

Executive Director's Summary Report
to the Board of Trustees
of the
Efficiency Maine Trust

February 27, 2013

I. Communications

a. Government Affairs

The PUC recently voted to approve a contract between the IOU utilities and the Trust for the delivery of energy savings resulting from certain projects funded through our Large Customer Program. The contract will be referred to the Legislature for approval.

The PUC voted unanimously to approve the Triennial Plan. The Commissioners voted to leave natural gas funding at its current levels, and not to approve a specific increase in funding to meet the cost-effective potential for new combined heat and power (CHP) projects. The Commissioners also directed the PUC Staff to prepare an order recommending that the Triennial Plan budgets be approved at three-quarters of the MACE amounts provided in the Plan as initially submitted. This approach, according to the commissioners, would ensure that they were taking a very cautious approach by making all the most conservative assumptions possible in making their calculation of how much of the efficiency resource in Maine was cost-effective.

Separately, at the request of the co-chairs, Staff presented to the Energy and Utilities Committee of the Legislature a briefing on how the Trust deploys RGGI funds.

b. Awareness and Press

In the last two weeks there have been several stories about proposed changes to RGGI and the use of RGGI funds. On February 23, the Portland Press Herald ran an OpEd discouraging policymakers from reducing the electric system benefit charge and diverting RGGI funds away from efficiency programs, as was proposed by the Governor's office at a recent hearing before the Energy and Utilities Committee of the Legislature. The editorial opined that by "diverting away from energy efficiency the revenue from Maine's share of Regional Greenhouse Gas Initiative auctions, the governor would deprive Maine businesses of the best tool they have to reduce the energy-related costs of doing business in Maine." The proposal to reduce funding for the Trust's programs that target lower costs for Maine businesses

was also the subject of a critique from a regular columnist in the Portland Press Herald on February 17. That column, plus an article in the Bangor Daily News, also expressed interest in the proposal to increase the use of RGGI funds to help Maine homeowners address their heating costs.

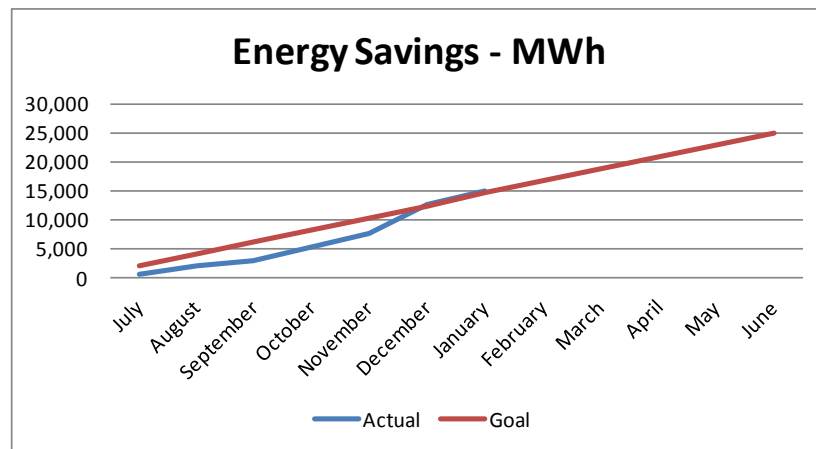
On February 18, MaineBiz ran a long story on the heat pump pilot program that is operated by Bangor Hydro and uses Efficiency Maine funds for rebates. The story also discussed CMP's rebate program for electric thermal storage units.

II. Program Highlights

a. Business Program

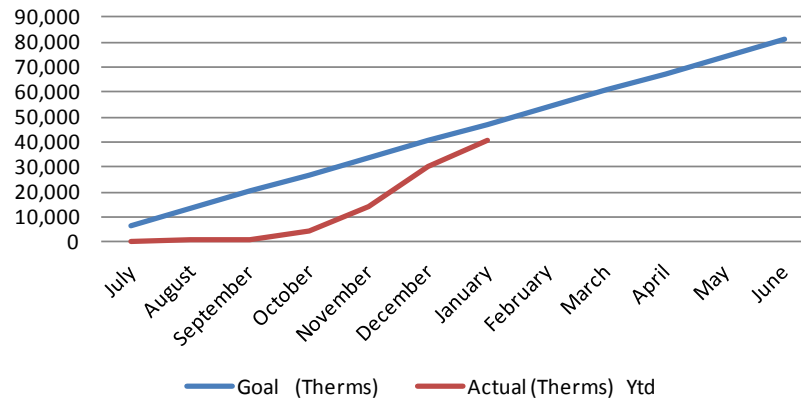
i. Business Incentive Program

- 15,111 MWh – deemed energy savings YTD,
- 60% of energy savings goal at 58% of program year completed
- 1,179 projects completed
- Incentive Paid YTD - \$2,113,441



- NATURAL GAS
 - 10 Completed Projects in January – YTD 44 projects completed
 - 41043 Therms saved 51% of goal YTD, at 58% of year
 - Incentive payouts (Jul-Dec) \$91,2162

Energy Savings



ii. Multi-Family Program

- 1783 units have been submitted for program participation YTD
- 1443 units have completed benchmarking, which is 58% of annual goal
- 789 units have completed and submitted energy audits for review
- 620 units have received an audit approval
- 368 units have reserved project incentives
 - 30 units with approved audits have confirmed not moving forward
- 19 units completed retrofits



Contractors at a recent Efficiency Maine training on how to participate
In the Multi-Family Retrofit Program

iii. Small Business Direct Install

- Program Soft Roll out – Week of February 25th
 - Machias followed by Presque Isle in 2 weeks
 - Customer Introduction Letters (Send out 2/26/2013)
 - Eggs & Issue Meeting (Machias – March 5th)
- Call Center Reps Trained
- Local Auditor Hired
- Local Distributed engaged (Gilman Electric)

b. Residential

i. Maine BetterBuildings Loan Program

PACE & PowerSaver Loans

As of:	2/17/2013
Participating Municipalities in PACE	158
Cumulative Applications	2020
Cumulative Declined Loans	977
Inactive Applications	551
Applications in Process	96
In Process Application \$\$\$	\$ 1,126,754
Cumulative # Closed Loans	396
Cumulative \$\$\$ Closed Loans	\$ 5,075,218
Average Loan Amount	\$ 12,816
Applications received last 4 weeks	65
Applications declined last 4 weeks	20
Loans Closed last 4 weeks	22

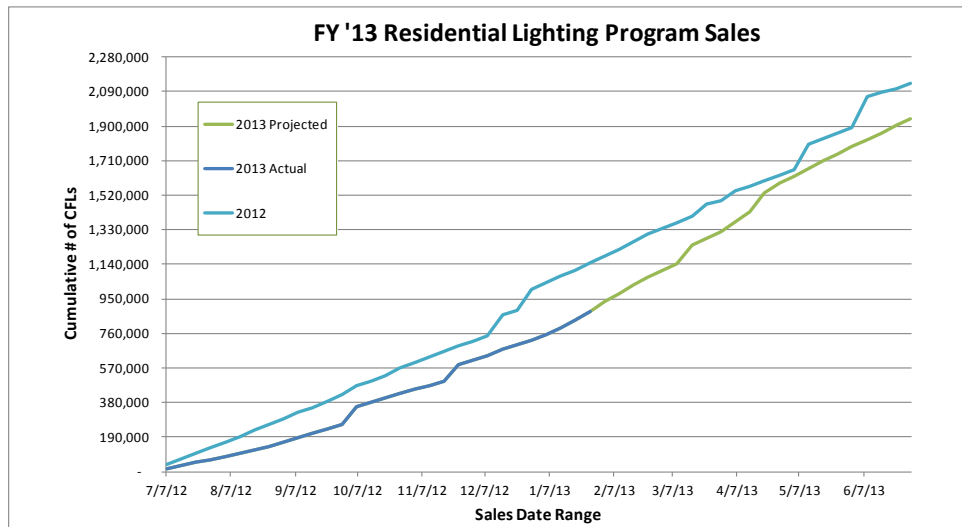
Air Seal Deal

- 2331 units have been air sealed since the program commenced in April
- 324 units completed during the past two weeks (700 in the past month)
- Customer surveys indicate 90% of customers rated the program above an 8 on a scale of 1 to 10

ii. Residential Lighting and Appliance Program

Lighting

- Sales in many stores are accelerating significantly, more stores are coming on-line
- As of last week, the program is at 84% of savings pace YTD, and the full year forecast is now 99% of savings goal (70,000 <MWh/year)
- The program is at 78% of investment pace, forecasting 92% by year end.
- Some models of LEDs are available on store shelves with discounts from this program, retailing for as low as \$5/bulb.



Appliances

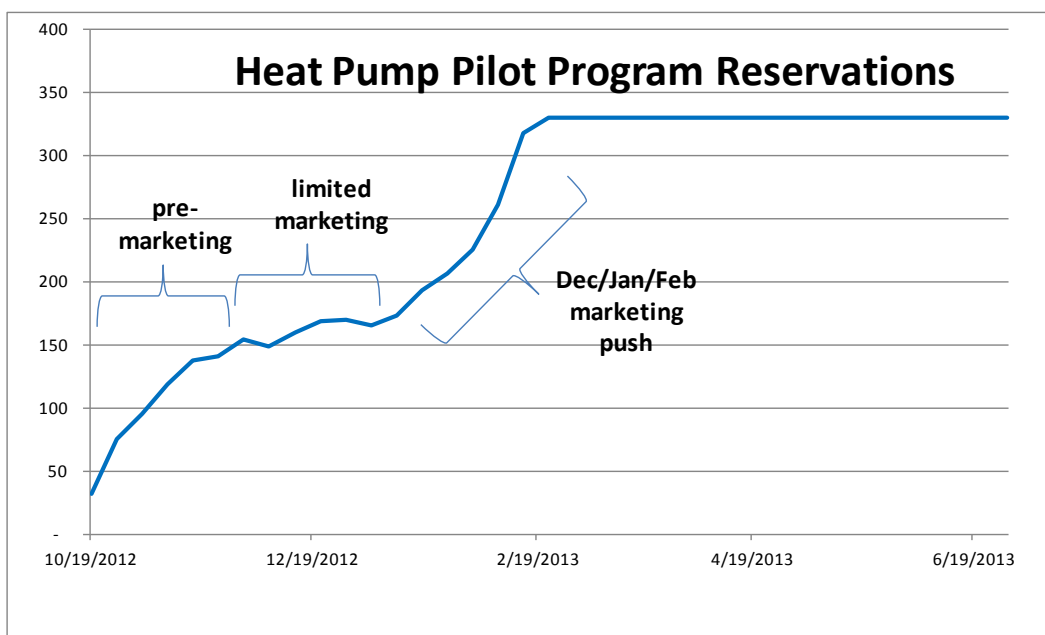
- The program is forecasting finishing the year at 23,000 units 5,000 MWH
- Eligible products has been expanded as we redirected funds to this budget from the discontinued fridge recycling initiative. New rebate forms are now in stores for: room air purifiers, room air conditioners, freezers, high efficiency electric water heaters. We also have added tiered rebates for clothes washers.
- We are also developing a marketing campaign outside of store channels to augment in-store efforts.

iii. Low-Income

- Last week the program achieved a record number of units upgraded for a single week -- 144
- 1,124 units have upgraded since the start of the fiscal year
- Average savings for each unit per year – 24%
- Average cost/unit - \$2,050
- 464 heat pumps have been installed YTD, at an average installed cost of \$2,300 each

c. Innovation

- A record 57 reservations were made last week and over the weekend the last rebate was reserved
 - This is 330 reservations in 4 months (compared to 18 heat pumps sold in 18 months on Bangor Hydro’s prior program)



III. Administration and Finance Highlights

a. Administrative Policies

Staff complied with new reporting requirements for independent Quasi-State Agencies by submitting various written administrative policies (e.g., travel, budgeting, procurement) to the Legislature for their files.

b. Financial

Staff reported to the Legislature on mid-year revenues and expenditures as required by legislative changes to the statute passed last session.

Staff also reported to the Finance Committee of the Board that revenues for FY13 are at \$15,863,627 as of January 31. Expenditures are at \$16,329,623 and another \$27,479,372 in funds are encumbered under contracts from this year and last year. An additional \$11.7 million is committed to projects, such as the Low Income weatherization program, the air seal deal, the Large Customer competitive bid program, and various cross-cutting programs (e.g., evaluations, administration,

education, innovation) that are being self-administered by the Trust, plus another \$11 million is set aside this fiscal year for the PACE loan fund.

c. Grant Administration

Staff continues to work with municipalities to wrap up their projects before the May deadline on the EECBG Grant from US DOE. We are making good progress in collecting final documentation of project activities.