

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

March 28, 2012

I. Communications

a. Government Affairs

1. LD1864

LD 1864 is the Governor's bill to amend aspects of the statute related to Efficiency Maine Trust's governance and to establish two new programs – a loan program and a rebate program – for heating systems. After a public hearing and two work sessions, the bill was voted out of the Energy, Utilities and Technology Committee unanimously Ought to Pass as amended. The bill is expected to be voted on this week or next by the full House and Senate.

The key aspects of the amendments are:

- The loan program and the rebate program for heating systems are not established as Trust programs, but utilities are authorized to submit pilot project proposals to the PUC for approval that may contain loans or rebates for efficient heating systems and electric thermal storage systems;
- The status of the Trust is clarified as being an instrumentality of the state, a body corporate and politic;
- The chair will not be appointed by the governor, and the word "independent" will not be deleted from the description of the Trust;
- The trust's directors, employees and agents handling funds will be bonded;
- The trustees will be indemnified in defense of any action related to their Trust work and against any final judgment rendered.
- The Trust will submit budget updates to the legislative committee twice a year and will present a briefing on the Triennial Plan before it is given final approval by the Board;
- The Renewable Resource Fund is expanded to be eligible to receive voluntary donations for energy efficiency projects and to spend funds on energy efficiency projects
- The OEIS will prepare an assessment of the Trust's effectiveness in delivering natural gas conservation programs and provide a report to the Committee;
- The Trust will prepare a report to the Committee on efficient heating equipment

- Selected testimony is attached to this report.

2. LD 1863 – RPS and Long Term Contracting

This is a second of the Governor’s energy bills. Most of the debate centered on the bill’s proposal to eliminate the 100 MW cap on renewable energy supplies to be eligible for the Renewable Portfolio Standard (RPS). A secondary component of the bill proposed to amend language related to Long Term Contracting authority of the Maine PUC. The bill was voted out Ought to Pass on a split vote, with the majority report contemplating a process that would allow in large renewable projects provided that additional approval is sought and secured and other conditions are met.

3. LD 1872 - OEIS

A third bill from the Governor proposed to change the name of the Office of Energy Independence and Security and to change the allocation of the funding of the Director of OEIS from the Office of Public Advocate, where it has been paid from in recent years, to the Efficiency Maine Trust.

This bill was voted Ought Not To Pass by the Committee. In its place, the Committee agreed to recommend approval of the Governor’s Supplemental Budget, pending before the Appropriations Committee, for the OEIS to request from the Trust an amount of funding proportionate to the OEIS’s staff time spent on Efficiency Maine-related activities provided that such staff time is not otherwise paid for by government grants or other sources of funds.

b. Press

The Governor’s energy bills generated significant press coverage. Mr. Fletcher penned an OpEd that ran in the Portland Press Herald. Editorials on LD 1864 ran in the Press Herald, the Bangor Daily, and the Sun Journal. Some samples are attached to this report.

c. Call Center

- Call volume remains high at 407 calls/week
- Answer rates are excellent at 97% calls answered within 20 seconds (vs. goal of 80%), and 97% answered in 45 seconds (vs. goal of 95%)
- \$12,000 under budget and trending favorably
- Third agent and “spillover agents” are proving highly effective
- The Business Program used the Call Center very effectively to recruit 67 attendees to a recent QP training

II. Finance and Administration Highlights

a. Audit

Bids have been received in response to the RFP for Audit Services. Bids will be reviewed and options presented to the Finance Committee for consideration.

b. Indirect Cost Allocation

Bids have been received in response to the RFP for services to develop an indirect cost allocation. Bids will be reviewed and an award made in early April.

c. Human Resources

After successful completion of a two-year start-up phase, John Quartararo has announced his retirement from the position of CFO for the Trust. While John's firm hand at the tiller will be missed, we understand that he will not miss the two-hour commute in each direction. John has agreed to stay engaged on a part-time basis to help make the transition to a replacement. A search for a replacement is underway.

Lucia Nixon is returning to the Trust staff to manage our Evaluation programs.

d. Financial Summaries

Summary reports through February 29 show:

- Total Assets and Total Liabilities Plus Fund Balances are in balance at: \$41,093,207.55
- As of Feb. 29, 2012, Year-to-Date expenditures and encumbrances equal 81% of total FY12 budget (holding the principal of the PACE loan fund out of the equation).

III. Program Highlights

a. Business Program

State House Audit

- Last week the team from ERS that conducted the audit of the State House presented its report to the Executive Director of the Legislative Counsel and the facilities manager.
- Plans are moving forward to implement several of the top recommendations from the audit, including significant replacement of halogen lights with LEDs and reducing the need for one of the complex's three chillers during the winter months.

Small Business Energy Audits

- Since the end of December, Efficiency Maine has received energy audit requests from 105 small Maine businesses.
- As of March we are averaging 6 new requests per week.
- To date, 89 walk through energy audits have been conducted.

New Construction (Maine Advanced Buildings)

- 7 Completed Buildings
- Most recently completions: University of Maine Wind Test Lab & Bedard Medical
- 184,000 ft²
- Projected 1st year savings 566,727 kWh, \$85,000 electric-only savings to consumers assuming \$0.15/kWh
- Lifetime Savings (20 years) 11,335 MWh, or approximately \$1.7 million electric-only savings to consumers assuming \$0.15/kWh
- 4 Buildings under construction (85,170 ft²)
- 5 Buildings under consideration

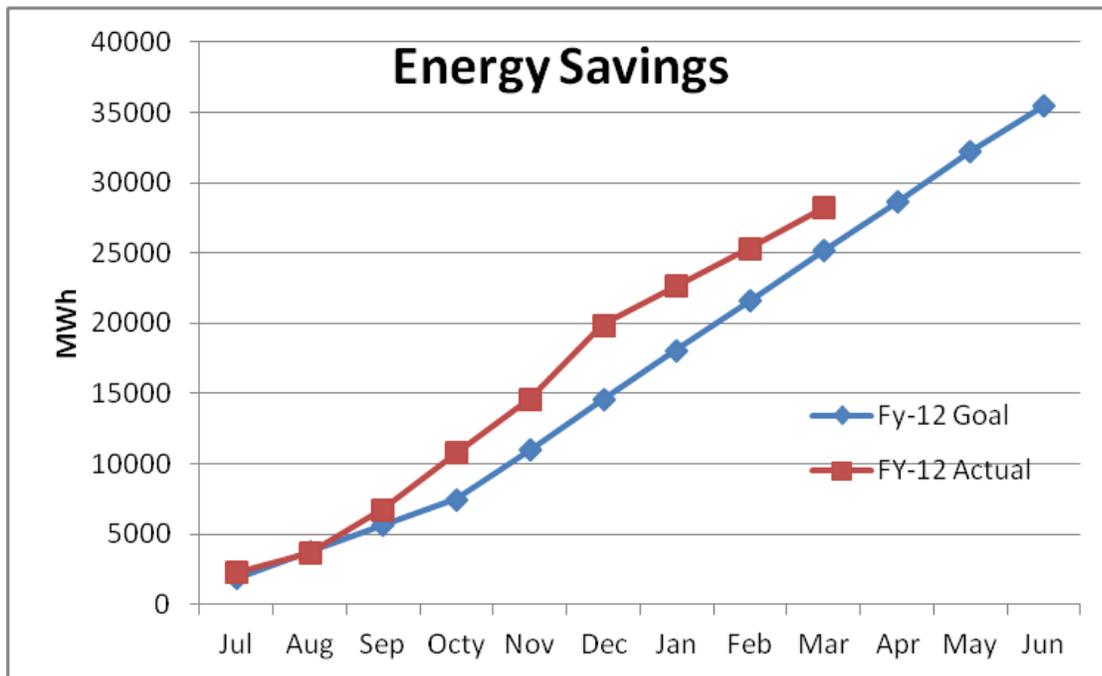
Retro-Commissioning

- This program received a modification from US DOE so that it can continue through the remainder of calendar 2012.
- 38 projects have come into the pipeline
- 31 projects have completed the retro-commissioning, 5 are underway and 2 are pending
- \$350,000 has been paid in incentives; the incentives have leveraged \$888,795 in customer investments to date;
- Projected savings include:
 - o 1.1 million kWh/yr
 - o 33,778 gallons of #2 oil/yr
 - o 25,862 therms of natural gas/yr
 - o Combined savings value of \$323,339/yr

Incentive Program

| Month - FY 12 | Program Delivery Cost Total | Incentives Paid | Participant Costs | Completed Projects | Number of Participants |
|----------------------|------------------------------------|------------------------|--------------------------|---------------------------|-------------------------------|
| July | \$235,173 | \$329,603 | \$1,061,707 | 150 | 117 |
| August | \$223,140 | \$590,837 | \$780,959 | 127 | 107 |
| September | \$285,334 | \$309,988 | \$1,558,681 | 303 | 227 |

| | | | | | |
|------------|--------------------|--------------------|---------------------|--------------|--------------|
| October | \$204,994 | \$700,196 | \$3,032,783 | 123 | 110 |
| November | \$184,357 | \$523,096 | \$992,519 | 195 | 157 |
| December | \$280,515 | \$1,131,554 | \$3,327,235 | 279 | 216 |
| January | \$271,792 | \$394,746 | \$1,326,521 | 238 | 212 |
| February | \$295,827 | \$435,565 | \$1,253,582 | 212 | 179 |
| March | \$4,625 | \$413,060 | \$1,196,767 | 152 | 129 |
| April | N/A | | | | |
| May | N/A | | | | |
| June | N/A | | | | |
| YTD | \$1,985,755 | \$4,828,646 | \$14,530,752 | 1,779 | 1,454 |



b. Residential

i. Maine BetterBuildings Loan Program

PACE Secured Loans

- A total of \$2.13 million has been loaned in 167 completed weatherization projects
- 868 applications received in total to date with sustained interest through the changes in seasons

- 5 PACE loans closed last week
- Total number of towns at 114 with the addition of Trenton and Marshfield

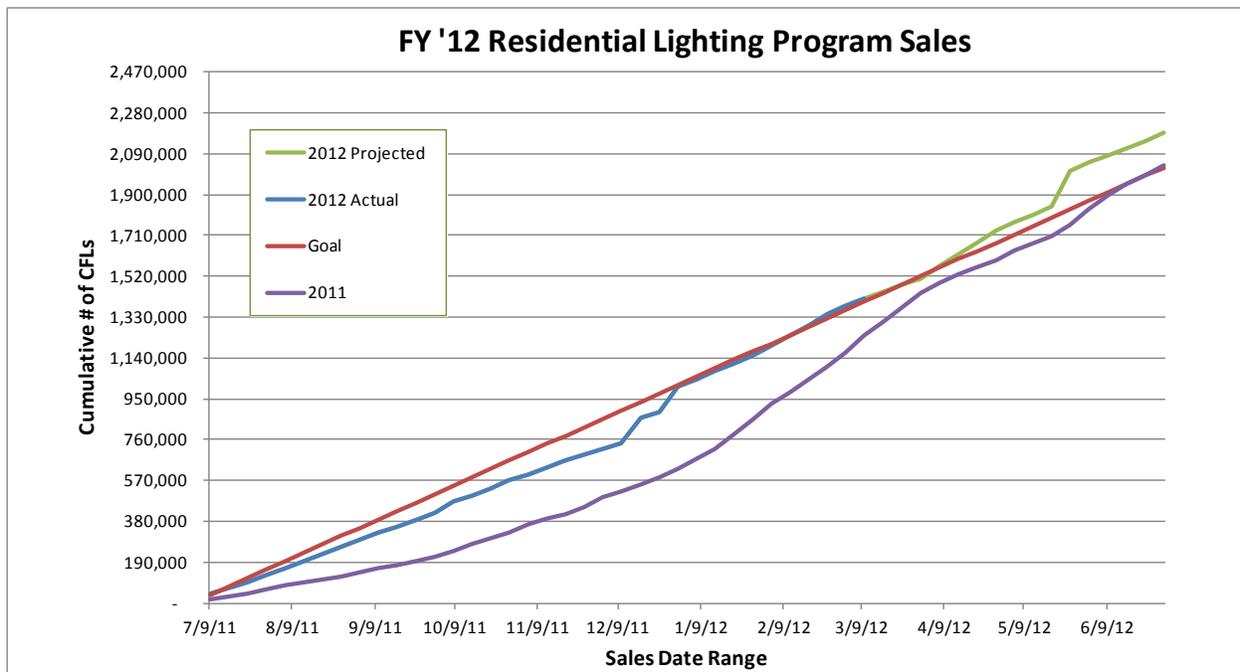
Next Phase –PACE Unsecured Loans

- Launch of unsecured loan product, available everywhere in Maine, planned for April 11

ii. Residential Lighting and Appliance Program

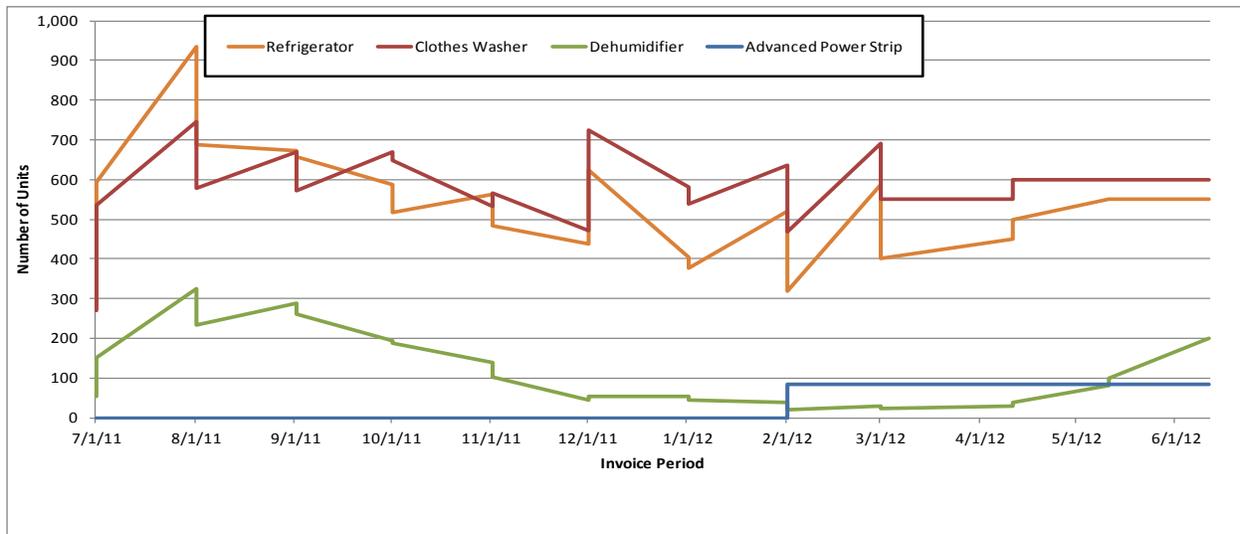
Lighting

- The Program is at 95% of savings pace Year-to-Date (YTD) and expecting to finish at 108% (108 GWH/yr)
- The Program is at 85% of spending pace YTD and expecting to finish at 100% (\$3.9 million)
- Expecting things to pick up next month due to seasonality



Appliances

- Program is on pace to finish the year at 176% of the annual savings goal (5.4GWH/yr vs 3GWH/yr);
- Program is on pace to finish the year at 100% of the annual spending goal (\$1.7 million);
- Advanced power strips are now marked down to \$15 each at Home Depot (originally \$30). Minimal sales impact so far.



Refrigerator Recycling Program

- The program is achieving 81% of savings pace and budget pace YTD and forecasting to finish at 97% (4,500 units in FY2012);
- The weekly goal is climbing so we are launching a series of new demand creation initiatives (mailings, direct e-mailings and potentially a utility bill stuffer with Bangor Hydro);
- Staff is experimenting with using the Call Center instead of the program’s service provider in autodialing for pickup confirmation calls, but the experiment is new and there is no data to report yet.

iii. Low-Income

- We have 390 weatherization units in the pipeline, all expected to complete by May.

c. Enabling Strategies

i. Innovation

Bids are due in April 11 for the most recent round of Innovation Program projects. Both Bangor Hydro and Central Maine Power have expressed an interest in submitting proposals; Thermal Energy Storage of Maine was also sent a copy of the RFP. Staff is seeking volunteers from the Board to participate on the bid review team.