

Efficiency Maine Trust
Board Meeting Minutes
April 24, 2013 Final

Trust Board Members

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

Efficiency Maine Trust (EMT) Staff:

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

Other Attendees:

- Beth Nagusky, ENE
- Dylan Voorhees, 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 voted to unanimously approve 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 with writing 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 a letter on MaineHousing's 2014 Weatherization Assistance Program Plan. Mr. Stoddard shared that the Business Program was a little ahead of schedule for FY 2013 delivery. 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, and that he hoped to include the preliminary evaluation of the PACE program, including the air sealing program, at the next meeting. Mr. Stoddard mentioned that the PACE evaluation 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. Currently, the call center phones Air Sealing Program participants to solicit feedback and encourage them to take further action.

Mr. Stoddard then briefed the Board on the lighting program and mentioned that the lighting program's results are particularly valuable in light of the price spikes for electricity generators 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 the dripe effect. 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. Atwell asked about the amount of the standard offer price increase. Mr. Stoddard replied that it is bid out every year and that the winter price increases will be spread out over the year. 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.

Mr. Stoddard closed his report by sharing that Staff is writing a disaster recovery plan and will then turn to implementing recommended strategies. These will likely include the purchase of a back-up 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 18th 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. These amendments allow the program delivery team to ensure that the funds are best utilized in the last quarter of the fiscal year.

ACTION: Upon a motion duly made (Ms. Mermin) and seconded (Mr. Poole), the Board voted to unanimously approve the budget amendments and associated program delivery contract amendments described in the two memos “RGGI budget amendments” and “Additional budget 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 at the next meeting. The staff and finance committee are creating a budget based on base funding, but have draft budgets if the full-funding (75% MACE), included in the State Biennial Budget, 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 is based on the allocations from FY 2013, and like the previous year, is based on the proportion of load by customer class. They are 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 their next meeting and shared with the whole board with as much advance notice as possible.

Ms. Mermin asked if the delivery team contracts will be awarded before the next board meeting and if those contracts will be amended if additional funding is allocated to EMT. Mr. Stoddard answered that most contract proposals are currently under review and that most contracts will be awarded in advance of the May board meeting. Ms. Mermin added that delivery team contracts and staffing should be a topic of a future strategic planning committee meeting. She 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 changing funding levels.

Mr. Stoddard flagged an issue raised at the Finance Committee which might appear on a subsequent board agenda. An invoice from MaineHousing to Efficiency Maine that has not yet been paid; MaineHousing is currently having an internal audit on those files to ensure that the projects met competitive procurement procedures. 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 EMT grant 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 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 to unanimously 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

Mr. Stoddard began the discussion of LED incentives by sharing that the staff thought it would be useful to share how program design and delivery evolves over the course of the year as prices change or new technologies become readily available. In the case of LEDs, several new incentives have been added to both the residential and business programs, and there are a number of overlaps between them that

require careful planning. LED measures are appropriate in residential and business settings, but EMT needs to avoid providing double-incentives or double-counting energy savings. 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 Mr. Meinking and Mr. Meyer to discuss how efficiency of lamps impacts incentive decisions, especially now that federal light bulb standards affect the baseline. Mr. Meinking replied that at a minimum, light bulbs must meet ENERGY STAR standards. In addition, the program teams look at how other states are approaching lamp incentives. The team evaluates if an incentive is necessary to support an emerging technology that makes sense in the Maine marketplace, and on the other hand, if incentives are no longer necessary for adoption. Mr. Stoddard added that there is no written standard but rather EMT takes a process-oriented approach and juggles a variety of factors including the savings potential, share of market, and the cost incremental between the baseline and the high-efficiency model.

Mr. Woodcock shared that he is skeptical of the necessity of lighting rebate programs. Ms. Mermin replied that lighting programs are the dominant strategy for resource acquisition for efficiency programs across the country. She added that the experience of other states, and EMT's Opportunity Study, demonstrate that there are significant unrealized lighting savings.

Mr. Atwell asked if incentives were determined by performance or by manufacturers, and by extension what percentage of light bulbs qualify for incentives. Mr. Woodcock added that ENERGY STAR rated bulbs are a large portion of the market and therefore might not be the best indicator of performance. Ms. Mermin replied that ENERGY STAR offers a base-level certification that ensures that the product has been tested and performs as described. Energy savings from the baseline remain the most important consideration for incentive decisions. Mr. Meyer added that baseline is determined by when EISA regulations have discontinued the sale of incandescents, but that there is a significant delay between the regulations and when bulbs are no longer available. EMT's current approach of a six month delay after EISA regulation to adjust the baseline is very conservative and in fact, most lamps are available in retail outlets for much longer.

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 report back with a third-party evaluation of the performance of installed units. The BHE-MPS pilot was chosen for the project's reduction in greenhouse gas emissions. EMT compares projects, like air source heat pumps, by source energy comparisons rather than site energy.

Mr. Woodcock added that there is a bill under consideration that would allow the utilities to charge a higher electric rate for individuals participating in the heat pump program, this model would allow the utilities to recoup their investment in homeowner rebates.

iii. Legislative Update

Mr. Stoddard provided a brief overview of the bills that would most likely impact EMT and require the attention of the board. These include the Governor's Energy Bill LD 1425 and the bill mentioned by Mr. Voorhees, 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.

9.0 Adjournment

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