. Stoddard reported that while activity has started to pick up over the past few weeks, it appears that it has not yet regained the rate of activity seen in the first two quarters of the program year. Mr. Stoddard then briefed the Board on the retail program and shared that the program is on track to be fully invested. The Low Income Program has recently begun installing heat pump water heaters (HPWHs) and CFLs in eligible homes, and is on track to reach its goal of 700 HPWH installations by the end of the fiscal year. Mr. Hodsdon asked Mr. Stoddard for an update on the Trust's work on customers in arrears. Mr. Stoddard shared that the Staff has been meeting with the utilities and are waiting on PUC approval of utility plans to proceed with outreach.

## 5.0 Committee Reports

### (a) Finance Committee

#### i. **Financial Reports**

Mr. Boyles called the Board's attention to the Financial Reports in the Board packet. He indicated that much of the current program and financial activity had been covered in the Executive Director's Report. He reiterated that some of the funds in the Large Customer Program (from the Long Term Contract) are contingent upon the Trust committing those funds to specific projects by June 30 this year.

#### ii. **APPROVE Discontinuation of HUD PowerSaver Loan Involvement**

Mr. Boyles directed the Board's attention to a memo from Mr. Fischer and Mr. Eglinton dated April 29, 2015. Mr. Boyles briefed the Board on the end of PowerSaver Pilot grant period. Mr. Boyles outlined the options for continuing the branded PowerSaver loan or replacing it with something similar, as discussed by the Finance Committee. Mr. Boyles indicated that the motion to replace it with something similar was the recommendation of the Finance Committee. Mr. Hodsdon noted that, to date, there have been no defaults in the loan program and that it has an excellent track record.

**ACTION:** Upon a motion duly made (Mr. Boyles) and seconded (Mr. Lewis), the Board voted unanimously to authorize modification of the existing AFC First PowerSaver contract to offer an equivalent secured loan product with identical consumer credit criteria to the existing PowerSaver product with expanded eligibility to 2-, 3-, and 4-unit dwelling buildings.

#### iii. **FY2016 Budget Overview – Staff Briefing**

Mr. Stoddard provided an overview of the rationale for fund allocations in the FY16 budget that will be outlined in greater detail at the May Board Meeting. He briefly reviewed the directives from statute, case settlements, and other authorizations that impacted the trust's various funds and programs. Mr. Stoddard reminded the Board that the electricity saving program budgets generally will be allocated 40% for residential programs, 60% for business customer programs, in proportion to their share of statewide load. He indicated that in FY16 a very small amount of non-committed funds are forecast to be carried forward. He added that Staff was interested in knowing if the Board would suggest a goal for the amount of year-end, budget-wide carry-forward to aim for in future budgets. It was reported that at the Finance Committee meeting, Mr. Fletcher had offered that a 10-20% goal might be prudent. Mr. Stoddard added that RGGI funds, in particular, are unpredictable and that since RGGI balances are now almost entirely committed or expended, the Trust might find itself short of funds if future

RGGI auction revenues were to be less than forecasted. Mr. Hodsdon added his view that it was important for the Trust to invest the funds it had this year as fully as possible in order to maximize future FCM revenues.

Mr. Barber asked for clarification about the ability to manage cash flow across funds. Mr. Stoddard answered that Staff have limited discretion for transfers, and that money can only be transferred within funds, not across them, and consistent with the Triennial Plan. Mr. Woodcock suggested that funds that cannot be invested could be sent back to the PUC for redistribution to ratepayers. Mr. Stoddard noted that the Trust also is required to invest in all cost-effective energy efficiency, and added that the Staff works to ensure that all program measures meet the cost-effectiveness test and have a high degree of confidence that they are prudent investments.

Mr. Stoddard closed by saying that the budget does not include a change in staffing and that staff benefits will be rebid.

**(b) Program Committee**

**i. APPROVE – Consortium for Energy Efficiency (CEE) Annual Membership**

Mr. Eglinton summarized a memo dated April 17, 2015 recommending that the Trust continue its membership for another year in the Consortium for Energy Efficiency. The Trust has been a CEE member for more than 5 years. Membership dues for 2015 are \$18,673 and give the Trust access to services and events related to both electric and natural gas efficiency programs and issues. The cost for these dues was previously factored into the current FY15 budget.

**ACTION:** Upon a motion duly made (Mr. Dunning) and seconded (Mr. Barber) the Board voted unanimously to authorize the Executive Director to enroll Efficiency Maine as a 2015 member of the Consortium for Energy Efficiency in the amount of \$18,673.

**ii. APPROVE New Buildings Institute (NBI) Annual Sponsorship for Curriculum and Tools Used in New Construction Program**

Mr. Eglinton summarized a memo dated April 17, 2015 recommending that the Trust continue its sponsorship of the New Buildings Institute to support the so-called Maine Advanced Buildings Program.

**ACTION:** Upon a motion duly made (Mr. Boyles) and seconded (Ms. Burke), the Board voted unanimously to authorize the Executive Director to enroll Efficiency Maine as a 2015 member of the National Building Institute Advanced Buildings initiative in the amount of \$40,000.

**iii. UPDATE on Avoided Energy Supply Cost Study (2015)**

Mr. Leyko presented the most recent update to the Avoided Energy Supply Cost Study for New England. This is a report funded and shared by the efficiency program administrators of New England – utilities, Efficiency Vermont, Efficiency Maine – with advisory input from representatives of public utilities commissions and advocates for low income and ratepayers. It models the avoided cost value that is necessary for use in performing cost-benefit calculations used in the Technical Reference Manual, annual reports, program evaluations, and developing the Triennial Plan.

Mr. Leyko presented the results of the study update including how it changed from previous years. Mr. Boyles asked if the study uses the forecasts submitted by the utilities to the PUC. Mr. Burnes replied that the study was largely completed using ISO-NE data, futures prices, and offered to provide additional information on the sources of data and assumptions used. Mr. Woodcock asked how much of an impact long-term energy costs had on the model since so many aspects of natural gas pipeline expansion were uncertain. Mr. Burnes answered that the AESC contractor and regional study committee reviewed and debated energy forecasts and that the energy model was determined to reflect the most-likely future scenario. He added that Staff would provide more details on the assumptions used in the Study. Mr. Woodcock added that a recent PUC study on future prices reflected lower natural gas prices than were assumed in the AESC study.

Mr. Stoddard concluded the presentation by adding that the AESC cost calculations will be incorporated into the development of the Triennial Plan and will be submitted to the Commission.

**6.0 New Business**

Mr. Barber asked if a future program committee agenda could include a follow-up on the Maine Uniform Building Energy Code and enforcement.

**7.0 Next Meeting Agenda and Scheduling**

The next Board meeting was set for Wednesday May 27 at 9:30 a.m.

**ACTION:** Upon a motion duly made (Mr. Barber) and seconded (Mr. Lewis), the Board voted unanimously to go into Executive Session at 12:04 p.m.

## **8.0 Executive Session: APPROVE Staff Salary Schedules**

The Executive Director briefed the Board on a proposal to amend the salary schedules for Staff.

**ACTION:** Upon a motion duly made (Mr. Boyles) and seconded (Mr. Barber) the Board voted unanimously (Mr. Woodcock, Ms. Burke, and Mr. Dunning were absent) to amend the salary schedules for Staff.

**ACTION:** Upon a motion duly made (Mr. Boyles) and seconded (Mr. Barber) the Board voted unanimously (Mr. Woodcock, Ms. Burke, and Mr. Dunning absent) to adjourn at 12:25 p.m.