

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

July 25, 2012

I. Communications

a. Government Affairs

The Trust has launched a Stakeholder Process for the development of the next Triennial Plan. On June 27, the Trust organized a half-day Kick-Off meeting that was attended by several dozen stakeholders representing industrial facilities, small and medium commercial customers, contractors, environmental advocates, and the Public Utilities Commission. At the Kick-Off, Staff presented background information on the legal framework for the Trust and the Triennial Plan, a review of recent results, the results of a market opportunity study by Cadmus and GDS Associates, and an outline of a Straw Proposal. Subsequently, Staff has organized a series of Work Group meetings at the Augusta Civic Center at which Staff has presented more detailed descriptions of each program in the Straw Proposal and engaged stakeholders in a discussion about the program objectives, implementation strategies, and budgets.

b. Press

On July 15, 2012, the *Lewiston Sun Journal* published an article on Renys stores and its use of Efficiency Maine programs to lower their costs through upgraded lighting. This article was the product of a news release and follow up efforts from our Communications Division and our provider, the Rinck ad agency. The story notes that the energy efficiency projects result in lower operating costs, and "Lower operating costs mean Renys can offer better deals to customers, continue to provide employment and plan on future growth." The story was also picked up by the *Eastern Gazette* and *Village Soup*.

c. Call Center

- In the first week of July, call center volume was moderate at 434 calls compared to 600-700 calls per week experienced in past peak weeks;
- 96% of calls were answered in 20 seconds (goal = 80%);
- Refrigerator recycling, though down, is still the top driver at 274 calls per week;
- Final numbers have not been reviewed, but we expect to finish FY2012 more than \$10,000 favorable to budget.

II. Program Highlights

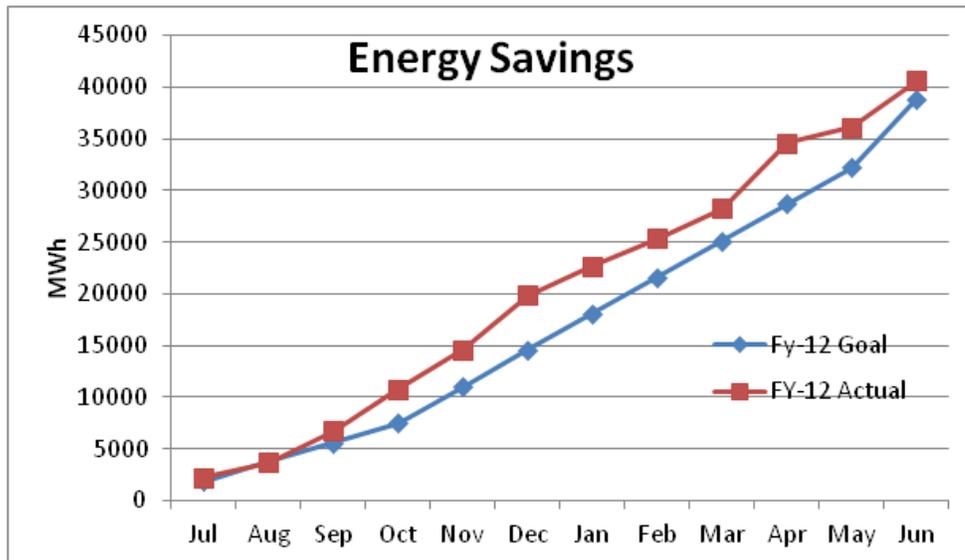
a. Business Program

Incentive Program

Preliminary FY-12 Year End Results (unaudited)

- 2, 510 projects completed by 1,608 participants
- \$6.38 million paid in incentives
- 40,628MWhs saved 1st year (103%)
- 538,495MWhs saved Lifetime
- Number of incentives that were Prescriptive and Custom:

FY-12 July-June	Projects	Participants	Incentives Paid	1st yr Savings	Ave Incentive per Participant	Lifetime Savings	Participant Costs	Incentive Cost/1st yr Kwh saved
	Prescriptive Projects	2,363	1,497	\$3,582,203.39	28,674,760	\$2,392.92	375,681,562	\$10,503,095.36
Custom Project	147	111	\$2,800,619.46	11,957,967	\$25,230.81	152,814,112	\$8,260,681.00	\$0.23



Large Customer Program

Staff is negotiating contracts with the six awardees from the recently completed RFP. To date, four of the six have secured the matching capitol and received approval to go forward with the projects. The remaining two are awaiting final approval from their corporate parent. Once all projects under contract, this round will leverage \$5 million in private investment using \$1.4 million in incentive funding.

Multi-Family Program

- 3 Buildings Benchmarked
- 21 Program Partner Applications received
 - o 14 approved
 - o 2 pending additional documentation
 - o 2 training sessions scheduled (July 24 & 26)
 - o Program “Hard Launch” early August exact date TBD
- DOE Site Visit – July 27th

b. Residential

i. Maine BetterBuildings Loan Program

PACE & PowerSaver

- 137 communities of opted in to the PACE Program
- 240 loans have been closed, worth a total value of \$3.06 million
- 138 loans are still being processed, worth a value of \$1.8 million
- more than 200,000 brochures are being inserted into property tax bill mailings in more than 50 municipalities across the state
- \$12,762 is the average loan amount
- 67 applications were received in the past 4 weeks, slowed somewhat by summer vacations
- Nearly 2000 radio spots have been purchased to air from early July through September; TV spots are being produced to run over the coming weeks.

Residential Direct Install

- 70 homes have participated in the Residential Direct Install Program
- \$815 average air sealing cost/unit
- \$320 average cost savings/year associated with the 18.6% average airflow reduction (750 CFM50 reduction in the blower door test result)
- Staff is exploring options to increase the number of actively participating contractors and home energy advisors.
- Collecting data on each participating home, including this inventory of insulation:
 - 20% percent of homes have less than R-4 attic insulation
 - 45% percent of homes have less than R-4 exterior wall insulation
 - 76% percent of homes have less than R-4 basement insulation

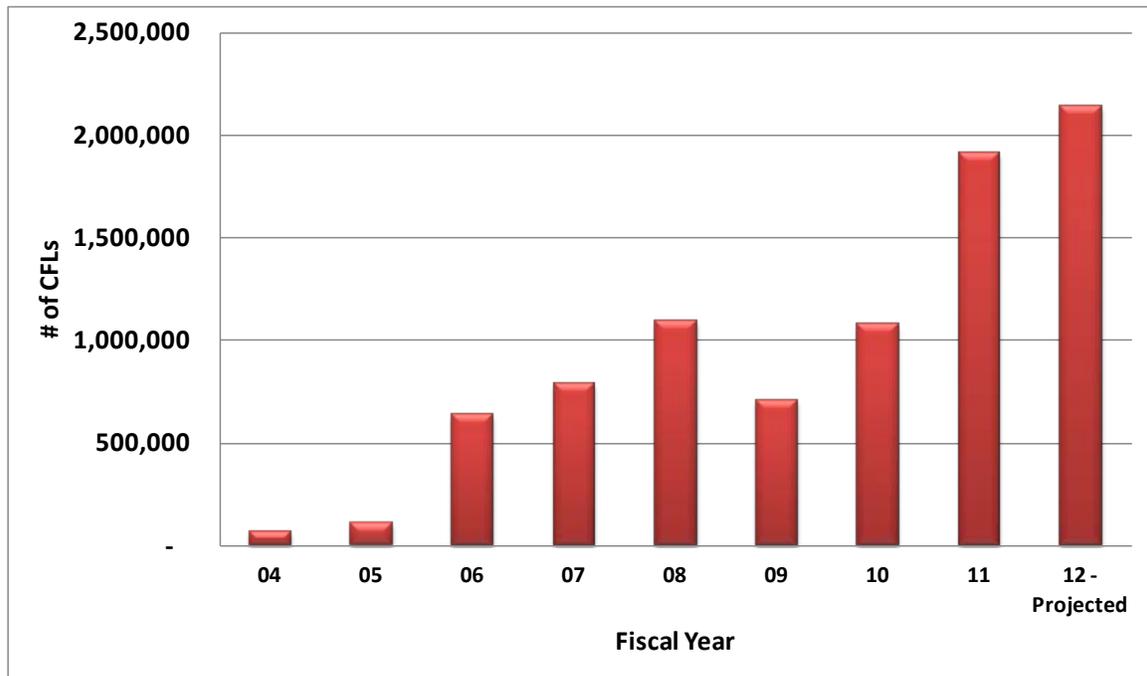
Renewable Rebates Program

Revised rebate structure appears to be increasing consumer uptake of commercial solar projects. We have had a 33% increase in the number of rebate reservations in the past month over the first 3.5 months of the year. Partly this is seasonal. All projects must provide full modeling information and calculated payback to receive a rebate reservation.

ii. Residential Lighting and Appliances Program

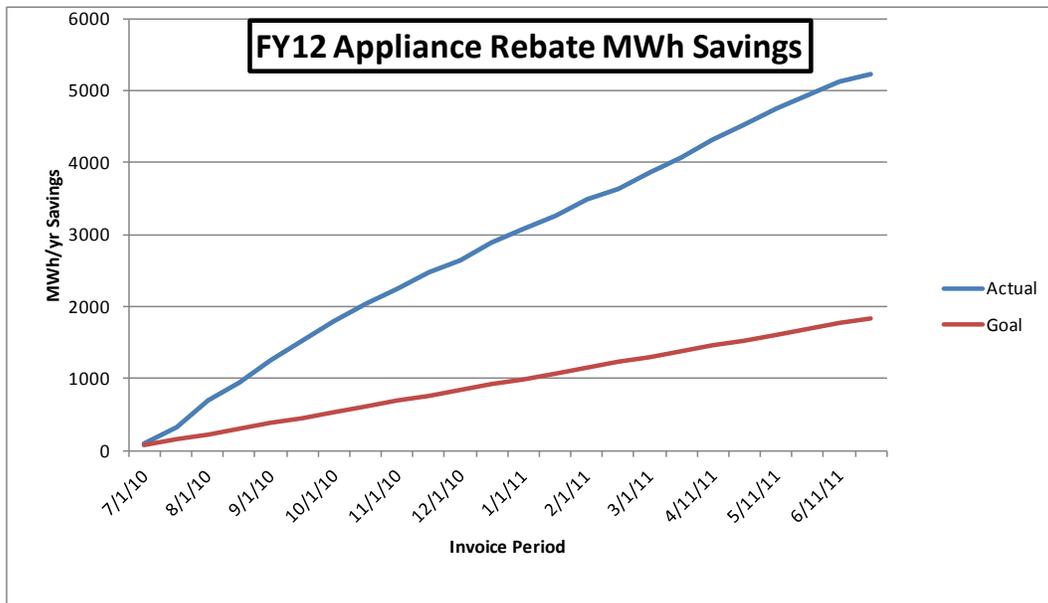
Lighting

- While final numbers are being reviewed, the team forecasts ending the fiscal year at 104% of savings goal (100GWH/yr) and 97% of budget (\$3.9M);
- The team is working to record all sales into the newly expanded effRT database and expect to verify sales of more than 2 million bulbs for the first time in the program's history;
- The lifetime price suppression effect in Maine from this one program is estimated to be \$3.7 million.



Appliances

- The preliminary results for FY12 indicate that the program achieved 177% of savings goal (3GWh/yr goal);
- The program was discontinued when it was projected to reach 100% of budget. Purchases made on or before May 18 are valid for the EM incentive if they are submitted and post-marked by 7/31.



Refrigerator Recycling Program

- The program reached year end having recycled 3,504 refrigerators and freezers, or 78% of goal.
- The goal for FY2013 is 7,000 units, double the 2012 actual, but also double the amount of time available to reach it.
- Staff is reviewing the program to ensure that it will be able to measure and verify cost-effectiveness and whether the program is a priority for the Residential Programs.

Education and Training

- Staff organized a series of three educational workshops on ductless heat pumps. The workshops were open to the public and held at community colleges: SMCC, KVCC, and EMCC. Information was provided by manufacturers. Topics included technology overview, product overviews (Mitsubishi and Fujitsu), benefits, limitations, specifying, installing and usage.

iii. Low-Income

Electric-Heat Multi-Family Weatherization

- 302 units had been weatherized (16 with heat pumps) as of the first week of July. 832 more units are in progress.
- The team expects to finish the 600 units goal by September 7 and to weatherize more than 1,000 by the end of the calendar year with existing funding.

Low Income Electric Heat Weatherization Single Family

- This program ended with the fiscal year on June 30.
- Initial reports show 9 homes were weatherized, or 18% of goal (88).

III. Finance and Administration

a. Financial Report

Revenues

FY12 year-to-date, through June 30, shows new revenues of \$33.75 million in hand or 71.5% of what was budgeted. About 13% of the shortfall is due to lower than expected RGGI auction revenues, and another 10% represents year-end inter-fund transfers allocating administrative costs that have not yet been booked. The bulk of the difference -- 74% of the shortfall -- is the result of ARRA projects that have not yet completed their projects and submitted their invoices to Efficiency Maine. During the first half of FY13, these projects will all be completed, invoices will be submitted, and Staff will draw down the remainder of the funds.

Expenditures

Actual expenses and encumbrances as of June 30 have reached \$65 million, which, after netting out the PACE loans/loan fund, constitutes 96% of the full year's budget. Unexpended and unencumbered balances are primarily due to several million dollars of the Large Customer Program budget that have been awarded through a recently completed RFP, but are not yet under contract. Other budgeted objects of expense that are still waiting to be encumbered or spent include the Trust's "match" contribution for the Multi-Family Project grant (which recently kicked off but has not paid for any retrofits as yet) and Inter-Fund transfers to cover year-end allocations of administrative expenses.

b. FCM

Staff is addressing follow up questions from ISO on our Qualification Package for the 7th FCA (auction). Staff is also working with ISO to gather the data they need to complete their second energy efficiency forecast.

c. Database

effRT 2.0

Staff is working with the Direct Technology to train the Business Incentive Program delivery team on the new application in anticipation of an August launch. This will be the first phase of roll out for the changeover to the new database.