

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

**July 29, 2015**

<b>1. Communications</b>
--------------------------

**a. Awareness and Press**

- Outreach Events in June and July:
  - Conducted 10 Triennial Stakeholder Webinars
    - Commercial and Industrial Programs: Prescriptive
    - Home Energy Savings Programs: Weatherization and Financing
    - Income Eligible Weatherization and Heating System Measures
    - Commercial and Industrial Programs: Custom
    - Home Energy Savings Program: Heating Systems
    - Income Eligible Lighting and Appliance Measures
    - Commercial and Industrial Programs: New Construction
    - Midstream Lighting Program
    - Renewable Energy Programs
    - Small Business Initiative Program
- Press:
  - Efficiency Maine's interval data pilots were mentioned in a *Portland Press Herald* article on smart meters
  - Efficiency Maine's energy efficiency programs were highlighted in press around the most recent report on RGGI including "Regional Carbon Reduction Program Yielding Benefits from Maine" on *MPBN News*
- Website
  - 24,830 visits in June 2015
    - compare with 23,672 visits in June 2014
  - 18,326 unique visits in June
    - 5,633 visits were driven through digital ads

### **b. Call Center**

- 270 calls per week, on average, in June 2015
- 72 email inquiries per week, on average, in June 2015
- 353 rebate applications were received per week, on average, in June 2015
- Call Center operations shifted to SaviLinx on June 26, 2015

### **c. Government Relations**

- Staff hosted a U.S. Department of Energy site visit in collaboration with the Governor's Energy Office on June 15, 2015
- Several bills related to the Efficiency Maine Trust were held until the next legislative session including:
  - LD 1341 "An Act To Authorize a General Fund Bond Issue To Improve Maine's Housing Stock and Reduce Heating Costs and Oil Consumption"
  - LD 1073 – "An Act To Lower Energy Costs Access to Solar Energy for Agricultural Businesses
  - LD 1382 – "An Act To Assist Low-income Electricity Customers"
- Activity at the PUC included:
  - Filing reference documents and studies in the new docket for Triennial Plan III
  - Participating in the Emera petition for a new heat pump rate and approval of a program to promote heat pumps

## **2. Program Highlights**

### **a. Business Program**

As of 6/30/2015:

#### **i. Business Incentive Program – Electric**

##### FY2015 Preliminary Year-end Results

- 64,000 MWh/year saved
  - 126% of goal (51,027 MWh/year) at year-end
- 4,152 participants served
  - 4,855 projects completed
- Incentives paid \$15.8 million
  - 82% of Board-approved budget adjustment of \$19,461,333, drawing forward budget allocation for this program from the FY2016 budget
- Estimated total participant investment \$29,340,75

Summary Project Statistics (as of 6/30/2015)	
Completed Projects	4,855
Estimated Annual Savings (kWh)	64,142,287
Average Project Incentive	\$3,271
Average Project Saving (kWh) 1st year	13,212
Average Annual Cust. Savings (\$) Per Project*	\$1,585
* Based on \$0.12/kWh - (Retail & T&D)	

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

- 50 projects completed YTD, up from 48 last month
- 47 participants served, up from 45 last month
- 113,428 therms of natural gas saved annually
- Incentives Paid \$171,747
  - 21% of Budget of \$828,178
  - Up from \$148,050 incentives paid as of last month
- Estimated participant cost \$207,820

**iii. Business Incentive Program – RGGI**

- 442 projects completed in Maine businesses and institutions
  - up from 439 last month and 420 the month before that
  - 435 participants
- Incentives paid: \$1,005,700 (100% Budget – \$1,000,000 RGGI) at year-end
- Estimated participant investment leveraged: \$4,091,785

**iv. Multi-Family Program**

As of 7/17/2015

- July
  - \$105,165 of rebates invoiced
  - Saving 3,478 MMBtu/year
- FY2015
  - \$1.41 million invested from an annual budget of \$1.43 million
  - 27,877 MMBtu/year saved

**v. Large Customer Program**

As of 7/27/2015:

- The Review Committee met this week for the first time in fiscal year 2016 and awarded
  - \$1.05 million from the “kWh PON” funded by the multiple electricity saving funds out of a total incentive budget of roughly \$5.7 million
  - \$190,000 from the “GHG PON” funded by RGGI out of a total incentive budget of roughly \$3 million
- Staff and delivery team have analyzed the impact of the program’s Technical Assistance (TA) provided in FY 2015 and find:
  - Invested \$106,650 in TA Studies (matched by \$153,000 of private funding)
  - These TA studies generated \$3.3 million in new project proposals, leading to an EMT investment of \$1.6 million in incentives

**iv. Small Business Direct Install**

As of 6/30/2015:

- 5,464 MWh/year saved
- 460 projects completed
- 344 participants served
- Expenditures
  - Incentives: \$2,365,908 (90% of budgeted)
  - Program Delivery: \$365,418 (100% of budgeted)
- Estimated participant investment leveraged: \$2,917,617

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

As of 6/30/2015

- Program re-launched at beginning of FY2015
- 1 project completed, 5 more in the pipeline
- Energy savings from completed project
  - 178,140 kWh/year
  - 210,080 therms/year
- Expenditures from budget of \$506,159
  - Incentives: \$51,500
  - Delivery: \$62,611
  - Total: 23% of budget
- No new results to report for July

## **b. Residential**

### **i. Home Energy Savings Program**

As of 7/24/2015:

- July to date
  - continued uptick in participation levels as seen in June
  - more than 300 heat pumps installed in the first 2/3rds of the month
- June of FY 2015
  - 144 air sealing and assessments
  - 140 insulation zones
  - 610 ductless heat pumps
  - 61 conventional boilers and furnaces
  - 15 pellet boilers
  - 1,125 total measures and \$594,000 in rebates issued
- FY2015
  - \$9.26 million total program expenditures
    - including all HESP and Unitil incentives, marketing and delivery costs
    - non-incentive costs constituted only 12% of total program expenditures
    - \$8.02 million in rebates issued
  - 10,173 homes improved
  - For 14,272 measures completed, including:
    - 2,154 air sealing and assessments
    - 2,022 insulation zones
    - 6,247 ductless heat pumps
    - 1,127 conventional boilers and furnaces
    - 287 pellet boilers
    - 98 geothermal systems
    - 109 pellet and wood stoves
  - This compares favorably to the 4,670 projects completed in the first 9 months of the program when it was launched in FY2014
- Natural Gas
  - Rebates for customers in Unitil territory reached \$286,000 in FY2015
  - For 229 high efficiency boilers and furnaces
  - Plus 145 projects with air sealing and insulation
- Marketing
  - Digital marketing continues with Google Ads and Network, YouTube(s), Hulu and Pandora to get homeowners to plan upgrades this summer
  - Municipal tax mailing campaign is in process with an anticipated reach of 250,000 homes in 110 towns
  - Preparing for new Facebook initiative
    - as a marketing channel
    - to establish a peer-to-peer educational campaign around best strategies for optimizing use of heat pumps and to increase sharing about the benefits of better insulated homes
    - to generate testimonials and images for use in other marketing channels

- Loans
  - June
    - Closings remained sluggish with 20 loan closings and a total of \$176,000 issued
    - Application volume increased to 90 in June, indicating that the seasonal surge may be beginning
  - Total closed in FY2015:
    - \$4.65 million
    - 516 loans
  - Total loans closed in 4.25 years since launch of PACE
    - \$14.0 million
    - 1293 loans
  - Uncommitted loan principal remaining at AFC First: \$4.6 million

**ii. Residential Lighting and Appliance Program**

As of 7/10/2015:

Retail Lighting

- 2.99 million bulbs sold year-to-date
- 5,225 units installed YTD, up from 3,040 last month
  - Forecasted savings of 3,800 MWh per year
- \$12.3 million expended, up from \$11.2 million reported last month from a budget of \$12.6 million

Appliances

- No report provided

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

As of 7/10/2015:

Electric

- Bundled measure consisting of Heat Pump Water Heater plus CFLs
  - 710 units installed since the launch in January, up from 550 reported last month
  - \$1.43 million expended, up from \$1.14 reported last month, from an annual budget of \$1.46 million

Natural Gas/Unitil Only

- \$80,000 invested in apartment projects

- \$200,000 of FY15 budget carried forward into FY16 for use in new initiative to focus on owner-occupied homes of income-eligible gas customers

Any Fuels Initiative (RGGI Funded)

- 223 mini-split heat pumps installed, up from 212 reported last month
- \$703,000 of annual budget of \$706,000 expended

**c. Strategic Initiatives (Cross Cutting)**

**i. Evaluation & Data Analysis**

- Residential Baseline Study:
  - Preliminary study completed
  - Final report to be published in August
- Low Income Weatherization Program Evaluation:
  - Initial study completed
  - Staff considering adding further work
- The Business Incentive Program (BIP) and & Large Customer Program Evaluations:
  - Staff and delivery team interviews nearing completion
  - 41 site visits will be completed by the end of the July for the BIP evaluation
- Distributed Generation Metering:
  - 4 meters (at 3 locations) installed and providing daily updates

**ii. Innovation Pilots**

- Staff seeking input on concepts for next round of pilot projects, with focus on:
  - use of interval utility data made possible by the installation of “smart meters,”
  - a new loan fund of \$400,000-500,000 for non-residential customer efficiency upgrades, especially to test the potential role of financing in lieu of incentives, as is currently the case for measures suspended in the Business Incentive Program, applying some combination of the following elements, with details still to be worked out:
    - Finance project cost on easy terms (fixed rate, fixed term)
    - Eligible Measures
      - Small to medium sized projects (e.g., interior lighting)
      - Capped at \$10,000
    - Eligible Customers
      - Small to medium customers (<400 kW)
      - Underwriting terms TBD

- Limit 1 per customer
- Analyze results at end of year to determine if further financing options are advisable for non-residential customers and apply lessons learned

### iii. Forward Capacity Market

- Staff is reviewing and addressing questions posed by ISO-NE regarding EMT's FCA 10 qualification package

## 3. Administration and Finance Highlights

### a. Administration

- The auditors at RKO continue to review documents and accounts and are expected to make their second field visit in late August
- Performance evaluations were completed for all staff below the level of director

### b. Financial

As of 6/30/2015:

- Revenues
  - Revenue receipts from sources in Maine and the region (ISO-NE) are \$49.6 million YTD, up from \$41.1 million reported last month. The revenues are relative to \$54.9 million budgeted from these sources for use in fiscal year 2015, an amount that factors in up to \$8 million through a PUC-approved Long-Term Contract contingent upon getting commitments for qualifying projects in the Large Customer Program
  - \$1 million of the Long-Term Contract payments have now been received, while future payments due under the Long-Term Contract will be paid to the Trust when the projects are completed
  - The \$50,000 contingency for receipt of federal revenues has been reflected in the budget but will not be realized this year (and has been eliminated from the FY2016 budget)
  - The Trust has performed \$2.2 million in interfund transfers YTD out of a full-year budgeted amount of \$2.4 million
  - The Trust has received just more than \$1.2 million in miscellaneous revenues (such as interest, payments for the Boothbay NTA Pilot, payments from Summit Natural Gas, etc.) YTD
- Expenditures
  - As an interim report, without having yet closed the books on FY2015, the Trust has expended \$57.3 million in FY2015 (up from \$49.3 million reported last month)
  - An additional \$21.2 million remains encumbered under contracts or is committed pending contract signings (including more than \$7 million in commitments to projects awarded under the Large Customer Program) to deliver the Trust's suite of programs and individual projects
  - Another \$3 million has been expended for agency transfers and a loan offset fund, while approximately \$1.6 million more is being held to comply with statutory requirements to provide rate relief with 15% of RGGI revenues and other interagency transfers.