

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

June 25, 2014

I. Communications

a. Awareness and Press

- The Executive Director was a panelist at the ISO-NE Consumer Liaison conference in Ogonquit on May 29, providing an overview of the role energy efficiency is playing as a resource in meeting New England's capacity and energy needs
- Made continued enhancements to the web site, including new images and functionality
- Exhibited at the Androscoggin Business to Business Trade Show in Lewiston
- Produced two new Business Direct Install lighting case study videos at two small businesses in Presque Isle
- Produced printed business case study on heat pumps used at a small accounting firm in Belfast
- Participated in Monhegan promotion of HESP opportunities on June 23
- Produced a Business Program flyer on benefits of heat pumps
- Prepared radio ad campaign to promote HESP on 15 Maine radio stations for 8-week flight
- Staff is interviewing candidates for a new Communications Assistant

b. Government Relations

- The Executive Director met with staff from the Air Bureau at the Maine DEP to discuss areas of mutual interest related to the combustion of wood-based fuels in wood stoves and boilers
- RGGI Rate Relief
 - The PUC ordered the Trust to distribute just over \$1.6 million from the "15% of RGGI" funds to Maine's electric distribution utilities, pro rata, for rate relief.

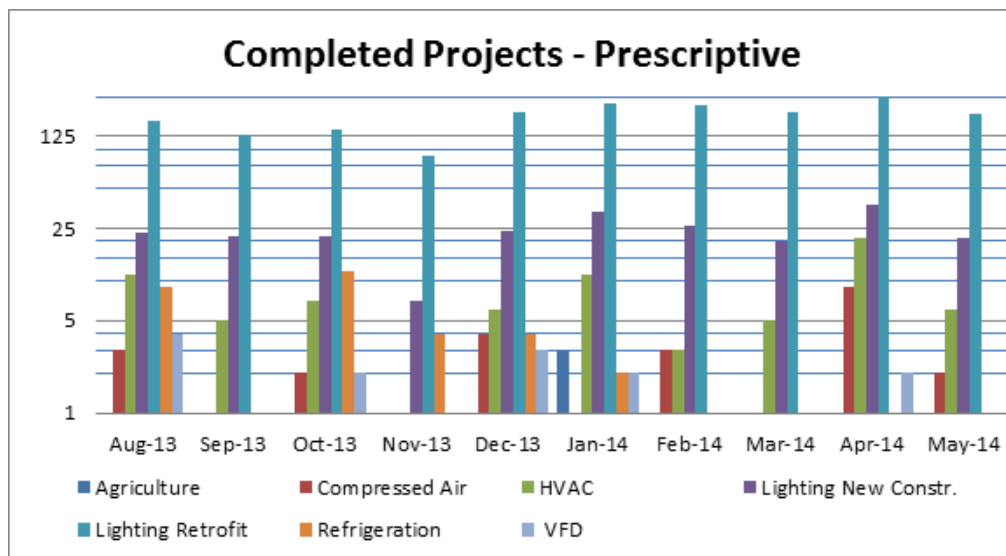
II. Program Highlights

a. Business Program

i. Business Incentive Program – Electric

As of 5/31/2014:

- 30,839 -- MWh 1st year savings
 - 60% of revised goal at 92% of year completed
 - Compared to 28,397 MWh 1st year savings in prior year
 - 401,000 MWh lifetime projected lifetime savings
- 2,363 -- projects completed year to date
 - 1,926 -- participants served
 - \$3,762,137 paid in incentives year to date
 - \$9,756,806 in private investment leveraged



ii. Business Incentive Program – Natural Gas

As of 5/31/2014

- 123,052 therms of 1st year savings
 - 44% of goal met with 92% of the year completed
 - 2,461,040 therms of lifetime savings projected
- 81 Completed Projects
 - 59 Participants
 - \$137,849 of incentive payouts
- Program is investigating incentives for Roof Top Units
- Direct install for spray valves in commercial kitchens expected to be introduced in FY15

iii. Multi-Family Program

As of 6/20/2014

- The program completed a draft final report for submittal to the US DOE on the activities funded by an ARRA grant through March, 2014
- 4,326 units submitted for program participation
- 3,706 units have completed benchmarks
- 2,751 units have audits submitted
 - 1,104 units (49%) used the Modeling Path
 - 1,418 units (51%) used the Prescriptive path
- 73 units have reserved project incentives
- Prescriptive path is gaining traction

iv. Large Customer Program

As of 6/23/2014:

Electric Savings PON

- Awarded \$3.9 million in projects this fiscal year. By year end, only \$3.2 million of projects awarded were under contract, well short of our \$9.1 million goal.
 - The \$3.2 million of incentives leveraged \$8.3 MM in private investment.
 - In the past six weeks, the program had \$3.5 million in expected project proposals slide into FY15.
 - We expect to start the FY 15 program year with a total \$9.4 million in incentive requests.

Large Customer GHG PON

- Will finish the year with \$1.1 MM under contract out of a \$2.1 MM goal
 - leveraged \$7.3 MM in private investment in energy upgrades
 - \$510,000 in the pipeline going into FY 15

iv. Small Business Direct Install

- As the result of a competitive solicitation, TRC Energy Services was awarded the contract to deliver this program
- Program will be rolled out at the start of FY2015 in selected communities

b. Residential

i. Home Energy Savings Program

As of 6/23/2014:

HESP Incentives

- 4,311 individual homes upgraded to date completing 6,004 separate, rebated measures
- Budget
 - \$3.68 million in incentives paid since 9/11/2013 from a budget of \$6.2 million
- Installations since 9/11/2013:
 - 1,330 - Air Sealing with Assessment (reached a rate of 250/month)
 - 2,263 - ductless heat pumps
 - 201 - pellet boilers and 30 geothermal systems
 - More than 555 attics insulated and 389 basements insulated
- Inspections completed
 - 8928, or 15%, of all HESP projects
- Unsecured loans increasing in popularity and rate of uptake

Loans

- In May, a new record of \$414,000 in loans were issued to 44 homeowners
 - June continues at a similar rate with \$200,000 loaned in the first half of the month
- There is excellent geographic distribution and contractor benefit spread with 17 different contractors in 15 different municipalities involved in the most recent 20 loans
 - These projects are located in large and small towns in all directions including Rumford, East Millinocket, Kennebunk, Thomston, Waterville, Bangor, Portland, Bar Harbor, and Skowhegan
- 80% of the loans have been the easier, faster, smaller unsecured “Energy Loans” (average project cost of \$8,200)
 - a smaller number of PACE and PowerSaver loans are supporting projects capped at \$25,000
- The most common work being funded includes basement and attic insulation with cellulose and spray foam, heat pumps, and high efficiency condensing gas boilers

ii. Residential Lighting and Appliance Program

As of 6/14/2014:

Lighting

- 122% of annual goal (79,000 MWh/year savings) completed by the end of the program year
- More than 2.7 million efficient bulbs sold
- Invested 99% of \$6.7 million budget by year-end
- Incentivized 150,000 LEDs, four times more than last year

Appliances

- 96% of annual savings goal achieved with 92% of the year gone by
- Projecting ending the year saving 7,000 MWh/year, or 101% of goal
- Projecting expending 100% of revised budget of \$3.1M by year-end
- Moved 115 hot water heat pumps in two weeks thanks in large part to a very successful referral promotion

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

As of 6/14/2014:

Electric

- Multifamily Low Income – No change; this initiative was discontinued in the spring.
 - Forecasting ending year the at 111% of electric savings goal of 1,300 MWh
 - 675 units weatherized to date, forecasting 686 by year end
 - Forecasting ending the year at 92% of budget of \$2.2 million budget
 - 516 heat pumps installed to date, forecasting 527 by year end
 - Remaining wrap up includes: completing upgrades at one electric property, a final survey on customer satisfaction with heat pumps

Any Fuels Initiative (RGGI Funded)

- Single Family Heating Systems (E-CHIP and Ductless Mini-Split Heat Pumps)
 - 390% of full year savings goal with 91% of the year passed.
 - 76% of full year budget has been invested with 91% of full year passed
 - Three CAPs have now invested all of their funds and one has taken on an additional \$15,000 grant given to us by the Governor’s Energy Office
 - Thanks to a robust procurement process, the average heat pump install price is \$2,560 (\$3,500 was budgeted)
 - The program team is optimistic that 95% of funds will be invested by program year end
 - On 6/30 the E-CHIP initiative will be discontinued to focus all available funding of this program on the Low Income Direct Install (LIDI) initiative

iv. Summit Natural Gas Initiative

- Program-to-date: 56 Claims received, 12 have been paid, 25 are being processed for payment and 18 have been returned to customers for additional information
- Average processing time is 11 calendar days in our hands vs a goal of 14
- Efficient replacement heating systems are outpacing inefficient conversion burners 4:1

c. Cross-Cutting Programs

i. Evaluation & Data Analysis

- effRT Project Database
 - A number of significant configuration changes have been made to effRT in support of the Technical Reference Manual (TRM) update
 - The modifications provide for increased control over savings and incentive revisions as well as streamline the TRM update process.
 - The changes are largely invisible to users, but will result in significant labor reductions for the 2015 TRM update.
- Appliance Program Evaluation
 - Final Report has been submitted by contractor
 - Issues have emerged around the assumptions made to calculate savings from hot water heat pumps; the monitors installed on heat pumps in the field did not collect data on water usage or water temperature, nor was solid data collected about number of inhabitants.
 - Staff is developing a strategy to collect additional data in order to improve the credibility of the calculations of actual energy savings
- The Low-Income Multifamily Weatherization Program Evaluation is underway
- Lighting Evaluation is on-going
 - Data loggers will be removed in July and August with data analysis to follow

ii. Innovation Pilots

- Three pilot projects testing competing technologies and applications related to the use of smart meter data will be completed this month. Preliminary reports will be finalized and presented in the coming months.

III. Administration and Finance Highlights

a. Administration

- James Leyko has been hired as a new Program Assistant. Mr. Leyko comes to the Trust after several years at the Maryland public utilities commission and at an energy consulting firm.
- Staff is interviewing candidates for a new Communications Assistant position and will also be interviewing for a new Director of Programs in the coming weeks.

b. Financial

As of 5/31/2014:

- Revenues
 - Revenues received from sources in Maine and the region (ISO-NE) are \$31.9 million year to date, having received 81% of forecast revenues with 92% of the year complete;

fourth quarter revenues from RGGI and the electric utility assessments, typically received in June, are not reflected in these figures

- Another \$4.7 million in revenues from federal sources has been drawn down, with another \$0.9 million, mostly from the BetterBuildings account, remaining to be deployed
- Expenditures
 - Year to date, we have expended \$32.9 million and show another \$24.3 million in encumbered or pending contracts

c. Forward Capacity Market

- Staff worked closely with the Synapse Team to complete the Qualification Package for Forward Capacity Auction #9 that was submitted on June 10.
 - FERC issued an order on FCA 9 rules just before the package was due;
 - In light of that order, the Trust attempted to qualify as much resource as could be justified by reasonably forecasted budgets.
 - As a result the Trust submitted qualification for three new resources for 2018-2019:
 - 20.9 Summer Peak MW of energy efficiency
 - 3.7 Summer Peak MW of small Distributed Generation
 - 8 Summer Peak MW of Large Distributed Generation