

# Executive Director's Summary Report

## to the Board of Trustees

### of the

## Efficiency Maine Trust

October 22, 2014

### I. Communications

#### a. Awareness and Press

- Staff participated in the Maine Municipal Association Conference, Mainebiz Momentum Convention, and Lamey-Wellehan Solar Fair
- The Executive Director was a panelist at the Envision Maine: Promoting Maine's Next Economy Conference on September 26
- The Business Program Manager addressed the Maine Health Care Association Conference on October 14
- The Strategic Initiatives Program Manager spoke at the Maine Hospital Association's CFO, Northern Maine, and Central Maine meetings
- Staff issued a joint press release with the Public Utilities Commission, Maine Office of the Public Advocate, and Governor's Energy Office on the expected increase in electricity rates this winter
  - The story was picked-up by a number of outlets including the *Portland Press Herald*:  
<http://www.pressherald.com/2014/10/06/electric-rates-to-spike-for-mid-size-businesses-this-winter/>
- The approval of the long-term contract was covered by *Megawatt Daily*:  
<http://www.platts.com/latest-news/electric-power/portland-maine/maine-puc-oks-expanded-energy-efficiency-programs-21323251>
- The Executive Director attended the ribbon cutting of C&L Aviation and was quoted in the *Bangor Daily News*: <http://bangordailynews.com/slideshow/company-debuts-new-aircraft-painting-facility-in-bangor-looks-to-hire-20-more-employees/>
- Staff has made the full suite of Efficiency Maine instructional and case study videos available to community access television stations free-of-charge via an on-line video hosting service
- The Business Program is now advertising in the Google Display Network, Mainebiz and Mainebiz online
- Efficiency Maine's website
  - 34,253 total visits in September
  - compare with 27,361 in August and 20,007 in September 2013
  - 23,975 were unique visits

## **b. Call Center**

- The Call Center has been averaging 434 calls received per week
- The Call Center is adding full-time staff to the Efficiency Maine team to handle increased call volume

## **c. Government Relations**

- Staff submitted written comments on the draft Weatherization Assistance Plan of Maine Housing for the year ahead
- Staff testified in the docket regarding Smart Grid coordination and deployment of non-transmission alternatives

<b>II. Program Highlights</b>
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## **a. Business Program**

As of 9/31/2014

### **i. Business Incentive Program – Electric**

- \$2.7 million invested (28% of budget) invested YTD, up from \$1.56 million the prior month, with 25% of the year gone by
  - Leveraging \$4.7 million in private investment
- 957 projects completed (up from 557 last month) across 789 participants (up from 451 last month)
- 17,174 MWh of annual savings achieved, or 34% of the way to the full year goal of 51,027 MWh with 25% of the year gone by
- Program developments
  - Realigned incentives for Prescriptive Lighting Retrofit measures on 9/1
  - Launched new measures on 9/1:
    - Variable Refrigerant Flow – already received applications
    - Multi-zone Heat pump – already received applications
  - Potential Up-streaming HVAC – In development
- New measures in development:
  - LED roadway fixtures for utility pole-mounted applications: retrofit (replacement of existing), new fixtures (not retrofit kits), for municipalities only
  - LED stairway lighting (includes integrated controls)
  - LED interior luminaires for direct/indirect lighting (include strip lighting)
- Redesigning Qualified Partner training to an online format with tracking capability for easier access to growing program at a lower delivery cost – Launch planned for 10/20

**ii. Business Incentive Program – Natural Gas**

- \$61,673 (12%) of budget expended (up from \$37,750 last month) with 25% of the year gone by
- Estimated annual savings of 66,700 therms achieved which is 20% of the annual goal
- New Efficiency Maine ads appearing in Unitil territory

**iii. Business Incentive Program – RGGI**

- 114 ductless heat pumps installed (up from 63 last month)
- \$174,000 (30%) of annual program budget invested at 25% of the year gone by
  - Leveraged \$737,860 in private investment

**iv. Multi-Family Program**

As of 10/15/2014

- Multiple back-office tasks were accomplished in the first quarter, including shifting the process for handling rebates to the online approach managed and tracked through the Trust's EffRT Database; formalizing a "prescriptive" pathway to accessing rebates; and updating program literature and training for contractors to reflect the recent changes;
  - This focus detracted from marketing of the program, but should significantly enhance program uptake and lower administrative costs going forward;
- 27 apartment units have received energy upgrades Year to Date toward an annual goal of 2,572 units

**v. Large Customer Program**

As of 10/15/2014:

Electric Savings PON

- 7 projects awarded YTD
  - \$2.48 million in incentives are associated with these awards
  - \$12.5 million value of total project costs
  - 82,500 MWh per year projected savings from these projects
- Outreach
  - 14 scoping audits since July
  - 10 Technical Assistance (TA) studies requests received
  - Sector-based outreach focusing first on hospitals
    - By end of October team will have met with all the hospital CEOs in the state by presenting information on the Large Customer Program at 4 regional meetings
- Pipeline
  - 6 projects in the pipeline as a result of TA studies
  - Representing 27,900 MWh of potential savings
  - \$2.6 MM of incentive requests

## Large Customer GHG PON

- Annual Expenditure Goal is \$3,533,205
- August review committee awarded \$260,000
- \$1.5 million in projects in the pipeline
- Target Projects
  - Waste heat recovery (e.g., heat exchangers; process heating and space heating)
  - Control systems
  - Industrial insulation
- Challenges
  - Capitol and staff time focused on fuel switching
  - Many large customers have invested in fuel switching and avoided costs are relatively low, making paybacks relatively long

### **iv. Small Business Direct Install**

#### As of 9/31/2014

- Fort Kent – Caribou – Van Buren – Madawaska - Program kick off – Week 9/8/14
  - 19 installations completed to date
    - \$3,885 = Average incentive amount for completed jobs
  - 50 signed scopes of work completed to date
  - Outreach Efforts
    - Fort Kent Boy Scouts – Service Project
    - Mailing case study and call to action letter (Circ:600+)
- Launching Program In Houlton – Week of 10/20/14
  - Goals:
    - Customer Contacts = 403 businesses using local lists
    - Completed Projects = 100

### **b. Residential**

#### **i. Home Energy Savings Program**

As of 10/13/2014:

#### HESP Incentives

- 3,663 projects have been completed YTD (up from 2,478 last month) with a total incentive amount of \$2.6 million expended YTD (up from \$1.8 million YTD last month)
  - 31% of rebate funds went for insulation and air sealing
  - 38% of rebates went for high-efficiency traditional and supplemental heating systems
  - 28% of funds went for ultra-low GHG heating systems (pellet boilers, geothermal)
- Insulation
  - 545 air sealing and assessments completed
  - 333 envelop insulation measures completed

- 2,740 heat pumps have received rebates YTD accounting for half the incentives
  - Heat pump installations surged in September in part due to a deadline for the eligibility of 10 HSPF units; installations have declined slightly from that pace in October
- Unutilized Natural Gas projects are picking up
  - 14 insulation projects completed
  - 58 high-efficiency heating systems installed
  - Trust ads in local newspapers appear to be driving demand
- Other Central Heating Systems
  - 105 central pellet boilers and 19 geothermal heat systems installed
  - 210 central high-efficiency boilers and furnaces installed

#### Loans

- Demand for loans has risen significantly, but there are still no defaults
- A record \$242,000 in 25 loans were closed in the first 10 days of the month
  - On track to largest loan closing month since the start of the loan program over 3.5 years ago
- The heavy demand for loan processing and a staffing change at AFC First resulted in a temporary backlog
  - Loan underwriting team has cleared the backlog
- \$10.6 million = Total loans closed since program inception

### **ii. Residential Lighting and Appliance Program**

As of 10/16/2014:

#### Lighting

- 857,000 bulbs have been moved YTD, up from 670,000 last month
- 25,000 MWh annual energy savings goal has been achieved, up from 18,000 MWh reported last month
  - 39% of the year-end goal (of 64,600 MWh) with 33% of the year gone by
- \$2.8 million of the budget has been invested, which is at 94% of investment pace goal for this point in the year from a total budget of \$8.79 million

#### Appliances

- 457 heat pump water heaters have been installed YTD, up from 331 a month ago
- 13% of annual energy savings goal has been reached with 29% of the year gone by
- \$207,000 has been expended from a revised budget allocation of \$1.8 million
- At a recent quarterly meeting of the delivery team and Trust Staff, a plan was developed to introduce rebates for washers, dehumidifiers, room air purifiers

### **iii. Low-Income (electric, natural gas, and “any fuels”)**

As of 10/17/2014:

#### Electric

- A portion of the Retail Lighting Program budget is being funded with electric conservation funds earmarked for the benefit of low income customers;
- CFLs are being distributed through the emergency food system for low income customers (food pantries)
- Heat Pump Water Heater (HPWH) bundled with CFLs will launch in January when new, more efficient HPWH units are expected to be shipped to Maine distributors
  - Team is still determining how to procure HPWHs for best price and logistics

#### Natural Gas/Unitil Only

- \$77,000 expended to date out of full year budget of \$82,000
- 172% of energy savings goal achieved
- 21 units weatherized
- \$200 – average deemed energy savings per year per unit

#### Any Fuels Initiative (RGGI Funded)

- 65 mini-split heat pumps installed YTD (up from 15 last month) toward a yearlong goal of 152
- 73% of energy savings target has been achieved with 30% of the year gone by
- Average cost for unit plus installation is \$2,346 per unit
- \$142,000 invested in heat pump installations expended YTD from annual budget of \$500,000

### **iv. Summit Natural Gas Initiative**

As of 10/15/2014

- 172 claims received (up from 118 last month)
- 84 claims paid (up from 55 last month)
  - Unpaid claims await gas to flow or for documentation
- Efficient replacement heating systems are outpacing inefficient conversion burners 2:1

#### **c. Strategic Initiatives (Cross Cutting)**

##### **i. Evaluation & Data Analysis**

- The Technical Reference Manual for the Multi-Family Efficiency Program was published on the website
- The projects in the Multi-Family Efficiency Program are now fully processed and tracked online through the Trust's effRT database
- The Trust's project to install and track meters on recently installed distributed generation projects has been launched

**ii. Innovation Pilots**

- N/A

**iii. Forward Capacity Market**

- Staff filed monthly reports on energy efficiency and distributed generation resources

<b>III. Administration and Finance Highlights</b>
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**a. Administration**

- Staff filed the completed audit with the State
- Staff submitted various quarterly reports to US DOE associated with the BetterBuildings grant

**b. Financial**

As previously reported to the Finance Committee, as of 9/30/2014:

- Revenues
  - Budgeted revenue receipts from sources in Maine and the region (ISO-NE) are \$7.3 million YTD (not including the Maine Yankee Phase 2 payment), out of \$47.6 million budgeted from these sources for use in fiscal year 2015. This amount factors in up to \$10 million contingent upon completing qualifying projects in the Large Customer Program, which amount will need to be reduced to \$8 million to reflect the recent Maine PUC decision to that effect.
  - A \$50,000 contingency in federal revenues appears in the budget to reflect prior years' experience, and none of this amount has been drawn down to date;
  - The Trust performed \$1.45 million in interfund transfers
  - The Trust has received just more than \$109,000 in miscellaneous revenues (such as interest and payments from Summit Natural Gas)
- Expenditures
  - Year-to-date, the Trust has expended \$9.1 million, not including an additional \$5.4 million in commitments made for projects funded through the Large Customer Program