

# Executive Director's Summary Report

to the Board of Trustees  
of the  
Efficiency Maine Trust

October 27, 2015

## 1. Communications

### A.) Awareness and Press

- Outreach Events in October:
  - The Executive Director presented at the Maine Affordable Housing Conference October 13, 2015.
  - Housing Annual Residential Program Manager Dana Fischer participated in a WERU call-in show, October 14, 2015.
  - The Business Program Manager addressed the Maine Apartment Association on October 15, 2015.
  - The Executive Director and Strategic Initiatives Team Leader participated in a Press Conference and Tour featuring Maine Machine Products Company's recent efficiency upgrades October 23, 2015.
  - Staff exhibited at the Maine Municipal Association Conference October 7-8, 2015, Maine Affordable Housing Conference October 13, 2015, and the GrowSmart Maine Conference October 20, 2015.
- Press:
  - ACEEE issued its Annual Scorecard, in which Maine was ranked 14<sup>th</sup>, moving up two spots from last year.
  - Efficiency Maine Community Renewable Demonstrations Grants were mentioned in the news including the Casco Bay Arena and the Model Neighborhood Wood Heat Initiative.
  - Energy efficiency in hospital buildings and Efficiency Maine's investment of RGGI Funds were the subject of a letter to the editor by Warren Kessler, former CEO of MaineGeneral Health.
  - Two stories in the Lewiston Sun Journal covered the results of the Trust's Residential Baseline Study (showing the leakiness of the average Maine home) and the opportunity to save energy by participating in HESP.
- Website and Outreach
  - Incentives for Bangor Natural Gas, Maine Natural Gas, and Summit Natural Gas (business-only) were rolled out on October 14, 2015 including newspaper and digital advertisements. Outreach efforts on these incentives are ongoing.
  - Changes to the HESP Program and the Low-Income HESP initiative were launched October 14, 2015 on the website.
  - 24,044 website visits in September 2015.

- This compares with 34,252 visits in September 2014.
- 17,914 unique visits in September
  - 6,183 visits were driven through digital ads

**B.) Call Center**

- 320 calls per week, on average, in September 2015
- 130 email inquiries per week, on average, in September 2015

**C.) Government Relations**

- Staff has been monitoring the ongoing Solar Study at the Maine Public Utilities Commission

**2. Program Highlights**

**A.) Business Programs**

**1. Business Incentive Program – Electric**

Period	kWh Savings	Participants
07/01 to 09/30	14,123,001	680
September	1,423,840	42

Description	Program Spending
FY16 Program Budget	\$7,104,445
07/01 to 09/30 Spending	\$4,336,961
Percent of Budget Spent to Date	61%
Percent of Year Passed	25%

- The program is exploring the addition of Tubular LED placements and Lighting Design strategies. The measures would not be added until FY17.
- 215 qualified partners participated in program recertification webinar.
- The program currently has 32 projects in its pipeline with total incentives cost of \$543,526 (\$465,950 prescriptive, \$77,576 custom).

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

Period	MMBtu Savings	Participants
07/01 to 09/30	794	5

September	77	2
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Description	Program Spending
FY16 Program Budget	\$753,108
07/01 to 09/30 Spending	\$37,595
Percent of Budget Spent to Date	5%
Percent of Year Passed	25%

- The program's pipeline currently has \$180,975 of projects (\$126,438 prescriptive, \$54,537 custom).
- The program is rolling out statewide and holding “Counter Days for Qualified Partners” in all natural gas utility territories.
- The program eliminated the non-condensing boiler measure. The team is promoting only the highest energy efficiency equipment (>90% efficient).
- The team conducted a measure cost analysis through project invoices and vendor outreach.

### 3. Business Incentive Program – All Fuels / Heat Pumps

Period	MMBtu Savings	Participants
07/01 to 09/30	5,514	50
September	1,795	26

Description	Program Spending
FY16 Program Budget	\$1,156,902
07/01 to 09/30 Spending	TBD
Percent of Budget Spent to Date	TBD
Percent of Year Passed	25%

- The program currently has 26 projects in its pipeline for a total forecast incentive of \$35,000.
- The program has installed 267 units, including 21 two-zone and 4 three-zone.
- The team is rolling out heating solution measures for oil and propane (new boilers and furnaces).

### 4. Business Incentive Program – Multifamily

Period	kWh Savings	Participants
07/01 to 09/30	1,595,694	10
September	379,342	3

Description	Program Spending
FY16 Program Budget	\$1,744,886
07/01 to 09/30 Spending	TBD
Percent of Budget Spent to Date	TBD
Percent of Year Passed	25%

- The program's pipeline currently has \$107,100 of projects (\$32,300 prescriptive, \$74,800 custom fast track).

#### 5. Large Customer Program

Period	Incentive Spending	Savings	Participants
Electric Year to Date	\$1,050,000	3,285,692 kWh	2
GHG Year to Date	\$190,000	466 Tons	2

- The Expera mill in Old Town shut down. The Trust has an open incentive contract with Expera but has not made any payments. The company inquired and the Trust informed them that if they do not plan on operating the equipment then the Trust will not be paying the incentive.
- This year the program has awarded \$1.05 million of electric funds out of a total incentive budget of \$5.7 million and \$190,000 of GHG funds out of a total incentive budget of \$3.0 million.
- The program has four projects in the pipeline for a review committee next week.
  - The team has not completed the technical review so the Trust does not know the exact size of the projects but it should be around \$150,000 to \$200,000 from the GHG PON and \$200,000 to \$250,000 from the kWh PON.
- The program has been facing a significant marketing challenge given that many customers are under the impression that the program is suspended.
  - The team is gearing up for a marketing push to correct this impression and has been working hard through 1-on-1 contacts to educate customers and the Qualified Partner community about the available incentives.
- The team initiated one new scoping audit and two new TA studies in the last month.

**6. Small Business Direct Install**

Period	kWh Savings	Participants
07/01 to 09/30	1,258,317	42
September	243,550	9

Description	Program Spending
FY16 Program Budget	\$1,010,917
07/01 to 09/30 Spending	\$336,256
Percent of Budget Spent to Date	33%
Percent of Year Passed	25%

**7. Commercial New Construction (Maine Advanced Buildings – MAB)**

No updates to report.

**B.) Residential Programs**

**1. Home Energy Savings Program**

Period	MMBtu Savings	Measures
07/01 to 09/30	25,107	2,763
September	6,823	758

Description	Program Spending
FY16 Program Budget	\$8,360,503
07/01 to 09/30 Spending	\$1,163,153
Percent of Budget Spent to Date	14%
Percent of Year Passed	25%

- Despite oil being well below \$2.00 per gallon in many parts of the state, HESP continued a steady uptake into October.
  - Recent performance is only a little more than 60% of the pace last fall when oil was still above \$3.50 per gallon. 2,400 measures installed in the first quarter of 2015 compared to 3,700 in the first quarter of 2014.

- \$400,000 in rebates were issued in the first 3 weeks of October on more than 800 measures.
- September’s measures included over 400 mini-split heat pumps, 97 air sealing projects and 87 insulation projects.
- September had the highest rate of loan applications for any month so far this calendar year with 169 received.
  - Of the 169 received, 49 were declined for not meeting minimum credit score of 580, a recent bankruptcy, having a debt to income above 70%, or charge offs in excess of \$2,500.
- 32 loans were closed for a total value of \$305,000.
- Combined interest and principle revenue from all loan types was \$152,000 in September. Combined amount in escrow at AFC First is \$3.8 million. If loan rates and repayment remain stable at levels seen in the last quarter, forecast principal shortfall will not be seen for more than a year.

**2. Consumer Products Program**

<b>Period</b>	<b>MMBtu Savings</b>	<b>Appliance Rebates</b>	<b>Light Bulbs*</b>
07/01 to 09/30	24,063	2,917	345,921
September	7,308	956	126,302

\* These amounts do not include bulbs moved through the Low Income Program

<b>Description</b>	<b>Program Spending</b>
FY16 Program Budget	\$10,533,305
07/01 to 09/30 Spending	\$1,676,920
Percent of Budget Spent to Date	16%
Percent of Year Passed	25%

- Based on an EnergyStar report, the Trust estimates its programs have driven Maine’s heat pump water heater market share to more than 14X the national average.
- Ten electrical distributors with 24 locations have signed MOUs to sell discounted screw-in LEDs starting in October.
  - This is the channel that the Trust will use to invest the \$1.5 million that the Board authorized for C&I lighting because it is among the most cost effective measures in our entire portfolio.
- The program has given out more than 100 thermostatically-controlled showerheads to residents with electric water heaters as part of a customer satisfaction test. Users will be surveyed in December. If well received, these showerheads will be added to the program.

- They are estimated to save 458 kWh per year when used with electric resistance water heaters. They have 3 times the savings of a regular low-flow showerhead and are equivalent to 16 CFLs.

### 3. Low-Income (electric and “any fuels”)

Period	kWh Savings	Direct Install Projects	Light Bulbs
07/01 to 09/30	2,000,112	109	115,050
September	920,191	34	46,906

Description	Program Spending
FY16 Program Budget	\$4,867,334
07/01 to 09/30 Spending	\$476,962
Percent of Budget Spent to Date	10%
Percent of Year Passed	25%

- The delivery team has installed 38 heat pumps in homes of the Aroostook Band of Micmacs without assistance from CAP agencies. Five other tribes have volunteered to help the Trust install another 70 heat pumps.
- All but 2 CAPs have now signed on and heat pump installations are accelerating.
- All funding is expected to be fully invested by the end of December.

### C.) Strategic Initiatives (Cross Cutting)

#### 1. Innovation Pilots

- Commercial Loans
  - Staff has conducted research on financing options. Staff is prepared to immediately launch one option which would deploy relatively small, unsecured loans using personal guarantees.
  - Staff has developed a “short list” of ideas for FY16 projects that it is preparing to discuss with the Board.

## 4. Administration and Finance Highlights

### 1. Administration

- Staff submitted the Annual Audit to the State Bureau of the Budget.
- Staff submitted the Davis Bacon Report to the US DOE.
- Greg LeClair was promoted from Senior Accountant and Business Manager to Controller.
  - A new position for Accountant will be posted.
- Katie Charette has left the Trust to take a job at a land conservancy closer to her home.
  - A new position for Communications Manager will be posted.

## **2. Financial**

- Revenues
  - Revenues for the first three months of FY16 are largely on track. RGGI revenues are ahead of budget after proceeds from the first auction of the fiscal year came in well above estimate. First quarter Electric Procurement payments have been received and payments for Q2 FY16 are due in October. The Natural Gas Fund does not show any revenue as of the end of September, however, in October the Trust received \$550,000. There is also an outstanding receivable due by the end of the month of another \$435,000. The final Phase I payment for the Maine Yankee Settlement is expected in November. All other funding sources are trending as anticipated.
- Expenditures
  - Expenditures reflect the results of operations across all programs. The Available Budget Balance at the end of the period accounts for the impact of contract encumbrances and any contract change orders that are currently in process. In the coming months, staff will work to fully commit remaining budgeted funds within their programs. The Business Incentive Program is fulfilling commitments made in the last quarter of FY15 as those projects are completed and processed. Residential Programs are running slightly behind pace but do not reflect as of 9/30 the impact of increased home improvement activity in late September and early October.

## **3. Forward Capacity Market**

- Recent news reports indicate that Pilgrim, the 680 MW nuclear plant in Massachusetts, will be shut down. This loss of capacity was not included in recent ISO forecasts.