

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

January 15, 2014

I. Communications

a. Awareness and Press

- Executive Director Michael Stoddard was the keynote speaker at the Mid-Maine Chamber of Commerce December breakfast at Thomas College, which was also televised on Time Warner Cable community access channels in Augusta-Waterville and will run through January
- WGME-13 (CBS affiliate) reporter Jeff Peterson interviewed Residential Program Manager Dana Fischer for a "Saving You Money" segment which aired on December 30 and covered how homeowners can save money on their fuel and electric bills through energy efficiency
- Paul Badeau participated in an interview on WLOB 1310 AM radio's "At Home with Marc and Lori" promoting the HESP program, energy assessments, and home weatherization
- A press release reminding consumers that a \$300 federal tax credit on energy efficiency measures was expiring on December 31 was issued and picked up by the Press Herald, the Rockland Free Press, and Green Energy Maine
- A six-week radio ad campaign promoting HESP incentives was launched in late December on WHOM, WBLM, TWHT, and WKIT (Bangor)
- An 8-week classified ad campaign promoting HESP incentives was launched in late December in weeklies across the state.
- A google ad campaign promoting HESP incentives was launched in late December (early result numbers to follow later this week)
- Additional educational web pages on home energy solutions (high-efficiency boilers, pellet stoves, insulation, etc.) were launched in early January.
- Revised Residential Vendor Locator will be launched in mid-February.

b. Government Relations

- Submitted Annual Report for FY2013 to Maine Public Utilities Commission (PUC) and the committee of jurisdiction at the Maine Legislature by December 1, as required by statute.

- Filed information update at the PUC on the Second Triennial Plan, in response to the PUC's original order approving the Plan, to provide performance metrics reflective of the PUC's order and the changes to the Trust's funding made in the Omnibus Energy Bill.
- Attended Legislative Committee workshops on renewable energy bills, including revival of a solar rebate program at Efficiency Maine, as well as two working group meetings at the PUC.
- Separately filed at the PUC an update on the Trust's timeline and plans for modifying the natural gas conservation program budgets and programs to reflect changes made in the Omnibus Energy Bill.
- Filed testimony in the CMP rate case to provide information about the proposed rate changes' potential impact on costs for Trust to meet the directives of its authorizing statute.

II. Program Highlights

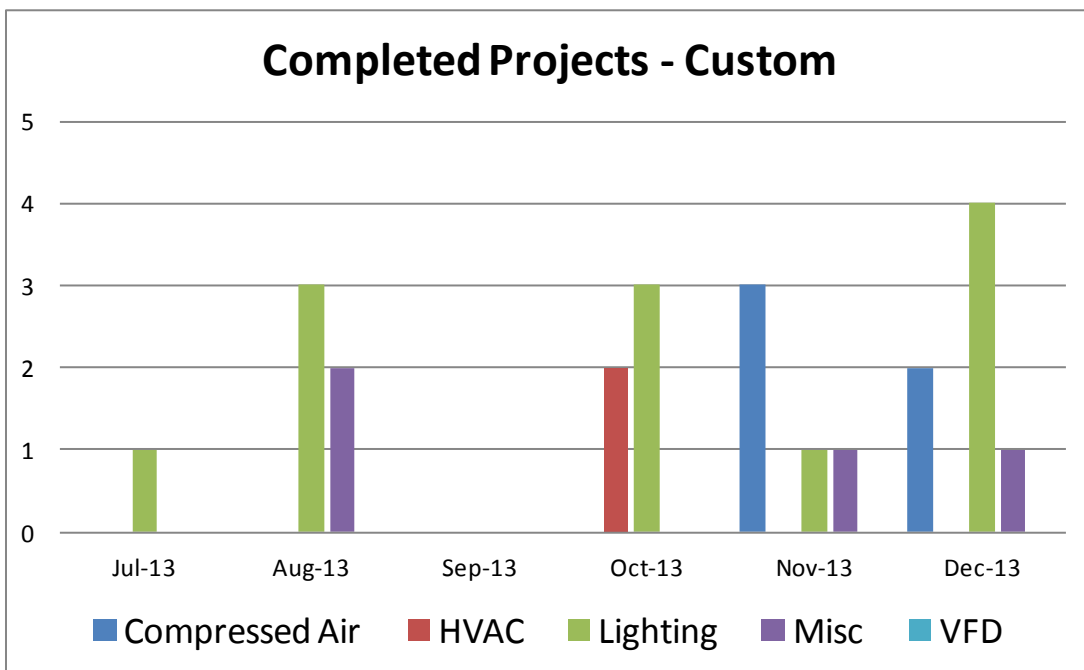
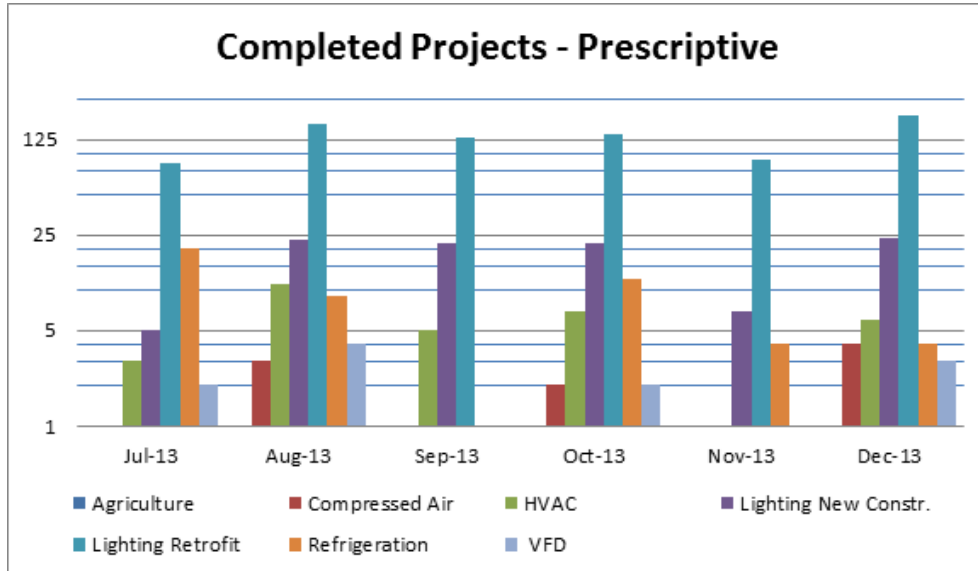
a. Business Program

i. Business Incentive Program – Electric

As of 12.31.2013:

- Installed projects are deemed to save 12,425 MWh annually (161,000 MWh lifetime)
 - Achieving 38% of the 32,887 MWh/year goal at the half-way point of the fiscal year
 - Slightly behind the pace of FY13, in which the program had installed projects deemed to save 14,013 MWh/year, due primarily to slower uptake of Custom Projects
- 1027 projects completed (1003 Prescriptive; 23 Custom; 1 Technical Assistance)
 - 811 individual customers have participated year-to-date (YTD)
 - \$1,525,832 has been paid in incentives (32% of budget)
 - Program has leveraged \$4,315,453 in efficiency investments from customers
- Recent Program Modifications
 - Added Prescriptive Linear LED Fixtures (Interior Space Lighting) – December 1
 - Added Prescriptive Horizontal LED Refrigerator Case Lighting – December 1
 - Added Prescriptive High Bay LED fixtures – December 1
- Recent Program Implementation Updates
 - Rolled out the Ductless Mini-Split Heat Pump Program (RGGI funded) – December 15
 - Training held at IBEW (Lewiston) for 28 attendees
 - Program Partner Recertification Webinars
 1. 4 held to date, attended by 308 Qualified Partners (QPs)
 2. Next QP Training scheduled for January 22 at the Sportsman Alliance of Maine (Augusta)
 - Outreach and marketing:
 1. Maine Health Care Association annual conference (400+ participants)
 2. Nursing Facilities & Assisted Living Facilities
 3. Maine Indoor Air Quality Energy Efficiency Conference
- Maine Advanced Building (MAB) program for new commercial construction opportunities
 - Scheduled to roll out the Maine Advanced Building Program (RGGI Funded) –
 - Goal is to recruit 850,000 ft² of new commercial construction space to participate in the program and achieve the MAB standards

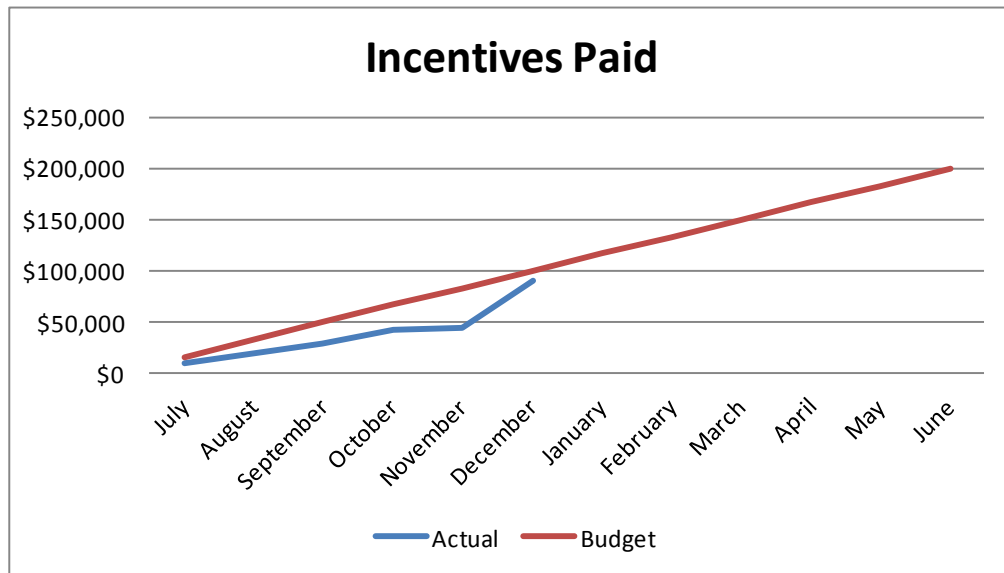
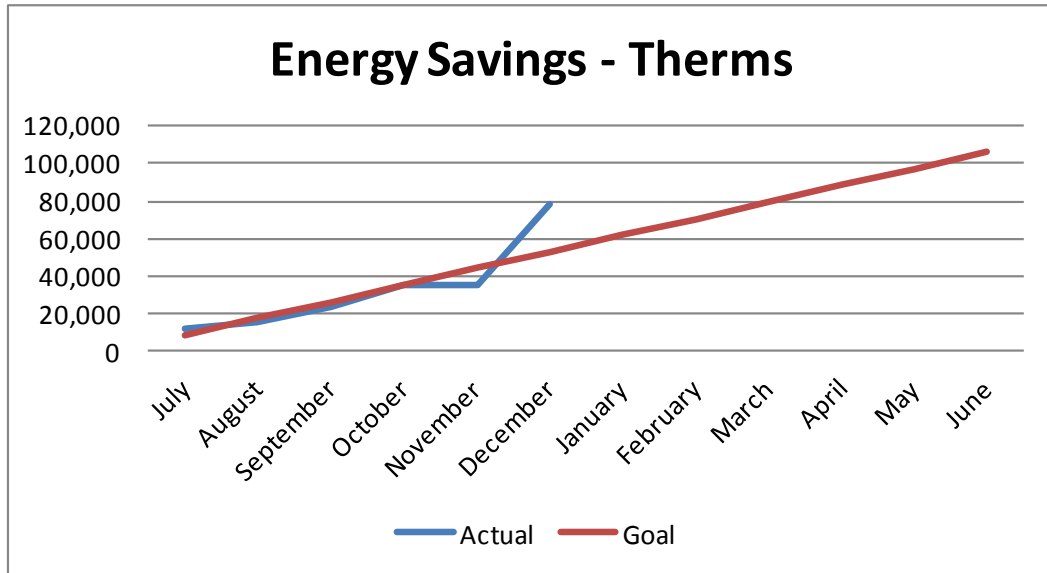
- Currently pursuing more than 135,000 ft² of new construction at two buildings



ii. Business Incentive Program (Natural Gas)

- Therms saved: 77,882
 - 73% of goal reached at 50% of the fiscal year complete
- Incentive payouts: \$91,509
 - 46% of the budget of \$200,000

- Delivery Cost YTD: \$8,555



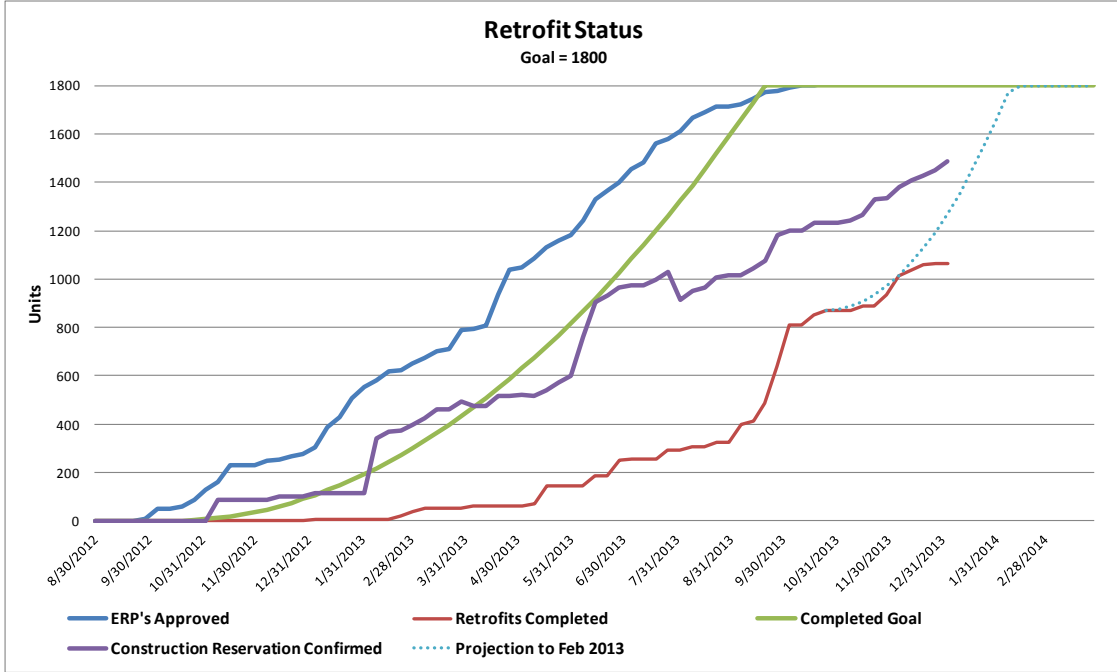
iii. **Multi-Family Program**

As of 1/3/2014:

- units in the pipeline
 - 3326 units submitted for program participation
 - 3149 units have completed benchmarks, reaching 126% of goal
 - 2260 units have submitted audits
 - Modeling Path -- 1104 units (49%)
 - Prescriptive path -- 1156 units (51%)

- 2188 units have an approved audit, reaching 99% of goal
- 1485 units have reserved incentives for their retrofit projects
- 392 units with approved audits have confirmed they are not moving forward
- 1066 units have completed retrofits, reaching 59% of the 1800 unit goal

Multi-Family Efficiency Program – Progress Status



Multi-Family - Prescriptive Path Results

Measure	Incentive *	% Installed in MEP
1 Air Sealing	\$100 / apt	60%
2 Attic / Roof Insulation	\$200 / apt	54%
3 Wall Insulation	\$200 / apt	54%
4 Floor / Foundation Insulation	\$200 / apt	18%
5 High Efficiency Boiler (All Fuels)	\$500 - \$4,500 (Same as Business Program)	52%
6 Boiler Controls	\$125 / unit	4%
7 Ductless Heat Pump	\$500-\$600 / unit	0%
8 Programmable Thermostats	\$50 / unit	19%
9 Smart Pump with ECM Motor	\$200 / unit	15%
10 High Efficiency Water Heater	\$150 / apt	28%
11 Low Flow Devices	\$10 / apt	61%
12 Lighting	\$10 - \$175 / unit (Same as Business Program)	30%

Multi-Family - Custom Path Results

Custom (Whole Building) Incentives	
Paid upon final inspection and approval of installed scope of work	
20% - 25% Savings	\$1,600 per apartment unit
>25% - 30% Savings	\$1,700 per apartment unit
> 30% Savings	\$1,800 per apartment unit

iv. Small Business Direct Install

The pilot program was completed in December. Staff is reviewing the results and preparing a new request for proposals (RFP) for delivery of a program to commence late in FY14 or early in FY15. The RFP will reflect lessons learned from the pilot and will seek an approach to achieving greater customer participation while maintaining cost-effectiveness.

v. Large Customer Program

Progress year-to-date:

- Awarded six projects for a total of \$1.2 million in projects
 - FY14 budget: \$9.1 million
- These six projects present high energy savings per program dollar of incentive invested:
 - actual is 8.5 kWh per Incentive dollar
 - exceeding our energy savings per incentive dollar goal of 5 kWh per incentive dollar
- 11 additional projects are in the pipeline for FY14
 - representing approximately \$2.2 million of incentives
 - this does not include two potential projects with incentive requests that exceed certain elements of the current PON guidelines
- Slower than anticipated uptake from customers has persisted for several quarters in a row
 - Staff has been speaking with customers, prospective customers and contractors to analyze the reasons for slow uptake
 - Staff has been developing ideas to modify the program guidelines and implementation strategy that it will present to the review committee for input
- Outreach and marketing of the program to date has resulted in more than 400 individual contacts with individual customers or vendors
 - Goal is for the program to achieve at least one face-to-face customer meeting per week
- Deadline for the first round of project submissions under the Greenhouse Gas (GHG) Program Opportunity Notice is January 17.

b. Residential

i. Home Energy Savings Program

HESP Incentives

As of 1/13/2014:

- \$830,000 in incentives have been paid to date
 - Heat pumps: 882 rebates paid
 - Pellet boilers: 22 rebates paid
 - Friday January 17 is the "120 day" deadline on the original 50 reservations
 - Insulation: \$119,000 in rebates paid
 - 120 attic, 91 basement, 21 wall measures
 - Air sealing and assessment: 293 rebates paid
- Total number of projects completed: 1,246
- Percent of completed projects that have been inspected: 22%
- Average project cost: \$4,175
- Average rebate: \$663

Loans

- 600 loans have been closed across all product types since the inception of the residential loan program
- \$7.5 million closed as of this past week
- 35 new unsecured loans are now in process
 - 4 completed and funded
- No Defaults to date

ii. Residential Lighting and Appliance Program

As of 1/2/2014:

Lighting

- The Program is slightly ahead of goal:
 - for energy savings, having sold efficient lights at a pace
 - projecting ending the year at 109% of adjusted savings goal of 76,000 MWh/year,
 - projecting moving a record 2.4 million high efficiency bulbs to customers
 - for budget, the program is at 108% of budget pace with a year-end projection of 100% of the adjusted \$5.8 million budget
- Wal-Mart is currently offering 10 CFLs for \$1; BJ's is now offering a three-pack of 40W-equivalent LEDs for \$5.

Appliances

- Invoiced units – 27,180
- Annual Savings – 5,043 MWh
- Projected Lifetime Savings – 53,535 MWh

iii. Low-Income (electric, natural gas, and “all fuels”)

Low Income Electric Heat Multifamily Weatherization

As of 1/2/2014:

- Savings – 186% of annual savings pace and forecasting ending year at 130% of year-end goal of 1,400 MWh/year
- Units –
 - 654 units weatherized to date, forecasting 686 by year end
 - 516 heat pumps installed so far, forecasting 527 by year end
- Budget – 144% of investment pace, forecasting ending at 100% of FY14 budget of \$2.2 million
- Program is winding down due to limited available opportunities to find cost-effective savings in electrically heated, multi-unit low-income properties
 - The final 2 properties in process of being weatherized
 - CFLs and aerators are being added to some previously weatherized properties
 - A final customer satisfaction survey is being developed for retrofit projects that included heat pumps
- The program has invested \$129,000 of Unifil (natural gas) funds
 - Program plans to add another \$513,000 for Unifil gas savings to the program

E-CHIP (Efficient – Central Heating Improvement Program)

- All 9 CAP agencies have signed MOUs for delivery of this program
- No heating systems have been installed yet, but bids for efficient replacement systems have been issued
- Staff has some concerns about the ability to fully use the budgeted amount of RGGI funds for FY14 and is considering program modifications

iv. Summit Natural Gas Initiative

- A contract has been signed for the Trust to administer the financial incentives for Summit’s efficient products program
 - Summit has not yet finalized eligibility criteria
- 1,400 customers have signed up for service but are taking service gradually as new meters are installed and equipment is converted

c. Cross-Cutting Programs

i. Evaluation & Data Analysis

- Multifamily Efficiency Program evaluation has completed all data collection (site visits and building owner surveys) and is focused on impact and process analysis. The Draft Report will be filed in February.
- Appliance Program Evaluation has completed all data collection (customer surveys, retailer interviews, 70 on-site visits with metering) and is focused on impact and process analysis. The Draft Report is expected at the end of January.
- Lighting Program Evaluation – Customer surveys completed and 67 on-site visits were completed in December; total of 534 data loggers have been installed.
- Low-Income Multifamily Program Evaluation – RFP Issued 1/9/14. Proposals due 2/19/14.
- Forward Capacity Market Annual M&V Compliance Review – 2014 review now underway.

ii. Innovation Pilots

- Staff is communicating with Central Maine Power to secure customer data that is necessary to implement two of the three pilot projects awarded in the summer

III. Administration and Finance Highlights

a. Administration

- Personnel
 - Research and Data Analyst Sadie Lloyd completed her tenure at Efficiency Maine and took a new job with the Town of Belfast. We wish her the best of luck in her new endeavors.
 - Efficiency Maine is pleased to announce the hiring of Tom Lyle as new Program Manager. Tom will be focusing initially on initiatives within the business programs. Tom's background includes consulting with Optimal Energy to work with energy efficiency program administrators across the country. He also worked at the public utility commissions in both Vermont and New Hampshire.
- Staff visited the offices of AFC 1st, the contractor providing underwriting and loan servicing for the Trust's residential loan programs to perform a compliance audit, as recommended in the Trust's audit by MacPage

b. Financial

As of January 8, 2014:

- Revenues
 - We are forecasting \$ 38.5million in new revenues this year from Maine and Regional policies/programs.
 - Year-to-date we have collected \$22.1 million (an increase from just \$8 million reported at the December 2013 Board meeting)
 - Revenues for the year will include another \$5.6 million to be drawn down from federal sources for grants as projects proceed, plus \$2.1 million in interfund transfers, plus \$21.3 in use of fund balance
 - We are still awaiting the payment of Maine Yankee Settlement funds from Bangor Hydro and Maine Public Service – now “Emera Maine” – while the CMP payments were made in the first week of December
- Expenditures
 - Our annual budget now contemplates \$68.4 million in expenditures, unchanged from last month
 - Year to date, we have paid out \$17.1 and show another \$22.5 million encumbered in contracts
 - \$28.7 million in the monthly reports that remains to be expended is: in the process of being put under contract; being used for self-administered programs, (e.g., \$8 million remains budgeted for the Large Customer Program); or required for payments to state agencies or interfund transfers.

c. Forward Capacity Market

- The Trust completed a bilateral trade to sell 13.7 MW of its obligation in the 5th Forward Capacity Auction (FCA) Compliance Period (June 2014-May 2015) to another market participant
- The Trust is preparing to bid into the 8th FCA next month