

**Efficiency Maine Trust  
Board Meeting Minutes  
August 20, 2014**

**Trust Board Members:**

- Al Hodsdon, Chair
- David Barber, Vice Chair
- Brent Boyles, Treasurer
- Kenneth Fletcher, Secretary
- Lennie Burke
- Scott Dunning
- Patrick Woodcock
- Michael Baran for John Gallagher

**Efficiency Maine Trust Staff:**

- Ian Burnes
- Laura Martel
- Andy Meyer
- Constance Packard
- Anne Stephenson
- Michael Stoddard

**Other Attendees:**

- Will Beck, MEMA
- Dylan Voorhees, NRCM
- Bill Bell, MPFA
- Lisa Smith, Governor's Energy Office
- Tom Snyder, P-S Performance Group

**1.0 Welcome and Introductions**

Mr. Hodsdon called the meeting to order at 9:38 a.m. The Board and attendees introduced themselves.

**2.0 Approve Draft Agenda and Minutes**

**ACTION:** Upon a motion duly made (Mr. Boyles) and seconded (Mr. Barber), the Board voted unanimously to approve the draft agenda. Upon a motion duly made (Mr. Barber) and seconded (Ms. Burke) the Board voted unanimously to approve the June minutes, while making a correction to a typo on page 3.

**3.0 Public Comment on Agenda Items**

Mr. Hodsdon congratulated Mr. Voorhees on the recent birth of Mr. Voorhees' third daughter.

**4.0 Executive Director Report**

Mr. Stoddard began the Executive Director's report by sharing that Staff is currently wrapping-up year-end FY14 financial reports and program results and that the audit team

form MacPage is on-site reviewing files. He then moved to an update media relations and outreach, and reported that as marketing increases for the business programs, he will be contacting the Board for their help in reaching out to their contacts. Mr. Stoddard will also be sharing an invitation for a luncheon hosted by Efficiency Maine at the MaineBiz Momentum Convention.

Mr. Stoddard reported recent monthly performance of the Business Incentive Program which is at its highest investment level ever; it is currently on target for the year. He also reported that, the Small Business – Direct Install Program will be launched at the beginning of September.

The presentation then moved to residential programs. Mr. Stoddard updated the Board on the HESP program and shared that the HESP Stakeholder Meeting held in mid-July was very fruitful. More than 75 stakeholders attended, and many offered verbal and written comments. Staff is working to address comments and will be following-up with the Board and attendees including any changes to the program. One long-planned change to the efficiency standard for heat pumps has already been implemented.

Mr. Stoddard closed the Executive Director’s Report with a briefing on administrative matters. The Trust’s office has moved across the street to 168 Capitol Street. The office now has space for Board Meetings and meetings will shift from the Governor Hill Mansion after the room is furnished. Mr. Peter Eglington will be joining the Staff as Program Director starting September 15. Mr. Badeau recently resigned as Director of Communications; he will be replaced by Dr. Stephenson who currently serves as Communications Manager. Mr. Burnes has taken on new responsibilities managing Strategic Initiatives including the Trust’s involvement in the Forward Capacity Market, tracking and managing program data and evaluations, and managing regulatory matters at the Public Utilities Commission. The Board congratulated Mr. Burnes and Dr. Stephenson.

## **5.0 Reports**

### **a. Finance and Administration Committee**

#### **(i) REVIEW Financial Reports for FY15 Year-to-Date**

Mr. Boyles introduced the financial reports and directed the Board’s attention to the next motion.

#### **(ii) APPROVE Budget Adjustments to FY15 Budget**

Mr. Boyles directed the Board’s attention to a memo from Mr. Stoddard dated August 7, 2014. The memorandum described the Staff’s recommendation to adjust the FY15 budget by moving funds out of the

Business Incentive Program and into two other programs where there is a greater need and higher likelihood of fully investing the funds during this fiscal year.

Mr. Woodcock expressed his concern with the third recommendation to move \$4 million dollars to the residential program. Mr. Woodcock mentioned that the Governor's Office gets many inquiries about business electric rates and stated he is concerned about actions that could potentially increase energy costs for businesses.

Mr. Boyles commented that this concern should be balanced with the need to invest the funds in energy efficiency in a timely manner, and that the shift in funds was the best way to ensure that they were fully invested this fiscal year. Mr. Hodsdon added that this question could also be revisited again should the investment level of the Business Incentive Program change. Mr. Stoddard noted that it is the Staff's opinion that the 40/60 (residential programs/business programs) split that guides our budget allocations should be measured and achieved over a number of years, but that it need not be maintained with precision in each individual year. Mr. Stoddard added that investing in residential energy efficiency is possibly the best way the Trust can reduce winter peak and reduce the looming impacts of the (natural gas) basis differential. This in turn could have a significant impact on lowering prices to benefit Maine businesses operating this winter.

**ACTION:** Upon a motion duly made (Mr. Boyles) and seconded (Mr. Barber) the Board voted to approve an adjustment to the FY15 budget in which \$5.3 million of forecasted carry forward from the FY14 budget allocation is added to the (electric) Business Incentive Program; \$2 million is then moved from the FY15 revised (electric) Business Incentive Program to the (electric) Small Business Direct Install budget; and \$4 million is moved from the FY15 revised (electric) business Incentive Program to the Residential Lighting, Appliance and Electric Program. Mr. Hodsdon, Mr. Barber, Mr. Fletcher, Mr. Boyles, Ms. Burke and Mr. Dunning were in favor; Mr. Woodcock and Mr. Baran opposed.

## **(b) Program Committee**

### **i. REVIEW Appliance Rebate Program Evaluation**

Mr. Burnes led a review of the recently completed Appliance Rebate Program process and impact evaluation. Mr. Burnes recounted the evaluation methods and results of cost-effectiveness tests for the measures included in the program. The overall program was found to have a net Total Resource Cost test of cost-effectiveness of 1.73 and a net Program Administrator Cost test cost-effectiveness of 1.96. Mr. Burnes also

reviewed other program findings including low income participation and participant satisfaction. Mr. Burnes closed the presentation with the ten recommendations made by the evaluation team and the Trust's responses; Mr. Burnes described the recent program modifications which should result in lower numbers of free riders in the future.

**ii. Briefing on the Forward Capacity Market (FCM) and the Trust's Involvement**

Mr. Burnes provided an introduction to the Forward Capacity Market and the Trust's Forward Capacity Market participation. Mr. Burnes described the market and the requirements for participation including the qualification process for new and existing resources. Mr. Burnes described the timeline for auction participation and the resources Efficiency Maine has bid into the market.

Mr. Barber thanked Mr. Burnes for his presentation and asked Mr. Burnes if some of the same activities will be important as time of use rates become more significant. Mr. Woodcock added that the Forward Capacity Market has huge implications for the energy markets, especially for renewable energy projects.

**6.0 New Business**

Mr. Woodcock asked that the Board be briefed on the Staff's recommendations for the HESP program; he mentioned that he was watching the number of pellet boiler incentives carefully. Mr. Woodcock also mentioned to the Board that he was working with Mr. Stoddard and Mr. Burnes on addressing some operational issues at a biomass cogeneration facility installed by the Bureau of General Services as part of the Large Customer Program.

**7.0 Next Meeting Agenda and Scheduling**

The next Board Meeting date was set for Wednesday September 24.

**8.0 Adjourn**

**ACTION:** Upon a motion duly made (Mr. Fletcher) and seconded (Mr. Barber) the Board voted unanimously to adjourn the public meeting at 12:02 p.m.