

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

February 26, 2014

I. Communications

a. Awareness and Press

- Favorable story on pellet boiler project using Efficiency Maine’s Renewable Resources demonstration grant, on local NBC affiliate evening news, and online at <http://www.wcsh6.com/news/article/270814/2/New-program-off-sets-cost-of-pellet-boilers-2/21/2014>
- Article on comprehensive energy upgrades at Gould Academy funded in part with Efficiency Maine Business Incentive Program rebates, in the [Bethel Citizen](#), 2/20/2014
- Editorial in the [Bangor Daily News](#) providing information about how to access weatherization services in Maine, with multiple references to Efficiency Maine programs and website, 1/29/2014
- Favorable Letter to the Editor in [Kennebec Journal](#) re: positive HESP participation, 1/6/2014
- Swan’s Island weatherization story <http://wabi.tv/2014/01/15/swans-island-residents-warming-weatherization-week/>
- Business Program Manager Rick Meinking presented on a panel at the monthly “Green Eggs” presentation of the Maine Chapter of the US Green Building Council
- An RFP for website services was awarded to Vreeland Marketing and Design

b. Government Relations

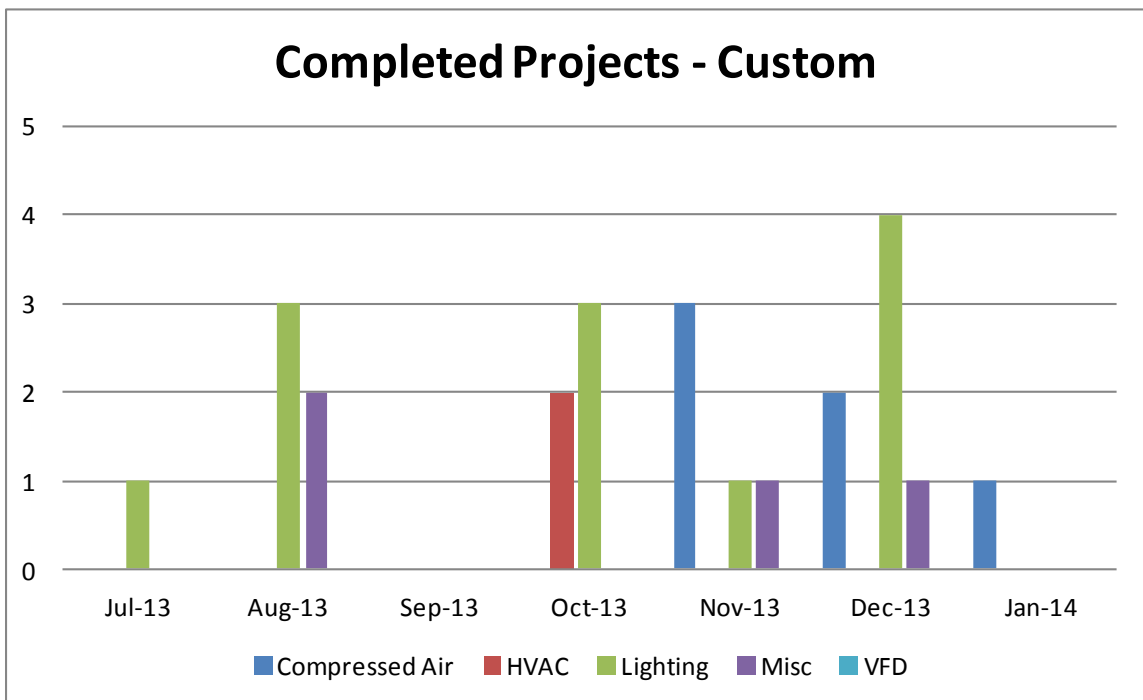
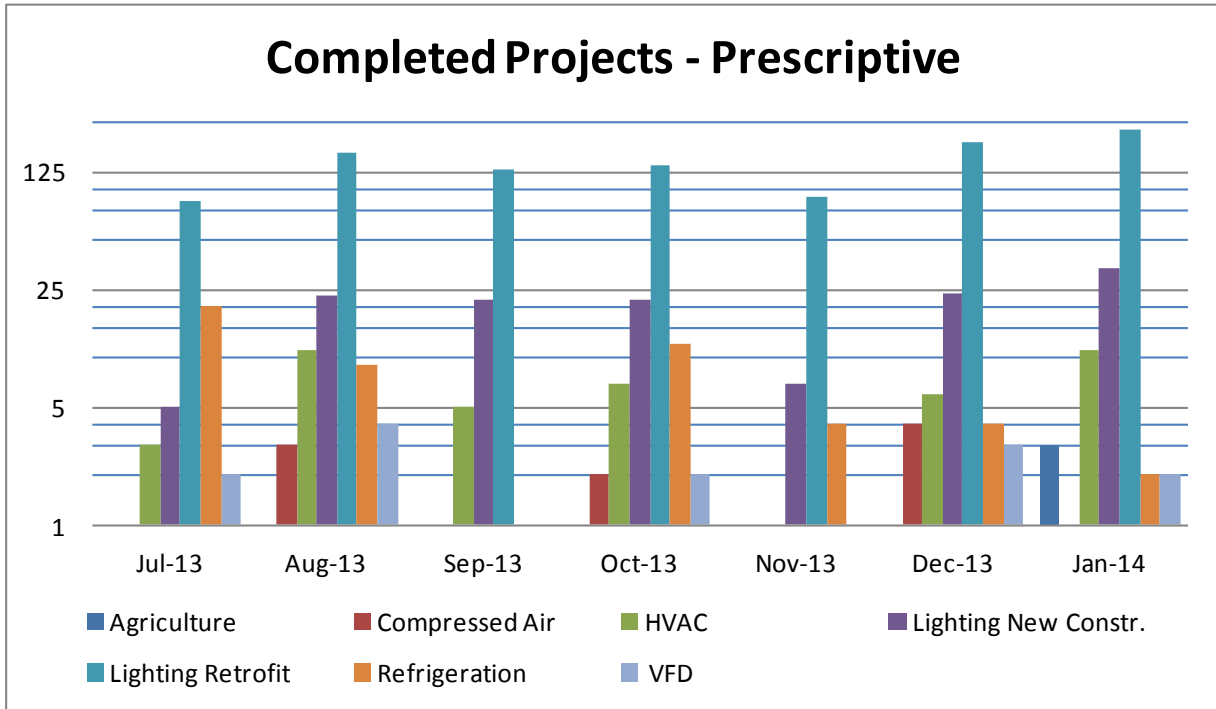
- Staff submitted the Annual Update to the PUC in the Triennial Plan docket
 - PUC staff have scheduled a Technical Conference to review the updated EMT budgets and performance metrics that resulted from last year’s Omnibus Energy Bill
- EMT participated in an initial conference at the PUC about the petition of Grid Solar to be designated as a utility “smart grid coordinator” for Maine

II. Program Highlights

a. Business Program

i. Business Incentive Program – Electric

As of 1/31/2014:

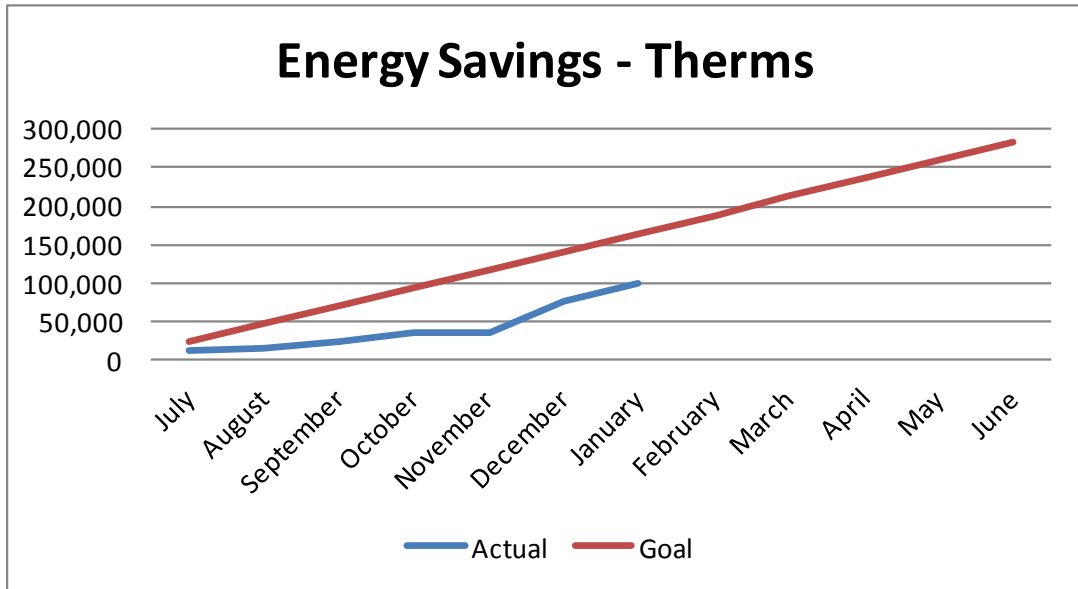


- Program has achieved 16,938 MWh annual savings through installations to date this year
 - 52% of goal (32,887 MWh/year) with 58% of the program year complete
 - Projected to save 220,000 GMh over the life of the measures
- 1,305 projects completed (1,281 prescriptive; 24 Custom; 1 Technical Assistance)
 - 1,040 customers have participated
 - \$1,956,851 has been paid in incentives
 - \$5,346,270 of participant funding has been leveraged by the incentives
- Training
 - A New Qualified Partner Training was held January 22 at the Sportsman Alliance of Maine (Augusta)
 - 38 attendees
- Outreach and Marketing
 - Efficiency Maine had a booth at the Maine Real Estate & Development Association Annual Forecast Conference
 - More than 300 attendees
 - Program Manager made Keynote presentation at the Maine Self- Storage Association meeting
 - 28 attendees
 - Efficiency Maine Website
 - An updated “QP Locator” tool will be launched late March
 - A new QP website will be launched this week, allowing staff to shift technical documents to the site which will be a QP-only resource
 - The business content on the Efficiency Maine website will be revised over the next two months to be more consumer-facing
- Soft roll out of the Maine Advanced Building (MAB) Program (RGGI Funded)
 - Goal is to incentivize upgrades to 850,000 square feet of newly built commercial space
 - Public launch Scheduled for March 1st
 - More than 135,000 square feet in 2 buildings is now pursuing the MAB incentive

ii. **Business Incentive Program (Natural Gas)**

As of 1/31/2014:

- Program projects are deemed to save 99,899 Therms per year
 - 35% of goal at 58% of year completed
 - Projected lifetime savings will be 1,997,837 Therms
- Program has expended \$103,164 for incentives
 - 46% of the Revised Budget of \$534,458 (supplemented from original budget of \$200,000)
- 71 Completed Projects
- 49 Participants served
- Program is exploring possible incentives for Roof Top Units



iii. Multi-Family Program

As of 2/14/2014:

- units in the pipeline
 - 3,584 units submitted for program participation
 - 3,270 units have completed benchmarks
 - 131% of the original goal of 2500
 - 366 Benchmark Reports have been sent
 - 2,412 units have energy audits submitted
 - 1104 units used the Modeling Path (46%)
 - 1308 units used the Prescriptive Path (54%)
 - 2,386 units have an approved energy audit
 - 108% of the program goal of 2200 audits
 - 1711 units reserved project incentives
 - 1,481 units have completed retrofits (82% of program goal of 1800)
 - 26% average energy savings per project
 - 408 units having approved audits have confirmed they are not moving forward
- DOE contract ends March 31, 2014
- Program shifting to use of RGGI funds and modified incentive package:

Prescriptive Measures

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

6 *Total incentives cannot exceed \$1,000 per apartment.



Custom Path Incentives

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

*Incentive Cap is 50% of total cost of eligible measures.

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iv. Small Business Direct Install

No change from last month. 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

Electric Savings PON

As of 2/21/2014:

- Awarded \$3.1 million in projects this fiscal year under the competitive Electric Savings Program Opportunity Notice (PON)
 - 34% of progress to goal with 65% of the year gone
 - \$1.8 million awarded in the past month
- An additional \$4.8 million of eligible projects are in the pipeline
- Forecasting ending the fiscal year at \$8 million committed
 - Note that due to the length of time needed to develop and implement large projects of the type funded under this program, it is understood that a significant amount of the financial incentives committed during this fiscal year will not be paid out until next fiscal year
- Implementing recent program design changes
 - Increased per-project cap to \$1 million
 - Increased the \$/kWh threshold to \$.28 per year-one kWh (if the entire incentive cost were spread across the total kWh saved in just the first year of the project, as opposed to the total kWh saved over the full life of the project)

Electric Savings XL PON

- Pending additional program design changes
 - Release the new “Extra-Large” competitive solicitation, aka the “XL” Program Opportunity Notice (PON)
 - Allows for incentives up to \$2 million
 - Increased scrutiny on company health
 - Provides for an Efficiency Maine security interest in the equipment
 - Offer free scoping audits for promising situations
 - Provide Technical Assistance
 - Offer up to \$10,000 for approved studies of complex, technical projects
 - Provide an additional 25% of technical assistance cost, up to \$5,000, if projects are completed

Greenhouse Gas Saving PON

As of 2/21/2014:

- \$100,200 in incentives awarded to date
 - 5% to goal with 65% of the year complete
- Program design changes pending
 - Lower the minimum project incentive available (“floor”) to \$50,000 to make this accessible to more mid-size projects
 - Also allow projects to take the incentive over multiple years to allow for larger projects
 - Increase outreach in parallel with electric kWh PONs
 - Technical studies

b. Residential

i. Home Energy Savings Program

HESP Incentives

As of 2/21/2014:

- 2000 individual homes upgraded to date
- \$1.5 million in incentives in the HESP program thus far
 - Program spending has achieved a “burn rate” of about \$500,000 per month, or \$6 million per year
 - Spending has been divided approximately 1/3 for air sealing and insulation projects, 1/3 for supplemental heating systems (mostly heat pumps), and 1/3 for efficient central heating systems
- Installations to date include:
 - 510 Air Sealing with Assessment
 - More than 1200 ductless heat pumps
 - 56 pellet boilers and 19 geothermal systems
 - 219 attic insulations
- Inspections completed
 - 531, or 20%, of all HESP projects
- Public Information and Marketing
 - January marketing efforts included radio ads, small-space classified ads and Google Adwords
 - January 2014 web visits totaled 26,577, up 85% from January 2013; over 18,000 were new visitors
 - The average time spent on our website was 4 minutes and 12 seconds
 - The Google AdWord campaign directly resulted in 1,754 visits in January; 1,275 were new visitors
 - In February the radio ads cycled off the air and we added banner ads on several prominent websites including WCSH, WMTW, BDN, WAGM, and TWC.
 - To date those have directly resulted in 1,669 visits, including 1,399 new visitors to our website
 - An updated residential vendor locator will be launched this week
 - An RFP for the delivery of coordinated home energy retrofit education and outreach efforts in targeted communities was issued in January.

Loans

- More than \$7.7 million in closed loans.
- No Defaults to date

ii. Residential Lighting and Appliance Program

As of 1/2/2014:

Lighting

- 83% of annual savings goal completed with 63% of the year gone by
- projecting ending the year at nearly 2.5 million bulbs, saving 87,000 MWh/year , or 111% of revised savings goal
- Currently the program is at 107% of budget pace and with a year-end projection of 100% of the \$6.1 million budget

Appliances

- 72% of annual savings goal has been achieved with 67% of the year gone by
- projecting ending the year at 100% of savings goal of 7,800 MWh/year
- projecting expending 100% of modified budget of \$3.3M by year end
- Heat pump water heater rebates have slowed considerably since the \$300 federal tax credit expired 12/31/2013
 - New and planned marketing initiative include using Google ad words and email campaigns, a referral program, tabling at a plumber tradeshow, and co-marketing with a manufacturer of hot water heat pumps

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

Low Income Electric Heat Multifamily Weatherization

As of 2/21/2014:

- Savings
 - Achieved 108% of annual savings goal with 64% of the year gone by
 - Forecasting ending year the at 111% of goal (1.5 GHW/yr vs 1.3 goal)
- Units
 - 675 units weatherized to date
 - forecasting 686 completed by year end
- Budget -- Forecasting ending year at 100% of \$2.2 million budget
- 516 heat pumps installed to date and forecasting 527 installed by year end
- As this initiative draws to a close, program will conduct a final customer satisfaction survey on heat pumps and focus on completing expenditure of \$250,000 more on upgrades to apartments housing low-income customers on the Unitil natural gas system

RGGI Low Income Initiatives

- E-CHIP (Efficient – Central Heating Improvement Program)
 - This initiative is being implemented through the CAP agencies
 - It has reached 1% of full year savings goal with 39% of the year passed
 - Forecasting ending at 31% of savings goal
 - 3% of the full year budget has been invested with 39% of full year passed

- A portion of the RGGI funds allocated for Low Income initiatives will be directed to installing heat pumps in qualifying homes

iv. Summit Natural Gas Initiative

- The Trust is awaiting an advance payment of \$30,000 from Summit to draw down against future rebate claims
- Installation of residential meters is proceeding slowly at this time and the Trust has not received rebate requests

c. Cross-Cutting Programs

i. Evaluation & Data Analysis

- Multifamily Efficiency Program Evaluation -- Draft Report is complete, and final is expected shortly
- Appliance Program Evaluation -- Draft Report is complete and final is expected shortly
- Lighting Program Evaluation –
 - Evaluators have completed interviews with Good Shepherd Food Bank and several food pantries
 - Customer survey data analysis is in progress
 - 534 light loggers continue to collect data
- Low-Income Multifamily Program Evaluation – Received 7 proposals in response to request for proposals to conduct the evaluation; review team will meet February 27 to select a contractor
- Forward Capacity Market Annual M&V Compliance Review – Cadmus team is actively working on its review
- “effRT” Database – Staff is working with the IT contractor Direct Technology and delivery team for the Multifamily Efficiency Program to configure program data so that it may be uploaded into the Database
- On February 7, Staff issued a request for proposals for services to conduct an assessment of the potential cost-effective natural gas efficiency resources
 - Study results will be used to inform natural gas program plans and designs which will be submitted to PUC in late Fall 2014.
 - Proposals are due March 11 and a final report is expected by June 30, 2014.

ii. Innovation Pilots

- Interval Data Pilot:
 - Schools:
 - FirstFuel recently received account data for 59 Maine school buildings from CMP and Bangor Hydro

- Efficiency Maine will be reviewing the portfolio of buildings in early March and sharing findings with school administrators
- All school administrators will receive benchmarking results;
- 25 buildings will receive in-depth remote audits
- Building Portfolio Pilot:
 - Retroficiency has completed an initial assessment of 95 buildings owned in four building portfolios
 - Initial remote-audit results have been shared with two of the four building owners
 - The additional two meetings will be scheduled in early March
 - 20 on-site audits to verify remote audit findings will take place in March and April
- Smart Thermostat Pilot:
 - 45 of 200 thermostats have been installed by Thayer Corporation
 - The pilot participant identification and site assessment process is on-going

III. Administration and Finance Highlights

a. Administration

- Personnel
 - Staff received several dozen resumes in response to the job posting for a new Research and Data Analyst; Interviews are ongoing.
- Office Space
 - The Trust's lease in its current space in Augusta is up in June
 - If we elect to leave the current space, we need to give notice to the landlord in March
 - Staff has spent the past 8 weeks visiting spaces throughout the greater Augusta area and identified multiple interesting options
- Administrative Reports
 - Submitted required Quasi-State Agency report on Contributions and policy changes to Legislature
 - Submitted required Budget Transparency report to Energy, Utilities and Technology Committee

b. Financial

As of 1/31/2014:

- Revenues
 - Revenues received from sources in Maine and the region (ISO) are \$23.9 million year to date, having received 61% of forecast revenues with 58% of the year complete
 - Another \$3.5 million in revenues from federal sources has been drawn down, with another \$2.6 million remaining to be drawn down
 - All Maine Yankee Settlement funds for Year 1 have been received
 - A drawdown of federal funds for the Multi-Family grant is pending at the Governor's Energy Office.
- Expenditures
 - Our annual budget now contemplates \$69.25 million in expenditures
 - Year to date, we have paid out \$20.2 million and show another \$28.3 million in encumbered or pending contracts
 - \$20.6 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

- Feb. 3-4, the Trust participated in the ISO NE's 8th Forward Capacity Auction (FCA) for the commitment period of June 1st, 2017 to May 30th, 2018
- The Trust had a goal of securing an additional 22.195 MW (or 22,195 kW) in new obligations
- The auction cleared in the first round at 15.00/kW-month for all new resources
 - existing resources without a fixed price from a previous auction receive a price of \$7.025/kW-month.
- The result is a dramatic increase in our revenue from the previous auction for the year in which FCA-8 resources will be delivered (2017-18)
 - new 22,195 kW resource will be paid \$15.00/kW-month
- Staff is monitoring FCA 9 proposed rule changes
- Staff is making preparations for FCA 9 Show of Interest (SOI)