

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

May 22, 2013

I. Communications

a. Government Affairs

- Work has continued at the Legislature on issues that impact Efficiency Maine's budgets and programs. The Energy, Utilities and Technology Committee has merged pieces of nine separate bills into a single, "omnibus" bill. Key elements of the bill that have direct relevance to Efficiency Maine programs include:
 - Clarifying that among the purposes of the Trust and the Triennial Plan are reducing costs through "energy" programs in addition to "energy efficiency" programs;
 - Allocating 35% of the RGGI funds to home heating solutions; 50% to other programs including thermal savings for C&I customers; and 15% for use by the PUC which, in its discretion, will provide the maximum economic benefit to ratepayers (e.g., targeted refunds);
 - Clarifying that the "targets" of the Triennial Plan are aspirational and adjusting them to be closer to what is known to be achievable;
 - Amending the process for approving the funding of electric conservation programs (through SBC assessments) to match the approach of other states;
 - Extending the electric ductless heat pump pilot project one year;
 - Requiring utilities to offer options to municipalities for street lighting;
 - Approving the system benefit charge assessment recommended by the PUC in its order approving the Triennial Plan, but cancelling the collection of this assessment in the event that 55% of Maine Yankee settlement payments (from the federal government) are directed to Efficiency Maine during the next 2 years; and,
 - Approving the Long Term Contract between Efficiency Maine and the IOU utilities as recommended by the Public Utilities Commission.

- All bills are supposed to be acted upon by committees of jurisdiction by the end of this week.

b. Awareness and Press

Most of the press in recent weeks has related to bills at the Legislature that relate to energy efficiency policies. Two examples can be found in the Bangor Daily News, which ran a story on the emerging “omnibus energy bill” on May 15 and then offered an editorial on May 17. The Morning Sentinel ran a similar piece on May 1.

The May 12 edition of the Maine Sunday Telegram ran an extensive piece on the success of the non-profit Island Institute in leveraging the Efficiency Maine Air Seal Promotion to deliver the benefits of efficiency programs to island residents on Monhegan and other island communities.

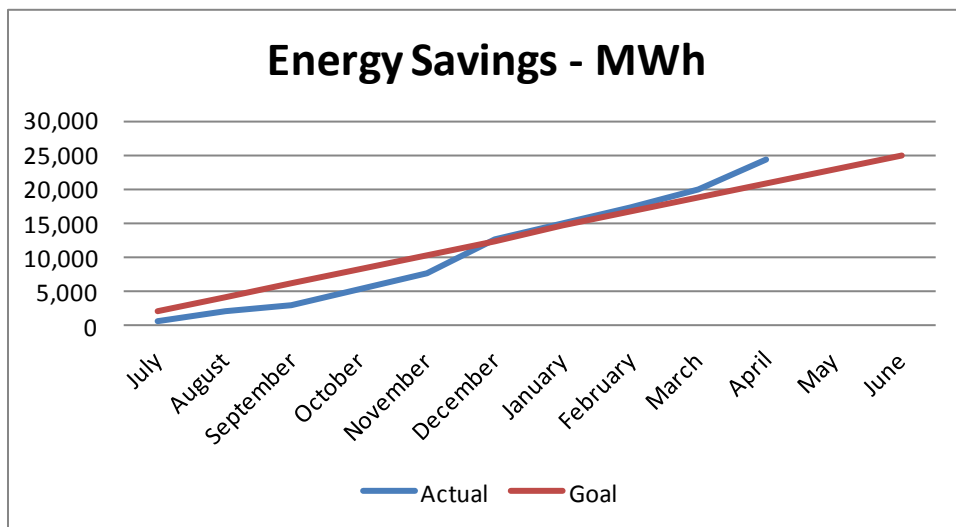
II. Program Highlights

a. Business Program

i. Business Incentive Program – Electric

As of 4/30/2013:

- The RFP to deliver the Business Incentive Program was awarded to GDS Associates.
- See attached program report (Report as of 04-30-2013)
- 24,247 MWh – 97% of goal at 83% of yr
- 1,633 projects completed
 - Incentives Paid \$3,021,046, slightly above budget goal of \$3,445,043
 - Added \$500,000 to incentive budget from RGGI funds
- Rolled out addition LED prescriptive measures and increased incentives for LED screw-in bulbs



ii. Business Incentive Program (Natural Gas)

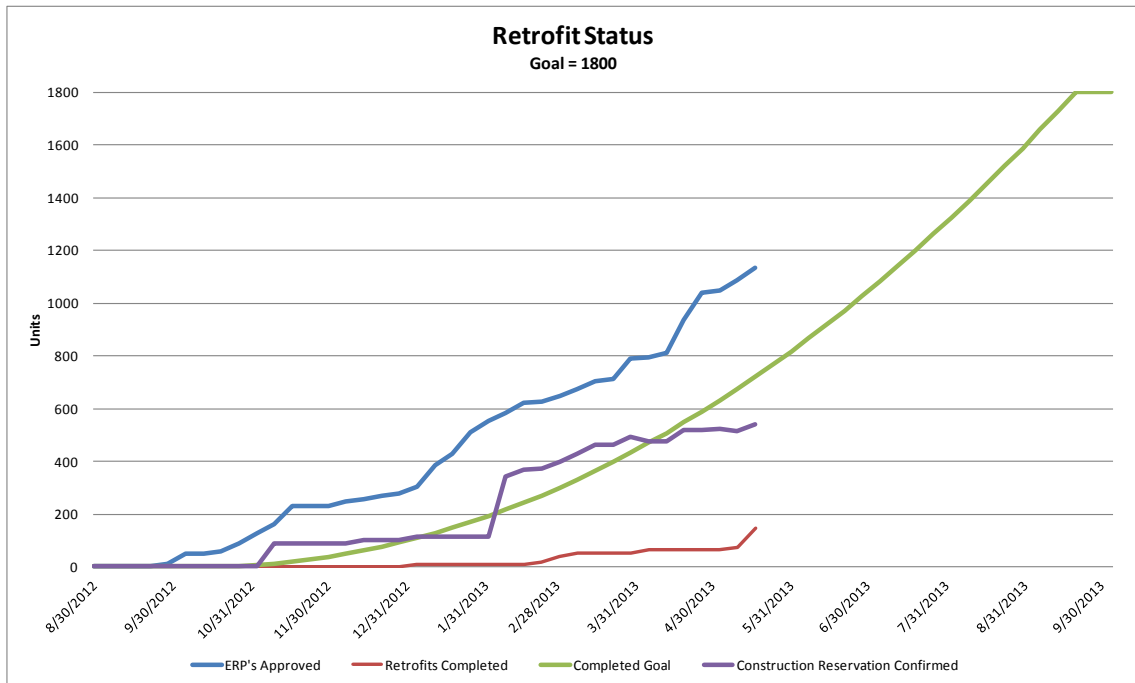
As of 4/30/2013:

- 77 projects completed to date
- 89,844 Therms saved to date, which is 68% of annual goal
 - Savings goal revised to reflect lower cost per therm than originally forecasted

iii. Multi-Family Program

As of 5/17/2013:

- 2561 units submitted for program participation
- 2351 units with completed benchmarks now 94% of goal (2500)
 - 263 Benchmark reports have been sent
- 1261 units with audits submitted
 - Modeling Path 777 units
 - Prescriptive path 484 units
- 1133 units with an approved audit – 57% of Goal (2200)
- 541 units have reserved project incentives
- 147 units completed retrofits



iv. Large Customer Program

Contracts from the most recent round of RFPs have been drafted and are in the process of receiving internal approvals, processing and acquiring signatures.

b. Residential

i. Maine BetterBuildings Loan Program

Air Seal Deal

Through 5/20/2013:

- The program has resulted in 4473 completed Air Sealings
 - 547 completions in the past month, showing a slight slow-down to 150 per week from the prior rate of 200 per week

Revolving Loan Fund

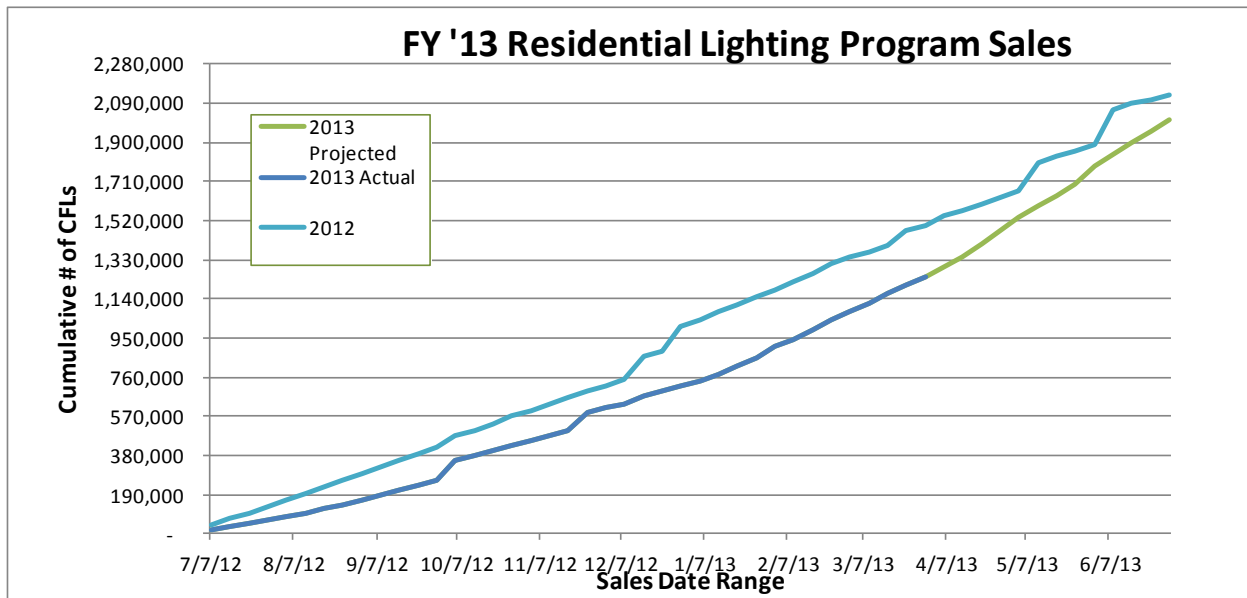
- We are receiving an average of 12 applications per week
- Total loans under the program to date are 443 with a loan value of \$5.44 million
- There has been a 0% default rate in the program
- Activity in Maine is reported by HUD to constitute 30% of all PowerSaver loans in the U.S.
- 161 towns have now opted into the PACE program

ii. Residential Lighting and Appliance Program

Lighting

As of 4/11/2013:

- The program is at 83% of savings pace and the full year forecast is to reach 105% of the savings goal of 70,000 MWh/year
- The program is at 86% of investment pace, forecasting 89% of the \$4.9 million budget
- Over 25,000 LED's have been sold since they were first included in the program in November, now selling > 1,000/week
- The program is expecting to clear 2M CFL's again this year



Appliances

- The incentives levels were increased in January and we are now seeing the desired effect. Appliances account for nearly 50% of all Call Center calls and weekly sales are up 50%
- The program is at 52% of annual savings pace and forecasting finishing at 65% of savings goal (of 29,000 units goal and 7,400 MWh saved)
- The program is at 65% of budget pace and projecting to finish the year at 80% of budget (\$2.2 million)

iii. Low-Income

- Energy savings are at 156% of pace in the program year-to-date goal we are forecasting finishing the year at 163% of the goal of 2,900 MWh
- Units – 1,702 units have been upgraded, and we are forecasting to finish the year at 2,155 units. Since the inception of the program on January 1, 2012, the program has weatherized and/or provided heating system upgrades for 2,000 units
- Budget –We are forecasting finishing the year at 95% of program budget (\$5.5 million)
- 950 heat pumps have been installed, at an average installed cost of \$2,061 each

c. Renewables

- Outstanding solar rebate reservations are at \$300,000 leaving only \$250,000 for remaining reservations
- All work is expected to be complete by November and will have spent \$1,028,000 in the 2013 calendar year
- In early May, the Trust awarded 6 projects under the Renewable Resource Fund Demonstration Grants

III. Administration and Finance Highlights

a. Administrative Policies

There is nothing new to report this month.

b. Grant Administration

Efficiency Maine received two certificates of recognition from the US Department of Energy. The first commended Efficiency Maine for its “dedication to expanding energy efficiency in its community, improving the market for building energy upgrades, and achieving lasting impacts through the Efficiency Maine – Multifamily Program.” This program is managed by Rick Meinking. The second commended Efficiency Maine for “achieving lasting impacts through the Efficiency Maine – Residential Program.” The ARRA-funded Residential Program is managed by Dana Fischer.

c. Financial

As of April 30, revenues for the fiscal year are \$28.4 million with another \$5.9 million projected to be collected in the remaining weeks of the year. This revenue is added to a balance of \$37.5 that was carried forward at the beginning of the year, plus \$2.8 million in interfund transfers. Expenditures year-to-date show \$25.2 million spent, with another \$21.6 million under contract and \$5 million awarded but pending finalization of contracts.

The year-end audit process will commence this month. Pre-audit meetings will be held to plan out the audit, and initial documentation will be shared.