

Efficiency Maine Trust

Board Meeting
April 29, 2010

Meeting Minutes
Approved: May 26, 2010

Date: Thursday, April 29, 2010
Time: 9:30 a.m. to 12:30 p.m.
Location: Ballard Room, PUC Offices, Hallowell, ME

Attendance:

Trust Board Members				Efficiency Maine Trust Staff/Consultants	
✓	Adam Lee, Chair		Dale McCormick	✓	Michael Stoddard
✓	Naomi Mermin, Vice Chair	✓	John Kerry	✓	Jean Guzzetti
	James Atwell, Secretary	✓	Glenn Poole	✓	Cindy Talbot
✓	Michelle Atherton, Treasurer	✓	John Rohman	✓	Lynn Kinney
		✓	Tom Tietenberg	✓	Linda Pistner

Other Attendees:

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| <ul style="list-style-type: none"> • Kurt Penney, The IRC Group • Virginia Archambault, Vreeland Marketing • Midge Vreeland, Vreeland Marketing • Bruce Harrington, ERS • Jennifer Puser, OEIS • Kathy Mockler, Burgess Advertising • Kendall Kurz, Burgess Advertising • Charlie Woodworth, OEIS | <ul style="list-style-type: none"> • Tom Palma, Unitil • Stephen Ward • Ann Goggin, Green Oak • John Davulis, GDS • Denis Bergeron, PUC • Dylan Voorhees, NRCM • Sam Nutter, CSG • Fred Kimball, Distribution Design |
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1.0 Approve Draft Agenda and Minutes

The meeting convened at 9:32 a.m.

ACTION: Upon a motion duly made (Kerry) and seconded (Tietenberg) the Board voted unanimously to approve the agenda for this meeting.

ACTION: Upon a motion duly made (Mermin) and seconded (Kerry) the Board voted unanimously to approve minutes of the April 7, 2010 meeting.

2.0 Executive Director (ED) Report

Michael Stoddard, the Trust's ED, provided reported on the following topics:

- **MOU between PUC and the Trust regarding RGGI Responsibilities**

Draft wording for this MOU was submitted to the Board and the PUC for review. There don't appear to be any areas of disagreement and, therefore, Stoddard committed to sign it after the meeting.

- **Retrofit Ramp-up Grant**

The DOE awarded Maine a \$30 million grant under this program. Only one other state had a higher award level. Funds are expected on or about June 1. Stoddard is meeting with Efficiency Maine staff, MSHA, SPO and others to determine how the program will be modified to meet the funding awarded, which was lower than requested. Towns have been contacting him and the Efficiency Maine staff relative to the local legislation that is required to implement this program.

Lee suggested adding information to the Trust's website on the program status and how municipalities and homeowners can get information on this program.

Mermin asked whether the original grant request scope was being scaled back selectively, i.e. to ensure sufficient emphasis on the financing piece and to delete the other non finance related programming. Stoddard indicated that the expectation is to scale back or eliminate other programs so that the financing piece is paramount and sufficiently large to sustain the revolving loan fund concept of the original proposal.

- **Triennial Plan Update – PUC filing**

The Trust's Triennial Plan was filed with the PUC and Docket No. 2010-116 was opened on April 27. Data from the Trust's consultants are being delivered to the PUC to aid in their review. The PUC is committed to completing the review process within the legislatively specified 60-day window.

Tietenberg noted that the PUC was holding public meeting on the afternoon of the Trust's next meeting, May 26. Stoddard noted that the meeting date would be publicized on the Trust's website.

- **HR Update**

Stoddard has posted about 10 positions and applications are being received. He is working with two HR consultants to screen resumes and conduct initial interviews and he is looking for two or three board members to assist with final interviews for the CFO and Director of Programs positions. Kerry, Mermin, Lee and Atwell will participate in these interviews during the second week of May.

Jean Guzzetti has been hired in the position of Transition Manager.

- **Procurement Procedure**

Stoddard has met with ERS and plans to have a proposed contract extension to the board by the next meeting. The contract would continue existing services, consistent with the annual 3 percent billing rate escalator, and will include some work on new programs and developing a contractor incentive program.

Stoddard is meeting with Burgess Advertising the week of May 5.

He will seek assistance from Lee, Atwell, Poole and Mermin.

Mermin noted consideration of the following issues related to the delivery team contract:

- Improving customer service and avoiding “siloes” programs. She urged improving customer service access in the new contract and stressed the need to make ‘where to call’ easier for the customer.
- She would like more information on the contractor incentive program.
- She would like information on the quality control measures in the current contract.

Regarding the marketing contract, Mermin urged consideration of contracting marketing services for a shorter duration and possibly separating the different aspects of the current all-inclusive marketing contracting to different providers.

Linda Pistner would like to review the proposed contract extensions because the contracting party is a different entity.

The Trust is beginning to purchase computer hardware to support the new organization. Lynn Kinney is preparing a list of needed items and Michael is working with Lynn to refine the list. The total cost is approximately \$45,000.

3.0 Forward Capacity Market Show of Interest (SOW)

Poole reported that the work group met to discuss the SOW for FY14 due May 12, and the process for participation in the Forward Capacity Market.

The Trust must register with ISO-New England (ISO-NE) and may opt to become a voting member. Full membership is more expensive and takes time; however, members are able to provide input to the organization’s policies.

Discussion followed on whether to become a full, voting member. Stoddard and his staff will first register as a non-voting member and then work toward voting membership at a later time. For the May 12 SOW, Denis Bergeron will submit the required information on behalf of the Trust in accordance with the previously-approved MOU.

Bergeron provided a spreadsheet showing a range of energy savings projections based on funding levels and other factors. Discussion followed regarding the high, mid and low projection levels, what funds are included in the savings projections, factors which may affect the decision, the bids in current and future auction cycles, and the risks of bidding too high or too low.

Mermin suggested that the Board should bid the lowest of the high bid scenarios, which assumes a 3.5 mill/kWh rate approved in the Tri Plan but zero from RGGI, because it is consistent with the direction of the Triennial Plan and is still a relatively conservative bid give the exclusion of the RGGI funds. In addition the discussion has identified several other methods and opportunities to reduce risk from over bidding.

Glenn Poole supported the use of the lowest of the high bid scenario because there could be significant value to the Trust and the risks could be mitigated.

Lee asked for public comment on this subject. Dylan Voorhees asked what other states particularly in New England, are doing as they are in similar positions regarding increasing their SBC. Bergeron responded that states are not open about their bid strategies.

ACTION: Upon a motion duly made (Lee) and seconded (Poole) the Board voted unanimously to direct Bergeron to bid 21,778 kW for this SOW.

4.0 Banking Services Selection

Stoddard has met with the Efficiency Maine staff and others regarding the process of issuing an RFP for banking services. An RFP was drafted; however, Stoddard learned that the timeline requiring transfer of funds by July 1 would likely not allow for a robust RFP process and he recommended that the Trust select an interim bank immediately to allow time for transfers, etc. Then the Trust can issue an RFP for a longer term banking relationship.

Lynn Kinney reported on the activities that would be required to complete a transfer prior to July 1. Her experience is that 6 to 9 months is typically required to complete a full RFP process and transfer of accounts. Discussion followed among Board members regarding the required time frame, needed services, and qualifying banks.

Lee requested that Stoddard distribute the draft RFP to the board for review. The Trust will continue to work with the existing bank, Camden National, for the transfer of funds as of July 1.

Atherton will work with Camden National to assure that they are able to provide all needed services in the interim.

5.0 Natural Gas Efficiency Program Administration

Stoddard and Efficiency Maine staff have met with Unitil to discuss the program for the upcoming year and the funding available. Discussions continue on whether delivery of the programs will remain with the utility or will reside with the Trust's staff.

Poole questioned whether the utility is obligated to report the number of conversions from heating oil to natural gas. Tom Palma of Unitil indicated that they do not currently report this but that it can be included in the reporting requirements. Basically, the programs will remain the same, but the financial mechanisms and incentives will change to reflect current best practices.

Mermin noted the need for one point of entry for all customers and stressed making it easy for customers to get information on all programs. Stoddard said that the parties involved in the contract negotiation are discussing this.

6.0 New Business

- John Kerry requested a report from Stoddard on the Wind Working Group/Community Wind. Stoddard reported that Efficiency Maine has been the recipient of federal grants to promote wind power and now it is unclear where that program will reside. Should the Trust take it over or should the interested parties form a non-profit group to drive this, or should the OEIS take this on. It was determined that this program is well suited to the mission of OEIS and that it is more policy-related than the mission of the Trust. Stoddard's recommendation is that OEIS be the point of contact for the Wind Working Group and other interested parties.
- Mermin questioned whether the staff has determined a process for looking at the policy issues surrounding the BPI certification requirement. Stoddard reported that the Residential Team at Efficiency Maine has scheduled an all-day meeting the week of May 5 to discuss issues associated with residential programs, including this question, the PACE legislation, etc. One objective for that meeting is to develop a process for addressing the BPI certification question and the implementation of the PACE/Retrofit Ramp-up grant.
- Kerry commented that he is uneasy with the workload being placed on the ED and he urged the Board to prioritize the demands placed on staff and urged clear and frequent communications.

7.0 Public Comment

None offered

8.0 Next Meeting Agenda

Next Meeting: Wednesday, May 26, 2010, 9:30 a.m., PUC Offices

No agenda items were listed at this time.

9.0 Executive Session

ACTION: Upon a motion duly made (Lee) and seconded (Mermin) the Board voted unanimously to enter into executive session for the purposes of discussing the salaries of staff members at 12:20 p.m.

At 12:46 p.m., upon a motion duly made (Tietenberg) and seconded (Mermin) the Board voted to end the executive session.

10.0 Adjournment

ACTION: Upon a motion duly made (Rohman) and seconded (Lee), the Board voted unanimously to adjourn the meeting at 12:47 p.m.