

# Executive Director's Summary Report

to the Board of Trustees  
of the  
Efficiency Maine Trust

January 24, 2018

## 1. Communications

### A) Awareness and Press

- Press
  - Executive Director appeared on “The Maine Event” on December 10, 2017 for an episode exploring “housing challenges” in Maine.  
(<http://video.mainepublic.org/video/3007771714/>)
- Website and Outreach (December)
  - 24,400 website visits (compared to 25,041 visits in November)
    - 18,477 unique visits
    - 8,372 visits were driven through digital ads
  - Facebook
    - 3,058 fans (24 new)
    - 101,632 reached through advertising
- Call Center (December)
  - 1,171 inbound phone calls (97% answered within 20 seconds)
  - 675 inbound emails
  - 1,164 inbound mail (mostly rebate claims)

### B) Government Relations

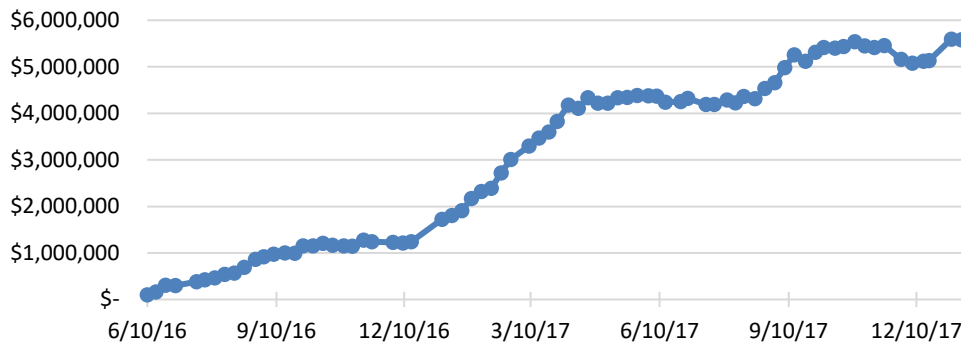
- Legislature
  - January 9: Trustee Al Hodsdon appeared before the Energy, Utilities and Technology Committee for a confirmation hearing for reappointment to the Board
  - Staff has been monitoring bills at the Legislature. Of particular note are:
    1. LD 1487 – An Act to Control Transmission Costs through the Development of Nontransmission Alternatives (pending Work Session)
    2. LD 1657 – An Act to Update the Allowance Budget for RGGI (passed out of the Environment and Natural Resources Committee)

## 2. Program Highlights<sup>1</sup>

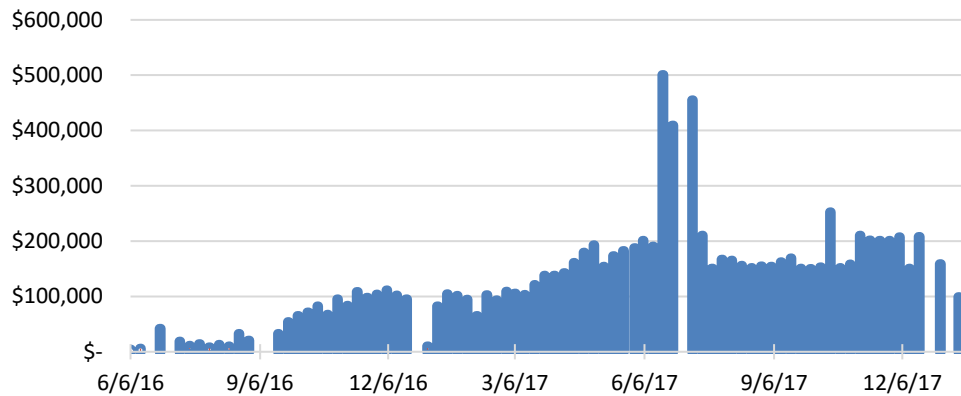
### A) C&I Prescriptive (CIP) Program – Electric Measures

- The number of pending projects (pipeline) has remained relatively consistent and represents a potential of \$5.6 million in incentives.
- Distributor lighting sales have continued to increase and include a combination of screw-in lamps and mogul/linear replacement lamps.

**C&I Prescriptive Program Electric Measures - Pipeline**



**C&I Prescriptive Program Electric Measures - Incentives Paid**



Updated Financials	Program Investment
FY2018 Program Budget	\$10,069,937
7/1 to 12/31 Spending	\$5,033,070

<sup>1</sup> The Updated Financials table reported for each Program reflects data pulled from the Trust’s financial management system mid-month; the Summary Program Update table is pulled from the Efficiency Maine project tracking database on January 18, 2018 to capture the progress for the year through the most recent complete month of reported actual results (i.e., through the end of December 2017).

Percent of Budget Spent to Date	50%
Percent of Year Passed	50%

Summary Program Update	Annual kWh Savings	Annual MMBtu Savings*	Participants
Start of fiscal year to 12/31	39,041,402	(46,387)	899

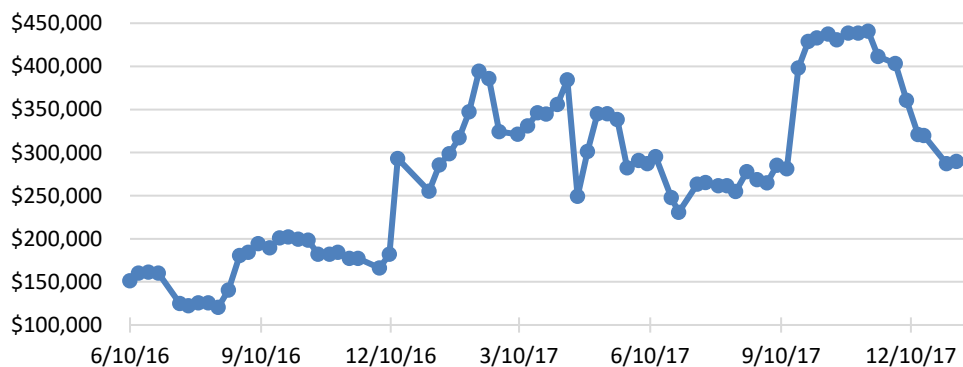
\*Negative MMBtu savings indicates thermal interactive effects with lighting measures.

Project Type (through 12/31)	Participants
Lighting Solutions (not including DSIL)	701
Heating and Cooling Solutions	168
Compressed Air Solutions and Other	26

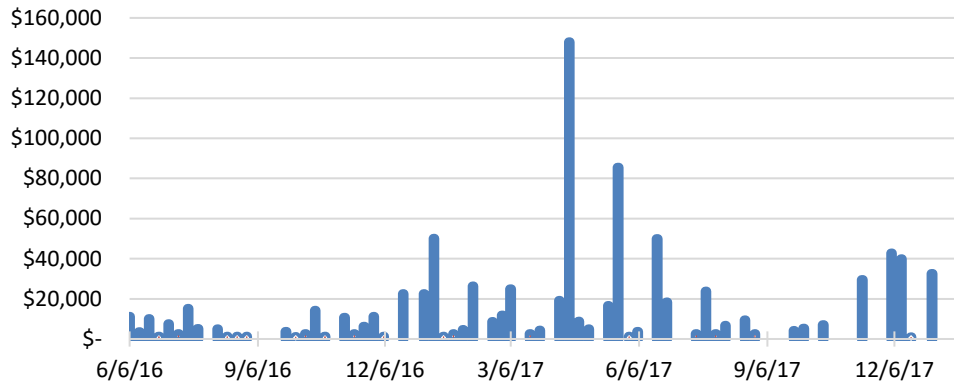
### B) C&I Prescriptive Program – Natural Gas Measures

- The current pipeline of pending projects represents approximately \$290,000 in incentives.
- Year-to-date, 52 total natural gas units have been installed through the distributor discount initiative; 17 units have been installed through the downstream channel. The total number of units (69) installed year-to-date in FY2018 compares favorably to the number (36) installed in the first six months of FY2017.

**C&I Prescriptive Program Natural Gas Measures - Pipeline**



### C&I Prescriptive Program Natural Gas Measures - Incentives Paid



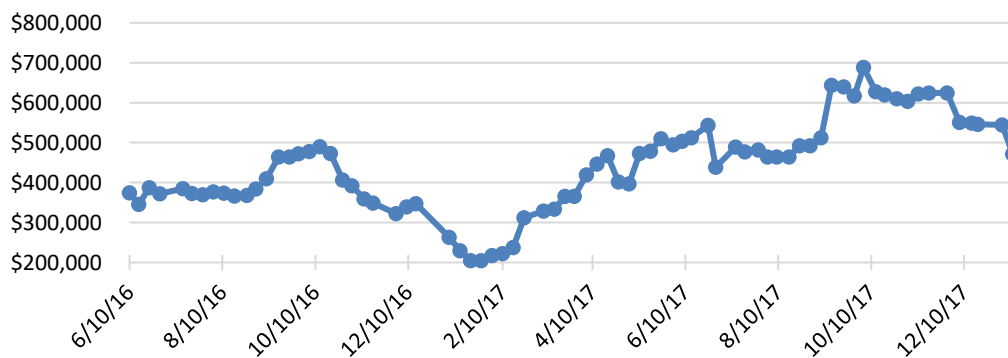
Updated Financials	Program Investment
FY2018 Program Budget	\$1,888,872
7/1 to 12/31 Spending	\$494,902
Percent of Budget Spent to Date	26%
Percent of Year Passed	50%

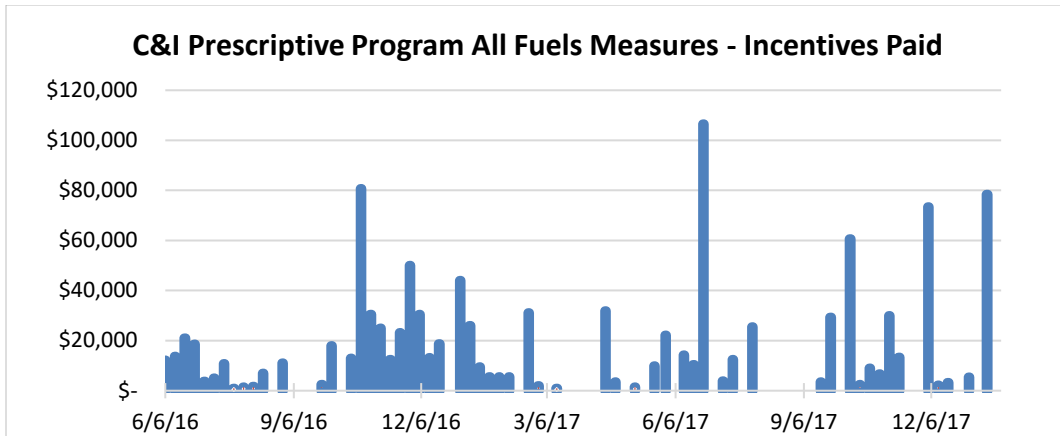
Summary Program Update	Annual MMBtu Savings	Participants
Start of fiscal year to 12/31	10,517	43

### C) C&I Prescriptive Program – All Fuels (e.g., Oil and Propane) Measures / Heating Solutions

- The current pipeline of pending projects represents approximately \$470,000 in incentives.
- To date, 24 total propane units have been installed through the distributor discount initiative; 9 units have been installed through the downstream channel. The total number of units (33) year-to-date compares to 28 installed during the first six months of FY2017.

### C&I Prescriptive Program All Fuels Measures - Pipeline





Updated Financials	Program Investment
FY2018 Program Budget	\$654,025
7/1 to 12/31 Spending	\$428,355
Percent of Budget Spent to Date	65%
Percent of Year Passed	50%

Summary Program Update	Annual kWh Savings	Annual MMBtu Savings	Projects
Start of fiscal year to 12/31	170	14,757	101

**D) C&I Custom Program**

- Since the last Board meeting, the pipeline of small custom projects has grown modestly, adding 1 new project worth \$31,000 in incentive offers. The total small custom pipeline now consists of 10 projects worth \$225,000 in incentive offers.
- Program staff received applications for 4 new scoping audits.
- Projects that reduce the consumption of other fuels (biomass, oil, propane, etc.) are now eligible for incentives. With a project cancellation, some of the program’s encumbered RGGI funds became available for other potential customers. Program staff anticipates further RGGI funding if the Board accepts the proposed budget adjustments at the January meeting.
- Program staff has updated program materials (including Program Opportunity Notices, Terms and Conditions, contract templates) to reflect the Board’s recent decision to exclude from eligibility any project located at a business that is engaged in activity under the Maine Medical Use of Marijuana Act.

Updated Financials	Program Investment
FY2018 Program Budget	\$14,437,135
7/1 to 12/31 Spending	\$1,620,517
Percent of Budget Spent to Date	11%

Percent of Year Passed	50%
------------------------	-----

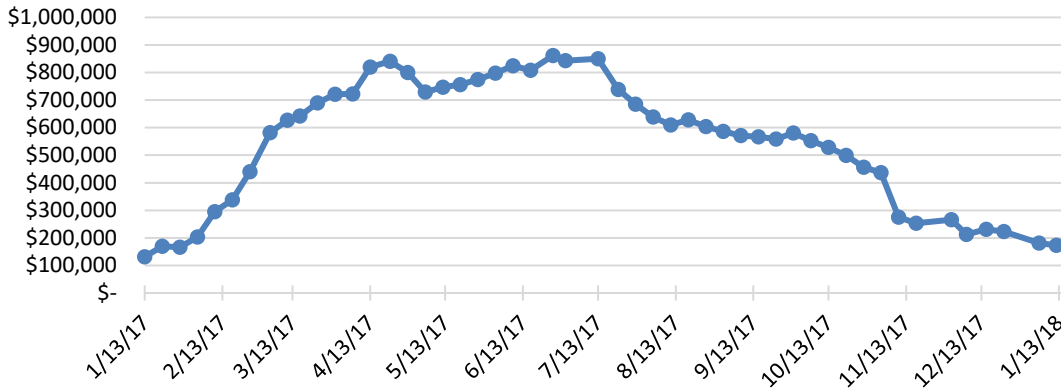
<b>Additional Details on FY 2018 Financials</b>	<b>Program Investment</b>
Expenditures	\$1,620,517
Committed	\$5,112,772
Pipeline	\$1,522,539
Total (Expenditures, Committed, & Pipeline)	\$8,255,829
Percent of Budget	57%

<b>Summary Program Update</b>	<b>Annual MMBtu Savings</b>	<b>Annual kWh Savings</b>	<b>Participants</b>
Start of fiscal year to 12/31	28,599	5,312,189	18

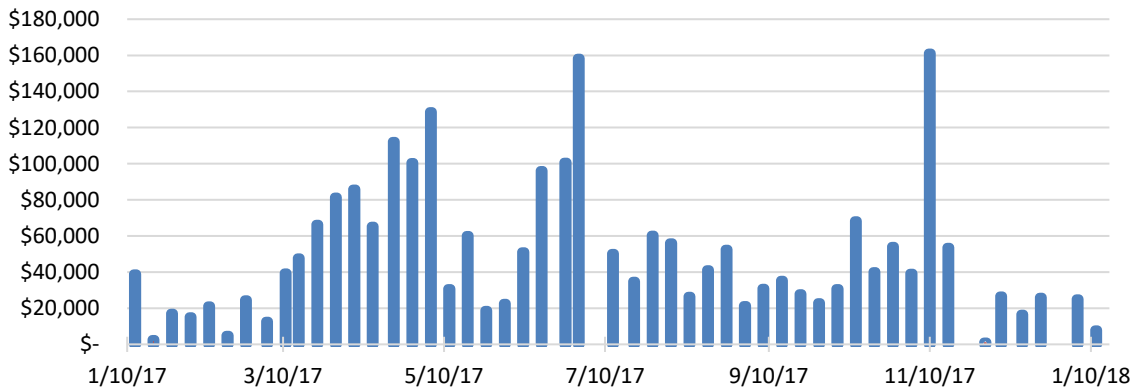
**E) Small Business Initiative (SBI)**

- Regions 5 (Lakes Region-Raymond-Fryeburg) and 6 (Western Mountains-Bethel-Skowhegan) are no longer accepting new projects; pending projects are to be completed no later than February 9, 2018.
- The program team will continue using CMP customer data to identify remaining eligible small businesses (SGS rate classes) to target in Region 7 (Sanford-Berwicks area); new projects will be accepted for Region 7 until February 28, 2018.
- Seven contractors are participating in Region 7 with projects underway. The Region 7 pipeline is expected to grow quickly once the program team provides contractors with an updated Energy Assessment Tool (EAT) and lighting assessments resume. EAT includes revised assumptions regarding baseline and replacement measures and related costs.
- Region 8 is being rolled out in January and consists of the Route 25 corridor, from Gorham to Porter. A few existing contractors have already confirmed they are interested in providing services. The program team will be doing additional outreach to attract additional local contractors.
- The program team is planning to hold an SBI refresher/training session for existing and new contractors in January.

### Small Business Initiative - Pipeline



### Small Business Initiative - Incentives Paid



Updated Financials	Program Investment
FY2018 Program Budget	\$2,556,587
7/1 to 12/31 Spending	\$1,032,050
Percent of Budget Spent to Date	40%
Percent of Year Passed	50%

Summary Program Update	Annual MMBtu Savings	kWh Savings	Participants
Start of fiscal year to 12/31	(2,492)	1,434,821	129

#### F) Commercial New Construction Program

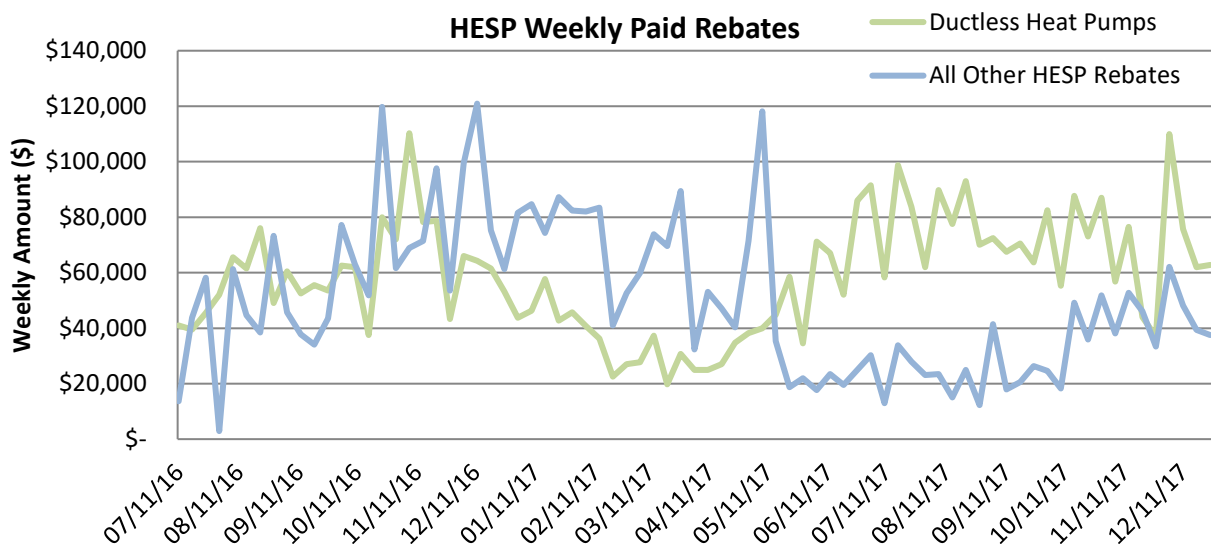
- This program is suspended and is no longer accepting new enrollments; several projects awarded in FY2017 are pending completion. Customers continue to have access to incentives through the CIP program, many of which are relevant to new construction.

- The Maine Coast Waldorf High School project (Freeport) has been completed, with complete submittals provided to the delivery team. The project is planned to be paid in January.

Updated Financials	Program Investment
FY2018 Program Budget	\$1,985,677
7/1 to 12/31 Spending	\$11,211
Percent of Budget Spent to Date	1%
Percent of Year Passed	50%

**G) Home Energy Savings Program (HESP)**

- Though the number of rebates for the fiscal year is up 9% over last year, December 2017 was below December 2016 in all categories and overall pace of activity remains slow. Several steps are being taken to increase demand:
  - As of January 1, rebates were restored to last year’s pre-March levels for weatherization and all heating systems except heat pumps.
  - The program website, brochures, and rebate claim forms are being updated and improved.
  - A monthly e-newsletter is being created to keep Residential Registered Vendors up-to-date on program changes.
- Ten loans were funded in December, well below the typical 43 per month. The loan program continues to face significant disruption from the service provider’s move to a new office location.





Updated Financials	Program Investment
FY2018 Program Budget	\$11,113,615
7/1 to 12/31 Spending	\$3,394,989
Percent of Budget Spent to Date	31%
Percent of Year Passed	50%

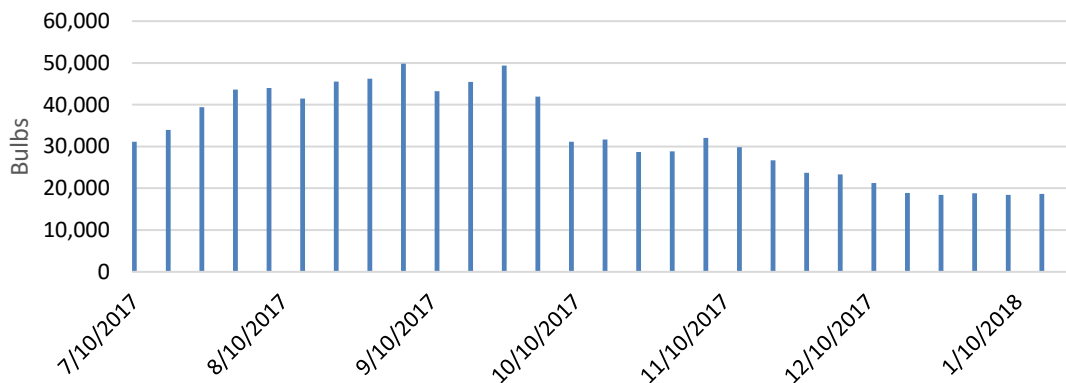
Summary Program Update	Annual kWh Savings	Annual MMBtu Savings	Measures
Start of fiscal year to 12/31	8,610,128	34,372	4,390

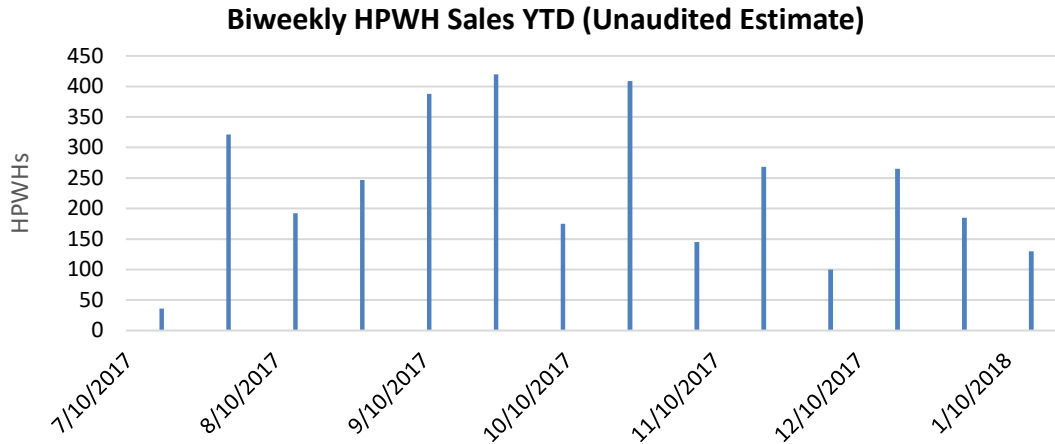
Project Type (through 12/31)	Units
Electric Measures	3,205
All Fuels Measures	1,185

#### H) Consumer Products Program

- The program is on target to invest all funds and exceed savings goals for the year. Thus far, the program has taken the following steps to stretch the available funding through the fiscal year:
  - Reduce incentives for heat pump water heaters.
  - End on-shelf LED markdowns, focusing only on off-shelf placement.
  - Discontinue LED discount coupons for small stores on January 1; at least 12 locations have switched to markdowns.

**Weekly Bulb Sales YTD – Retail (Unaudited Estimate)**





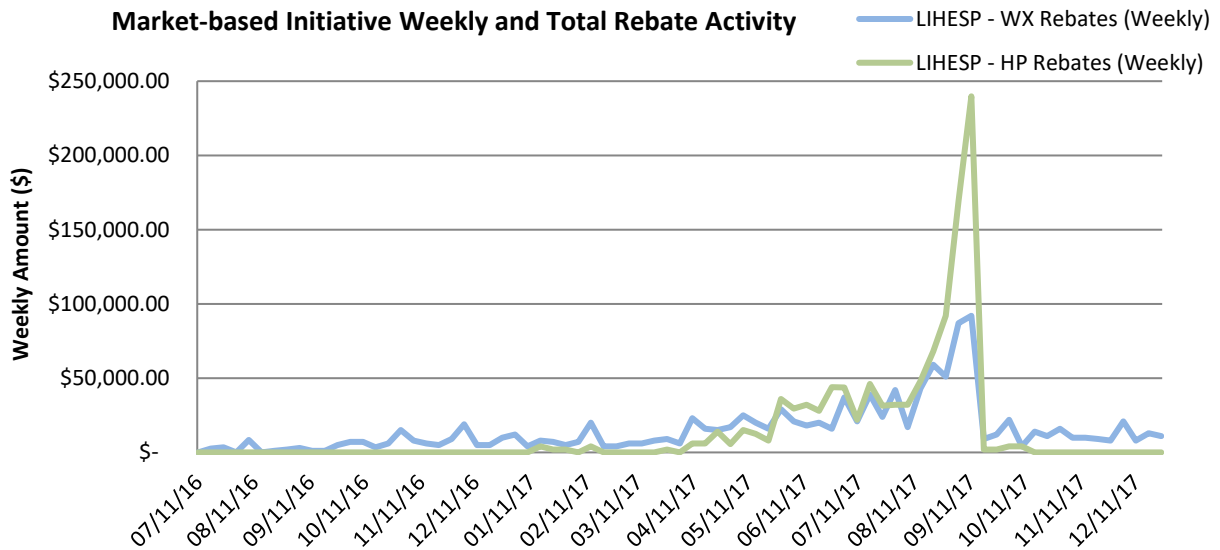
Updated Financials	Program Investment
FY2018 Program Budget	\$11,508,432
7/1 to 12/31 Spending	\$4,392,911
Percent of Budget Spent to Date	38%
Percent of Year Passed	50%

Summary Program Update	Annual MMBtu Savings	Annual kWh Savings	Appliance Rebates	Light Bulbs
Start of fiscal year to 12/31	(40,539)	40,386,521	7,635	1,033,872

**i) Low Income Initiatives**

- The program has discontinued stocking food pantries with free LEDs and aerators and is now distributing, through food pantries, business reply cards offering free LEDs and low-flow aerators and showerheads. This approach allows us to limit the number of bulbs per family and to gather contact information for measurement and verification.
- In December, 135 new customers joined the electric utilities' Arrearage Management Program (AMP). A total of 590 AMP households (42%) have received DIY kits with LEDs and/or low-flow devices.
- The Low Income Direct Mail initiative has sent 3,521 DIY kits to low-income families in FY2018 and continue to see strong interest. We are talking with the Department of Health and Human Services about ways to reach more eligible households.
- The Low Income Direct Install Program that offers free installations of heat pump water heaters to eligible households has installed 304 units so far in FY2018. Thirty-three projects were completed in December. We are soliciting interest from additional plumbers to increase installation capacity. Marketing and outreach has been strong in some northern and interior areas of the state where plumbers have enough capacity for projects (areas near Presque Isle, Farmington, Milo, Bangor, and Lyman).

- Staff submitted a proposal (through the Governor’s Energy Office) for a USDOE State Energy Plan grant on “Partnering with Municipalities to Drive Market-Based Adoption of Heat Pumps by Low Income Households in Maine.”
- Weatherization projects through the market-based initiatives (currently referred to as the Low Income Home Energy Savings Program or LIHESP) dipped in December, which is in line with historical data. December brought a total of 40 projects.



Updated Financials	Program Investment
FY2018 Program Budget	\$6,796,824
7/1 to 12/31 Spending	\$2,767,285
Percent of Budget Spent to Date	41%
Percent of Year Passed	50%

Summary Program Update	MMBtu Savings	Annual kWh Savings	Direct Installs
Start of fiscal year to 12/31	32,506	4,771,742	317

Other Initiatives (through 12/31)	Units
LIHESP	898
Direct Mailings	3,386
Food Pantry Bulbs	125,820

## J) Strategic Initiatives (Cross Cutting)

### I. Evaluation, Measurement, and Verification (EM&V)

- Staff is using a web-based survey to conduct ongoing measurement and verification activities. Most recently, the Trust has been administering surveys to recent SBI participants to collect near real-time information on free-ridership rates within the program. This approach has proven to be a simple way to administer surveys and has resulted in a response rate that is higher than the industry standard. Given this positive experience, Staff is considering this approach to other surveys.

### II. Forward Capacity Market

- Trust submitted a reply to ISO-NE's answer to our FERC protest. Earlier this week the Trust learned that FERC has elected not to grant the Trust's request.
- The Trust awarded a contract for Support Services to Synapse Energy Economics.

## 3. Administration and Finance Highlights

### A) Administration

- The Trust continues to work with the Maine DOT to craft the terms of a memorandum of agreement to govern the Trust's administration of an initiative to install DC fast charging stations for electric vehicles along priority corridors in Maine.
- The Trust filed its annual report to the Legislature from quasi-state agencies.

### B) Financial

#### Revenues

- The new revenues from state and regional sources through the end of December, 2017 were \$22.3 million, up from \$19.5 million as of the prior month. Approximately \$550,000 in additional revenue has been received year-to-date on interest from outstanding loans, the NTA pilot project, and other miscellaneous revenues. Year-to-date we have made nearly \$337,000 in interfund transfers. The outstanding balance for revenues is just more than \$23 million for the fiscal year, not including interfund transfers.
- Improved performance of the RGGI revenues has resulted in revenues received year-to-date exceeding the revenues of our original budget forecast. Our revised forecast for the full year equates to nearly doubling the original forecast, which increase we are seeking to have reflected in an adjustment to the budget at the Board's meeting today (1-24-2018).

#### Expenditures

- Total expenditures through the end of December, 2017 were \$22.7 million, up from \$19.5 million as of the end of the prior month. An additional \$31.1 million is encumbered, and \$3.3 million has been awarded to individually contracted projects the contracts for which are pending.