

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

August 20, 2014

I. Communications

a. Awareness and Press

- Bangor Daily News ran a story on its website on July 24 about HESP's success during the summer
- Program Manager Dana Fischer appeared on WGME 13 in July sharing tips on efficient, low cost heating and cooling
- Lincolnville Library solar project was featured on WCSH
(<http://www.wcsh6.com/video/3705356415001/1/Small-library-gets-big-grant-to-go-solar>)
- Staff participated in the Maine Energy Marketers Association Energy Fair in Scarborough, July 29
- The Executive Director and Director of Communications met with the new MaineBiz editor on the Trust's mission and provided an overview of energy efficiency and weatherization trends and challenges in Maine
- The Trust's July newsletter the "Circuit" was emailed to 1,360 stakeholders
- Starting in August, Efficiency Maine will be airing ads on MPBN promoting the Business Incentive Program
- A press release on the Oxford Networks' new data center expansion and participation in the Large Customer Program was sent to media outlets in Brunswick, Portland, and Lewiston
- HESP radio campaign continues to run on various radio stations statewide

b. Government Relations

- Staff participated in the technical conference at the PUC on the petition of Grid Solar to be designated as the Smart Grid Coordinator utility for the state of Maine

II. Program Highlights

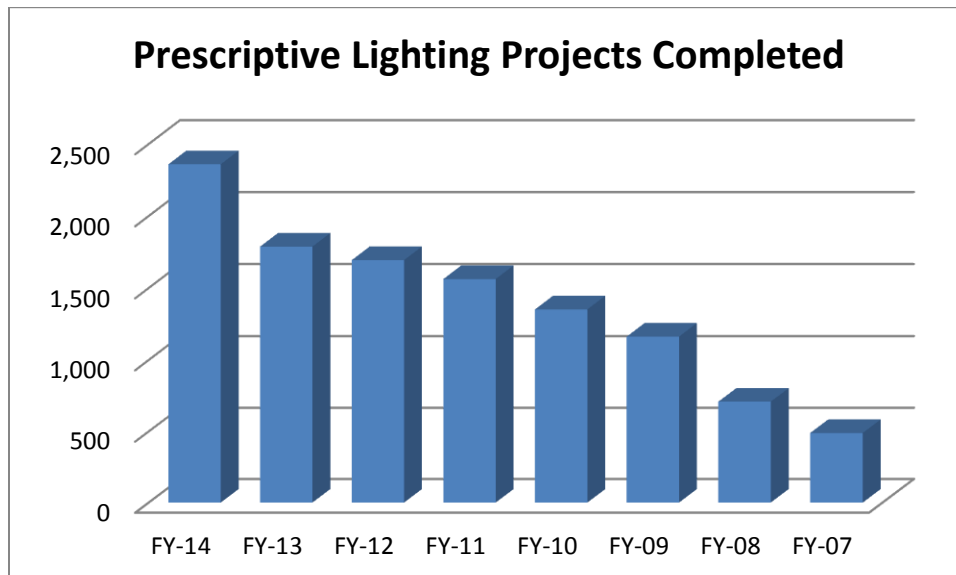
a. Business Program

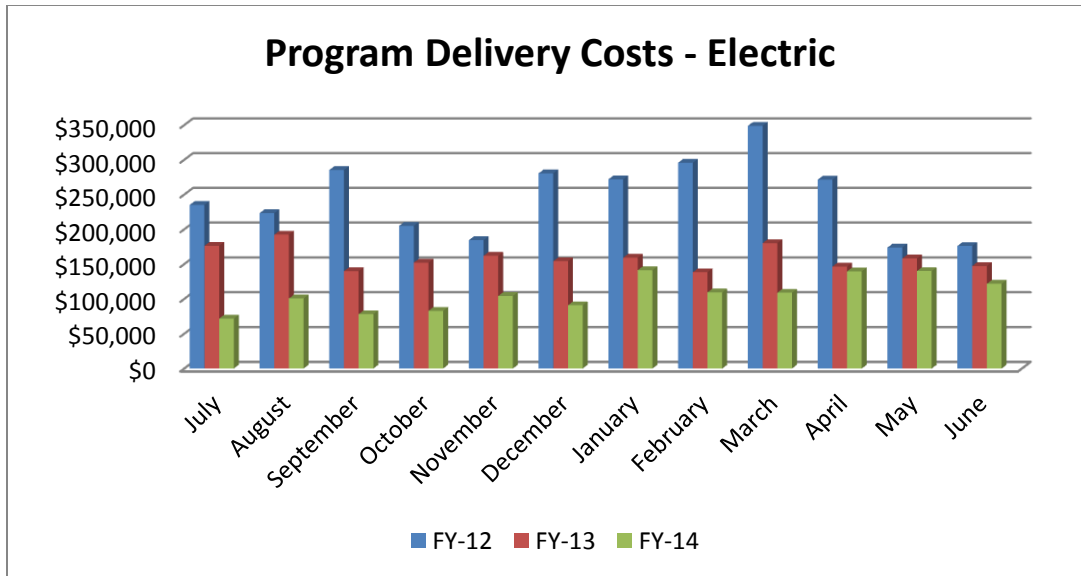
i. Business Incentive Program – Electric

As of 7/31/2014

- \$743,000 (8% of budget) invested with 8% of the year gone by

- Leveraging \$1.1 million in private investment
- 242 projects completed across 205 participants
- 3,343 MWh (7%) of annual savings achieved toward full year goal of 51,027 MWh
- Program Modification for FY15 -- Prescriptive Incentive
 - Remove Tax ID cap from Prescriptive Program
 - Turning off T-12 Promotion
 - Launch incentives for LED troffers & recess fixtures (New)
 - Introduce LED retrofit kits
 - Remove LED screw-in measures (move to Retail Lighting Program)
 - Remove Ductless Heat Pump tiers and increase efficiency standard to 12 HSPF
 - Increase incentive (\$1000)
- Program Modifications for FY15 -- Custom Program
 - Maintain minimum savings threshold of 35,000 kWh
 - Set incentive at 50% of project cost (for Retrofits) and 90% of incremental cost (for Lost Opportunities such as during new construction or replace on burnout (ROB))
 - Cap incentives at \$0.28/kWh
 - Other modifications:
 - Move shortest allowable payback to 1 year
 - Move incentive cap up to \$100,000
 - Require minimum B/C ratio >1.10 using the Total Resource Cost test
- Continue work to introduce new measures, including
 - Variable Refrigerant Flow measures in development – Sept 1st rollout
 - Multi-zone Heat pump measure (rolling out September 1)
 - Launching LED Interior Luminaires (New fixture)
- T-12 promotion ending 8/30/14





ii. Business Incentive Program – Natural Gas

- \$12,500 (2%) of budgeted incentives paid with 8% of the year gone by
- Estimated annual savings of 13,400 therms achieved which is 4% of the goal with 8% of the year expired

iii. Business Incentive Program – RGGI

- 26 ductless heat pumps installed
- \$26,000 (5%) of annual program budget invested at 8% of the year gone by

iv. Multi-Family Program

As of 8/20/2014

- 16 apartment units have received energy upgrades Year to Date, constituting 1% of annual unit goal with 12% of the program year passed
- the delivery team is projecting ending the year at 96% of goal
- The delivery team has prepared a list of program design improvements to streamline program participation

v. Large Customer Program

As of 8/19/2014:

Electric Savings PON

- Program has delivered project proposals requesting approximately \$2.4 million in program investment for the August meeting of the Review Team

- If approved, these proposals will bring the program to 167% of the goal for the budgeted FY15 revenues (not including any FY14 carry-forward)
- Currently on pace to invest \$8.5 million by year end
 - 51% of combined budget of FY15 revenues plus FY14 forecasted carry-forward plus up to \$10 million from the Long Term Contract authorization
- The proposed projects under review at the August meeting of the Review Team are projected to save approximately 73,000 MWH in the first year
 - Forecasting saving 215,000 MWh annually by year-end, or 260% of goal

Large Customer GHG PON

- Program goal for the year is to invest \$3.5 million
- August review committee will consider \$260,000 in proposed projects
 - 44% of the pace we need to be to reach year-end goal
 - 1.3 Million in projects in the pipeline.

iv. Small Business Direct Install

- Preparations are underway to launch the program in selected Aroostook County towns of Fort Kent, Caribou, Van Buren the week of 9/8/2014
 - “Teaser Ads” are being placed in local newspaper(s)
 - Postcards will be mailed out the week of 8/18/2014
 - The Trust’s effRT database is being configured to record program projects

b. Residential

i. Home Energy Savings Program

As of 8/19/2014:

HESP Incentives

- \$800K incentives processed in July; \$323K incentives processed in first half of August
- Projects in the past 6 weeks include:
 - 205 air sealing projects
 - 155 insulation projects
 - 44 pellet boilers
 - 13 geothermal systems
 - 89 high-efficiency conventional central heating systems
 - 6 wood and pellet stoves
 - 1222 ductless heat pumps
- One program design change was announced on 8/13/2014 to the effect that qualifying heat pumps would require an HSPF rating of 12.0 or greater on single zone units
 - A transitional grace period for claim forms received by Sept 30 at 5pm is being provided for units having an HSPF rating of 10.0 that have already been scheduled for installation

Loans

- 67 loans have been closed year to date
 - average project cost of \$9,156
 - total of \$613,000 loaned
- Year to date, 272 loan applications were received (45 per week average)
- 365 loan applications are in the process pipeline with a total financing request amount of \$4.0 million

ii. Residential Lighting and Appliance Program

As of 8/15/2014:

Lighting

- 400,000 bulbs have been moved YTD, which is a pace of 88% of goal, for goal of ending the year at 2.2 million bulbs
- 9,000 MWh (18% of annual goal) savings has been achieved with 11% of the year gone by, and energy savings have reached a pace of 88% of goal for this point of the year
- \$1 million of budget has been invested, which is at 91% of investment pace goal for this point in the year, and forecasting ending the year at 98% of investment goal of \$5.7 million

Appliances

- 203 Heat Pump Water Heater units have been sold, which is a pace of 88% of goal for this point in the year to reach a year-end goal of 2,000 units
- 305 MWh, or 10% of annual savings goal, has been reached with 13% of the year gone by, and energy savings have reached a pace of 88% of goal for this point of the year
- \$843,000 has been invested, or 79% of the budget pace for this point in the year
- The team is looking at introducing additional products for eligibility of incentives to complement the Heat Pump Water Heaters.

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

As of 8/15/2014:

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)
- The team is reviewing prospects for a pilot project to use “direct install” for a suite of simple, low-cost measures (like CFLs, aerators and showerheads) that could reach thousands of low-income homes annually while lowering electric usage

Natural Gas/Unitil Only

- Projects have been identified that will invest 100% of the FY15 budget for Low Income Natural Gas in home energy upgrades that are expected to be completed before the heating season

Any Fuels Initiative (RGGI Funded)

- 8 of 9 CAPs have signed MOUs to provide direct install of heat pumps in qualified homes, but in July, none were installed

iv. Summit Natural Gas Initiative

- Program-to-date: 77 Claims received, 46 paid
- Average EMT processing time is 10 calendar days compared to a goal of 14 days
- Efficient replacement heating systems are outpacing inefficient conversion burners 8:5
- Summit’s calendar 2014 goal is 4,500 homes switched to natural gas

c. Cross-Cutting Programs

i. Evaluation & Data Analysis

- Appliance Program Evaluation
 - Final Report is completed; see Staff report to Board
- Retail Lighting Evaluation is on-going
 - Data loggers will be removed in August
 - Preliminary phone survey data indicates that 4% of the purchased bulbs purchased in the Retail Lighting Program are being installed in commercial (not residential) sockets
 - Due to differences in hours of use (3772 hours per year for commercial customers compared to 745 hours per year for residential customers) and coincidence factors (76% of commercial lighting is on during “summer peak” compared to just 6.8% of residential lights), the annual kWh saved for all bulbs increased by 16% and the summer kW reduction increased by 40%.

ii. Innovation Pilots

- The “Building Portfolio Pilot” with **Retroficiency and ERS** was completed in July. Key findings from the pilot include:
 - 95 buildings in 4 building portfolios were audited remotely; 17 buildings were also audited on-site.
 - Energy-savings potential discovered from remote assessments were confirmed on-site and had a high-degree of accuracy.
 - 70% of the portfolio’s savings potential was found in about 30% of the buildings, helping building owners and Efficiency Maine target efficiency investments.
 - Recommendations included significant operational energy savings in addition to lighting, HVAC, and refrigeration retrofit opportunities.

- Building owners received copies of remote assessments and on-site audits, as well as energy-performance rankings of their building portfolio.
- The response from the participating building owners was positive. In all cases, the participating building owners are exploring operations and scheduling modifications and many are also planning lighting and refrigeration efficiency upgrades. All agreed that interval data gave them a view of building operations not possible through their current energy management systems or facility-staff assessments.
- The “Building-Type Pilot with **FirstFuel**, which targeted public schools, was completed in July.
 - 25 schools received remote audits; schools not receiving audits received information on key findings and Efficiency Maine incentive programs
 - Remote audits were delivered via webinar and pdf and included an overview of retrofit and operational energy savings
 - The top three savings opportunities identified were lighting retrofits, building HVAC scheduling adjustments and lighting controls.
 - 1,227,622 kWh in annual electric savings potential was identified in the 25 buildings.
 - On average, the remote assessments found that the participating schools had a 15% electric energy savings potential.
- 125 smart thermostats have been installed in businesses by the **ecobee/Thayer** team. The pilot has been extended to install the remaining 75 thermostats.

III. Administration and Finance Highlights

a. Administration

- The Staff of the Trust have moved to the new office location across the street from the former location. The new address is 168 Capitol Street, Suite 1, Augusta, ME 04330. All phone numbers and email addresses remain the same as before.
- The audit team from Macdonald Page is currently conducting field work at the Trust’s offices for the FY14 audit
- Peter Eglinton has been hired to fill the position of director of programs. Mr. Eglinton, who has a background in public school finances and operations and consulting for energy clients, will begin work on September 15, 2014
- Paul Badeau, who has served with distinction as director of communications at the Trust for three-and-a-half years, has announced that he will be leaving as of September 1 to pursue new opportunities. Paul has been a dedicated, hard-working member of the Staff and will be remembered for, among other things, organizing very successful special events like the Annual Awards Ceremony, producing a suite of instructional and case study videos that are helping the Trust reach bigger audiences, more efficiently, and gathering more earned media than we can recount.
- Paul will be replaced as director of communications by Dr. Anne Stephenson who is being promoted from communications manager.

b. Financial

As previously reported to the Finance Committee, as of 7/31/2014:

- Revenues
 - Budgeted revenue receipts from sources in Maine and the region (ISO-NE) are \$0.18 million year to date, out of a total of \$47.6 million budgeted for fiscal year 2015 (which amount factors in up to \$10 million contingent upon completing qualifying projects in the Large Customer Program)
 - No funds associated with \$673,000 in federal grants have been drawn down to date, nor has the Trust performed any interfund transfers
 - The Trust has received just over \$20,000 in miscellaneous revenues
 - The Trust also received \$9.2 million from Phase II of the Maine Yankee Settlement funds pursuant to the Omnibus Energy Bill, which funds Staff has set aside for use in FY16 electric savings programs to help replace the System Benefit Charge that will be discontinued at the beginning of FY16
- Expenditures
 - Year to date, the Trust has encumbered \$30.2 million of the current FY15 budget of \$47.8 million; an additional \$13 million of this budgeted is slated for direct payment to qualifying projects in the Large Customer Programs with the remainder set aside for Cross-Cutting Programs (e.g., program evaluations), inter-agency payments, and administrative costs
 - Recorded expenditures as of July 31 are negligible as the first invoices of the year had not yet been received
- The next meeting of the Finance Committee will include a thorough review of the audit being prepared by Macdonald Page.