

Executive Director's Summary Report

to the Board of Trustees of the Efficiency Maine Trust

March 28, 2018

1. Communications

A) Awareness and Press

- Press
 - Efficiency Maine was mentioned in coverage of municipal LED projects in Bridgton and Presque Isle (<http://www.bridgton.com/cdbg-funds-for-ball-field-rink-street-upgrades/> and <https://thecounty.me/2018/02/16/news/pi-council-votes-to-move-forward-with-led-lighting-for-forum/>)
 - The Executive Director was quoted in a Press Herald piece about the potential impact of increased heating demand on high electricity bills (<https://www.pressherald.com/2018/03/11/exorbitant-power-bills-arent-just-a-maine-thing/>)
- Events
 - Staff presented at the Highlands in Topsham (February 20)
 - Staff presented at a South Portland workshop on energy benchmarking and energy efficiency (March 6)
 - Staff exhibited at the Maine Home Show (March 17-18)
 - Staff exhibited at the Plumbing, Heating, Cooling Contractors Conference (March 23)
- Website and Outreach (February)
 - 20,084 website visits (compared to 24,946 visits in January)
 - 17,570 unique visits
 - 6,981 visits were driven through digital ads
 - Facebook
 - 3,144 fans (24 new)
 - 61,862 reached through advertising
- Call Center (February)
 - 1,023 inbound phone calls (98% answered within 20 seconds)
 - 623 inbound emails
 - 828 inbound mail (mostly rebate claims)

B) Government Relations

- Legislation
 - Staff has been monitoring the following bills at the Legislature:
 - LD 1487 – An Act to Control Electricity Transmission Costs through the Development of Non-Transmission Alternatives
 - LD 1741 – Resolve, Establishing the Commission to Study Energy Storage

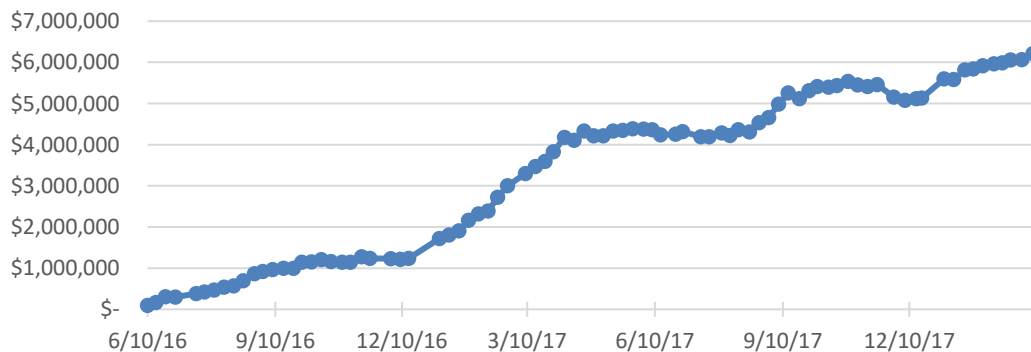
- LD 1700 – An Act to Protect ME Residents and Businesses from Rising Electricity Costs
- LD 260 – An Act to Create the Maine Energy Office
- LD 822 – An Act to Ensure Fairness Among Large Consumers of Natural Gas
- LD 1657 – An Act to Update the Allowance Budget for RGGI
- LD 1745 – An Act Regarding a Biomass-generated Energy Purchase and Sale Agreement and Payments to Contractors
- LD 1848 – An Act to Extend the Arrearage Management Program
- Public Utilities Commission (PUC)
 - Staff filed the 2018 Annual Update at the PUC, as approved by the Board at its last meeting. Natural Gas utilities filed data requests.

2. Program Highlights¹

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

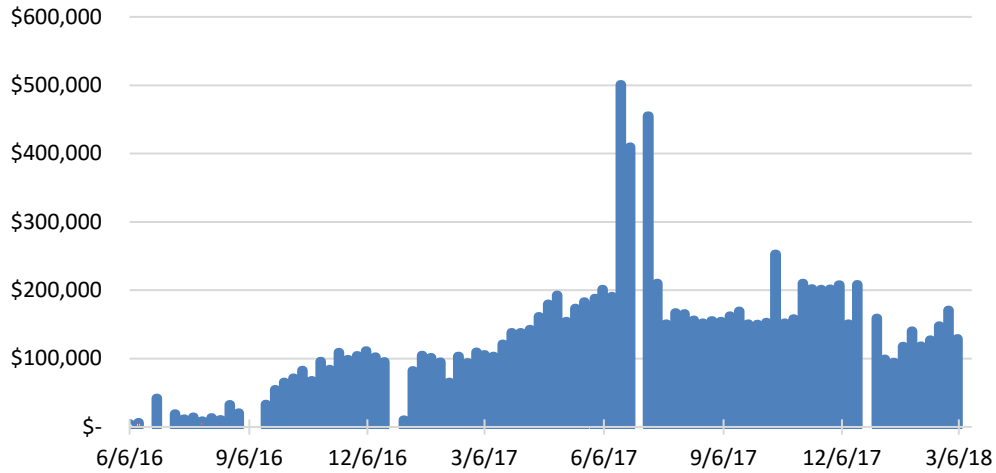
- The number of pending projects (pipeline) has remained relatively stable and includes 1,095 projects with a potential of \$6.2 million in incentives.
- Distributor lighting sales have decreased due to our reduced discount levels (effective January 1) on Mogul bulbs (for Hi/Lo Bay and outside pole lights). Sales volume information:
 - i. 45% are standard screw-in bulbs (constituting 25% of Program discounts paid)
 - ii. 54% are mogul and T8 linear replacement lamps (constituting 75% of Program discounts paid)
- The delivery team completed 9 physical inspections of contractor-installed measures, 7 lighting and 2 compressed air projects. Forty-four additional verifications on self-installed projects were completed.
- The delivery team has begun planning for the Annual QP Certification for FY2019; on-site trainings and webinars will be scheduled throughout the month of June. Dates and locations will be announced in the next E-News and Qualified Partner webinar.

C&I Prescriptive Program Electric Measures - Pipeline



¹ 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 March 16, 2018, to capture the progress for the year through the most recent complete month of reported actual results (i.e., through the end of February 2018).

C&I Prescriptive Program Electric Measures - Incentives Paid



Updated Financials	Program Investment
FY18 Program Budget	\$10,800,137
7/1 to 2/28 Spending	\$6,658,605
Percent of Budget Spent to Date	62%
Percent of Year Passed	66%

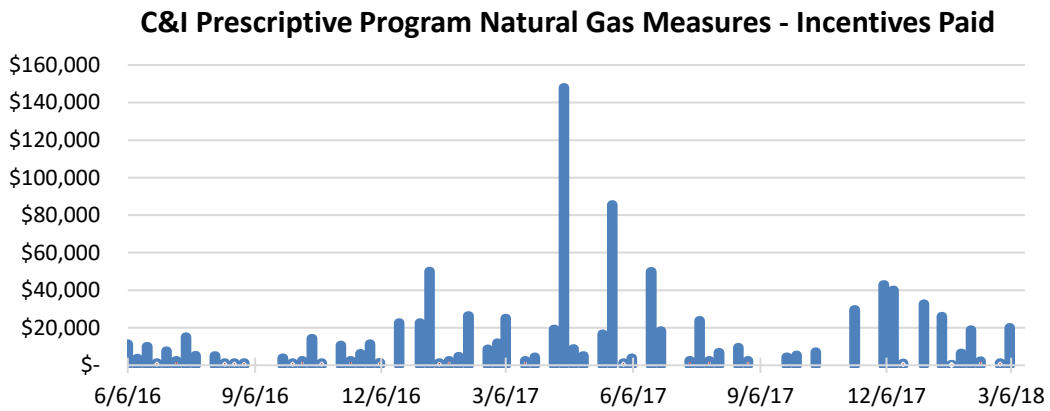
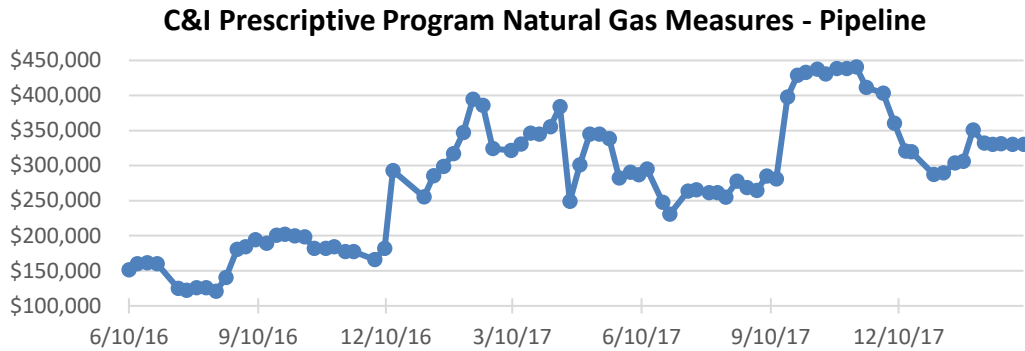
Summary Program Update	Annual kWh Savings	Annual MMBtu Savings*	Participants
Start of fiscal year to 2/28	57,922,329	(64,701)	1,230

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

Project Type (through 2/28)	Participants
Lighting Solutions (not including DSIL)	1,378
Heating and Cooling Solutions	234
Compressed Air Solutions and Other	30
Agricultural Solutions	4

B) C&I Prescriptive Program – Natural Gas Measures

- The current pipeline of pending projects is approximately \$330,000 in incentives, representing 19 projects.
- To date, 56 total natural gas units have been installed through the distributor discount initiative.
- Commercial cooking equipment is being rolled out through a mid-stream channel. To date, one participating distributor has an executed MOU, with drafts sent to seven additional suppliers.



Updated Financials	Program Investment
FY18 Program Budget	\$2,088,872
7/1 to 2/28 Spending	\$623,172
Percent of Budget Spent to Date	30%
Percent of Year Passed	66%

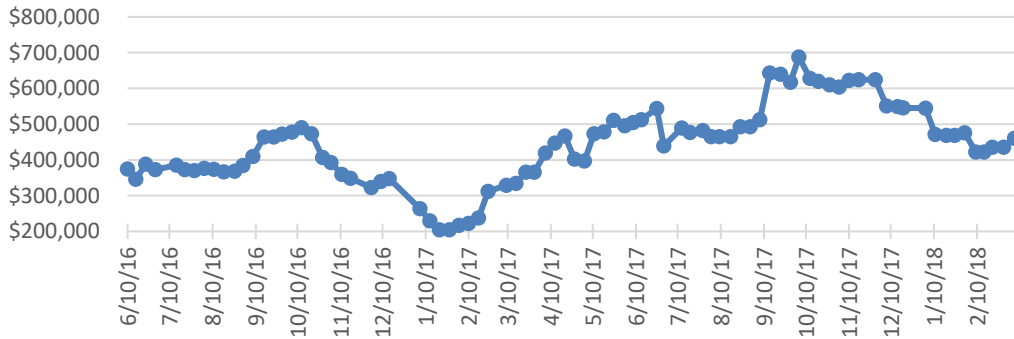
Summary Program Update	Annual MMBtu Savings	Projects
Start of fiscal year to 2/28	14,505	63

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

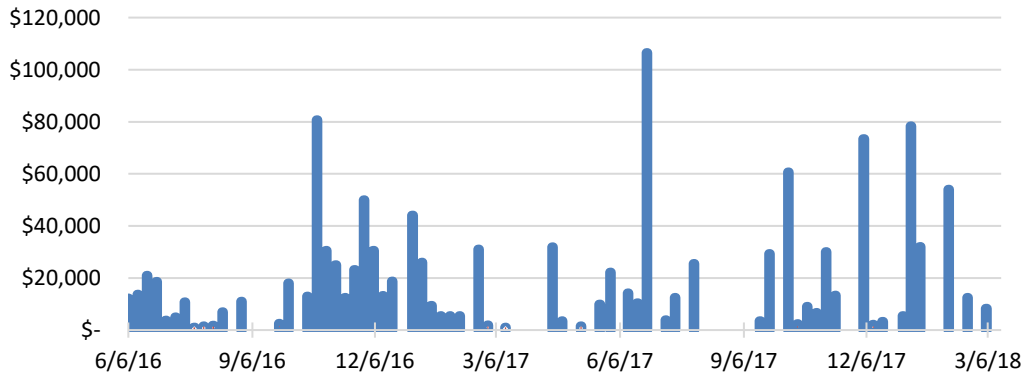
- The current pipeline of pending projects is approximately \$460,000 in incentives, representing 34 projects.

- To date, 30 total propane units have been installed through the distributor discount initiative.
- Planning is underway for a focused outreach campaign on heating equipment and asking customers about their spending on heating service calls last winter.
- Improved results of RGGI auctions in FY2018 are reflected in a recent increase in the CIP-All Fuels budget, which has caused a drop in the percent of budget spent to date

C&I Prescriptive Program All Fuels Measures - Pipeline



C&I Prescriptive Program All Fuels Measures - Incentives Paid



Updated Financials	Program Investment
FY18 Program Budget	\$2,054,025
7/1 to 2/28 Spending	\$605,347
Percent of Budget Spent to Date	29%
Percent of Year Passed	66%

Summary Program Update	Annual kWh Savings	Annual MMBtu Savings	Projects
Start of fiscal year to 2/28	170	28,529	119

D) C&I Custom Program

- Since the last Board meeting, the pipeline of small custom projects has added 3 new projects worth \$256,000 in incentive offers. The total small custom pipeline is \$425,000 in incentive offers.
- Program staff received 2 new large custom project applications that are likely to move forward to the C&I Custom Program Review Committee.
- Program staff received 3 project applications that did not meet the program requirements and were ultimately denied.
- Program staff finalized 2 scoping audits and 1 Technical Assistance (TA) Study.
- The C&I Custom Program Review Committee did not meet in February. Program staff anticipate that the next meeting will be in April.

Updated Financials	Program Investment
FY18 Program Budget	\$14,851,443
7/1 to 2/28 Spending	\$1,837,517
Percent of Budget Spent to Date	12%
Percent of Year Passed	66%

Additional Details on FY 2018 Financials	Program Investment
Expenditures	\$1,837,517
Committed	\$6,535,410
Pipeline	\$959,948
Total (Expenditures, Committed, & Pipeline)	\$9,332,874
Percent of Budget	63%

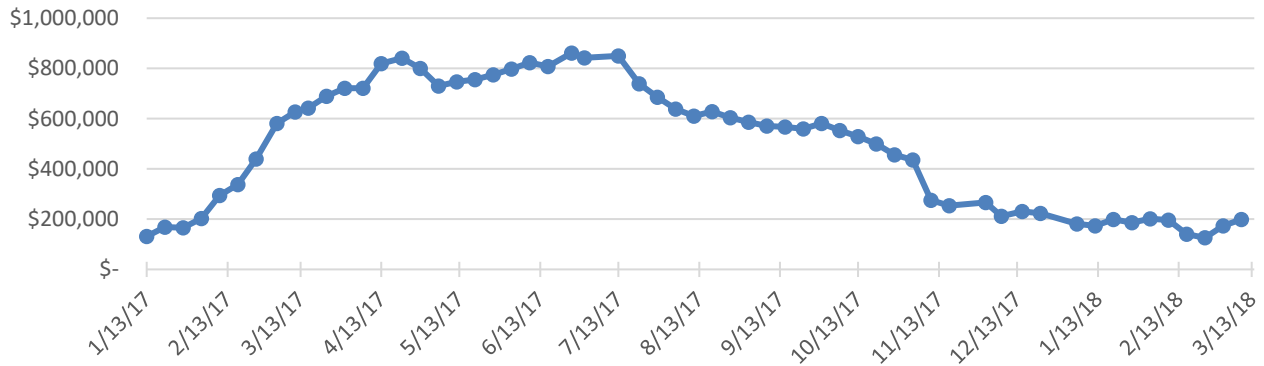
Summary Program Update	Annual kWh Savings	Annual MMBtu Savings	Participants
Start of fiscal year to 2/28	5,347,603	31,127	21

E) Small Business Initiative (SBI)

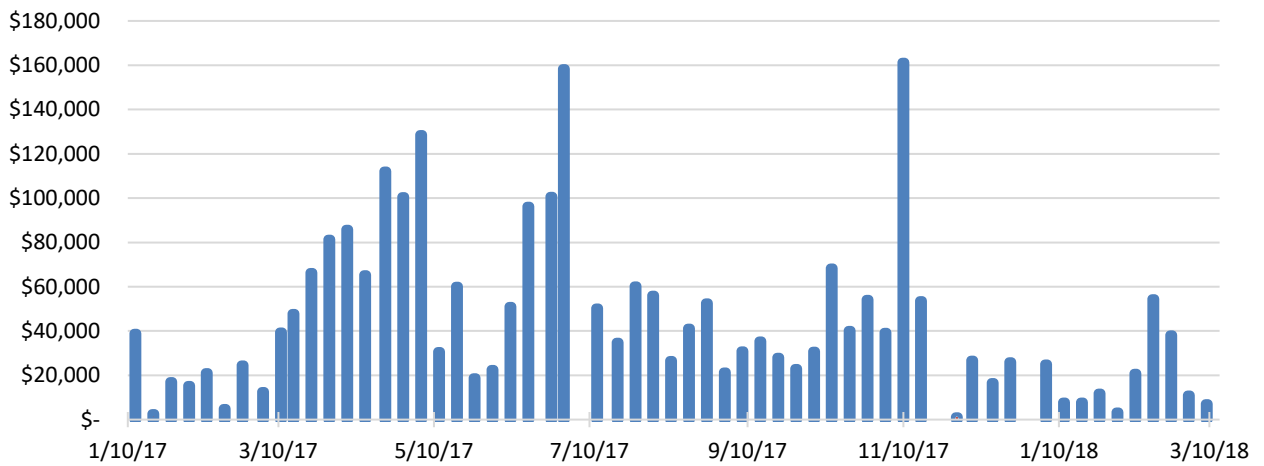
- Regions 5 (Lakes Region-Raymond-Fryeburg) and 6 (Western Mountains-Bethel-Skowhegan) are no longer accepting new projects. Region 6 was fully closed out in January, and Region 5 ended in February.
- The program team has continued using CMP customer data to identify and enroll remaining eligible small businesses (SGS rate classes) in Region 7 (Sanford-Berwick area); new enrollments will be accepted for Region 7 through the end of March. Currently, 8 contractors are completing projects in the region, and the pipeline of pending projects is increasing.

- Nine contractors are on board for Region 8; some of these contractors are wrapping up their Region 7 jobs before commencing work in Region 8. Lighting assessments for Region 8 customers began in February, and the project pipeline is starting to grow. The program team will be using CMP customer data to plan targeted outreach activities in the region.

Small Business Initiative - Pipeline



Small Business Initiative - Incentives Paid



Updated Financials	Program Investment
FY18 Program Budget	\$2,556,587
7/1 to 2/28 Spending	\$1,227,001
Percent of Budget Spent to Date	48%
Percent of Year Passed	66%

Summary Program Update	kWh Savings	Annual MMBtu Savings	Participants
Start of fiscal year to 2/28	1,698,594	(2,968)	155

F) Commercial New Construction Program

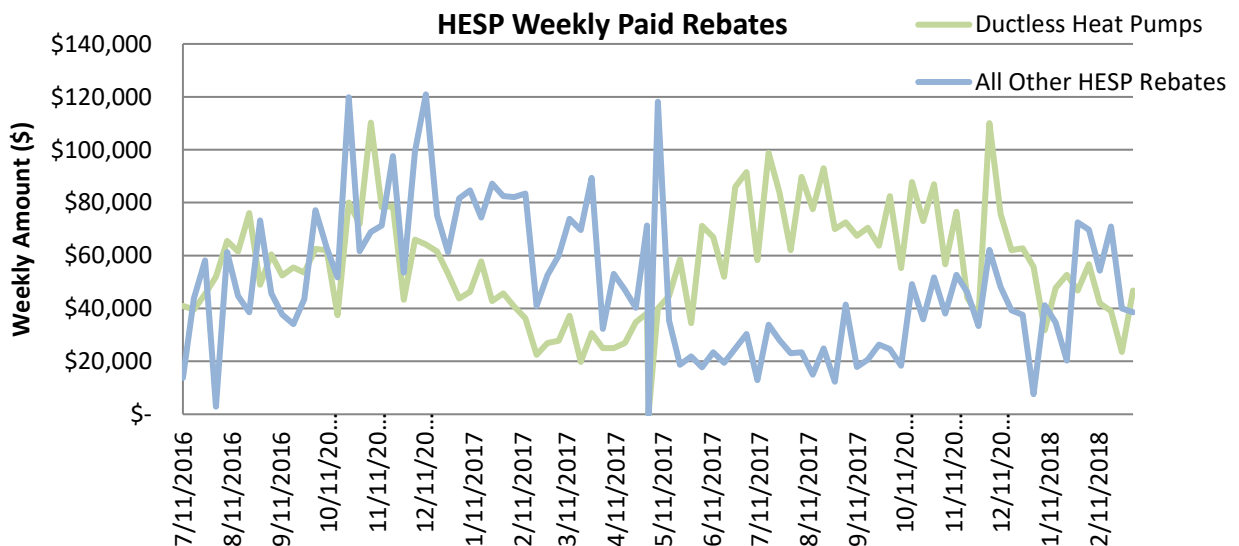
- This program is suspended and is no longer accepting new enrollments; several projects awarded in FY2017 are pending completion. Customers continue to have access to incentives through the CIP program, many of which are relevant to new construction.

Updated Financials	Program Investment
FY18 Program Budget	\$1,155,677
7/1 to 2/28 Spending	\$30,730
Percent of Budget Spent to Date	3%
Percent of Year Passed	66%

Summary Program Update	kWh Savings
Start of fiscal year to 2/28	64,582

G) Home Energy Savings Program (HESP)

- The number of rebates in February was up 50% over February 2017 (1,006 vs 671) following the restoration of rebate amounts on January 1. Fiscal year-to-date rebated measures are up 9% over last year (7,858 in FY2018 vs 7,174 in FY2017). Additional steps are being taken to promote demand, including updates to marketing materials and the website, participation at energy-related events, and forms and outreach to vendors.
- Forty-eight loans were funded in February, one of the busiest months ever as our service provider caught up on a backlog created when transitioning to a new team and location. After a 4-week suspension, new loans are again being accepted.
- Improved results of RGGI auctions in FY2018 are reflected in a recent increase in the HESP budget, which has caused a drop in the percent of budget spent to date.



Updated Financials	Program Investment
FY18 Program Budget	\$11,363,415
7/1 to 2/28 Spending	\$4,485,708
Percent of Budget Spent to Date	39%
Percent of Year Passed	66%

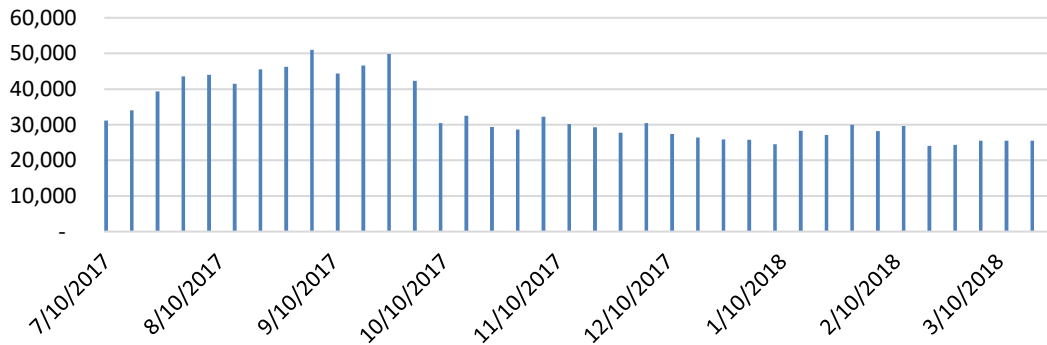
Summary Program Update	Annual kWh Savings	Annual MMBtu Savings	Measures
Start of fiscal year to 2/28	10,291,874	50,457	5,514

Project Type (through 2/28)	Units
Electric Measures	3,773
All Fuels Measures	1,741

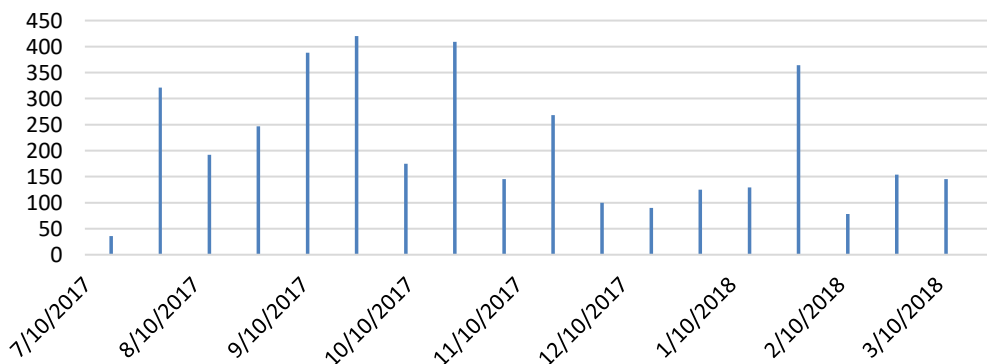
H) Consumer Products Program

- The program is on target to invest all funds and exceed savings goals for the year. As mentioned in previous Executive Director Reports, the program reduced incentives and marketing for certain measures in the fall to manage the available budget.

Weekly Bulb Sales YTD – Retail (including unaudited estimates)



Weekly HPWH Sales YTD (including unaudited estimates)



Updated Financials	Program Investment
FY18 Program Budget	\$12,158,432
7/1 to 2/28 Spending	\$8,070,729
Percent of Budget Spent to Date	66%
Percent of Year Passed	66%

Summary Program Update	Annual kWh Savings	Annual MMBtu Savings	Appliance Rebates	Light Bulbs
Start of fiscal year to 2/28	50,100,661	(49,417)	10,641	1,261,319

I) Low Income Initiatives

- The Trust continues to participate in the electric utilities' Arrearage Management Program (AMP); the Trust sends an energy usage report to 100% of AMP enrollees, offers of low-flow devices and LED bulbs, and information on ways to save energy (including how to participate in Efficiency Maine initiatives). About 42% of the customers opt in for energy-saving Do-It-Yourself (DIY) measures.
- The Low Income Direct Mail Initiative continues to offer DIY kits to low-income households that are LIHEAP-eligible, 30% of which generally opt in for energy-saving measures. The program has seen strong demand. In addition, the program has partnered with the Department of Health and Human Services to reach approximately 160,000 additional households that qualify for low-income benefits. DHHS has begun mailing Efficiency Maine offers to residents in their database.
- In another effort to encourage installation of LED bulbs and low-flow devices to reduce hot water use, the Trust is working with nonprofit volunteers from Americorps and Habitat for Humanity to directly engage eligible customers. Specifically, volunteers will assist with delivery and installation of the DIY kits to eligible customers.
- The Low Income Direct Install initiative offers free installations of heat pump water heaters to eligible households. Staff have made changes to the program to increase the installation capacity by increasing the number of participating plumbers. To date, there are 11 plumbers participating under the new model (compared to 5 previously). Staff continue to reach out to plumbers and are reallocating jobs in the queue to increase the pace of projects. Staff will send customer outreach letters out in March to build up a pipeline.
- The Trust's market-based initiative continues to support installation of air sealing and weatherization measure in qualifying low-income homes. Meanwhile, the Trust is exploring ways to relaunch rebates for ductless heat pumps for customers who first demonstrate completion of an Energy Upgrade Bundle (home assessment, basic weatherization, LED and low-flow devices installation, and additional air sealing and/or insulation). This initiative also received an allocation of newly budgeted RGGI revenues which has a downward impact on the percent of budget spent to date.

Updated Financials	Program Investment
FY18 Program Budget	\$8,796,824
7/1 to 2/28 Spending	\$3,193,719
Percent of Budget Spent to Date	36%
Percent of Year Passed	66%

Summary Program Update	MMBtu Savings	Annual kWh Savings	Direct Installs
Start of fiscal year to 2/28	25,264	5,041,393	406

Other Initiatives (through 2/28)	Units
Market-based Installs	962
Direct Mailings	3,467
Food Pantry Bulbs	125,820

J) Strategic Initiatives (Cross Cutting)

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

- A contractor, Cadmus, is assessing the status of C&I lighting in Maine, and has begun making site visits to businesses. Cadmus is documenting the number of lighting fixtures and controls in 75 Maine businesses in 8 different categories (industrial, warehouse, office, restaurants, food sales, hotels, healthcare, retail). The results of the study will be used to inform the potential study for Triennial Plan IV.

II. Innovation

- The contractor for the Low Income Behavioral Pilot Study, TRC, has designed 6 intervention emails to be sent to a sample group of CMP customers who are LIHEAP recipients. These messages are meant to promote behavior change and their impacts will be measured against a control group.

III. Forward Capacity Market

- Staff met with Demand Side Analytics (DSA) to kick off the Annual ISO NE Forward Capacity Market Measurement and Verification Compliance Review. DSA will verify that measures bid into the Forward Capacity Market are in compliance with the submitted M&V Plans. In particular, DSA will perform a statistical analysis on the entire portfolio to confirm that program evaluation sampling has been sufficient to result in a relative precision of 80% confidence that the values are within 10% of the estimate (80/10).

3. Administration and Finance Highlights

A) Administration

- Staff is in the midst of instituting a changeover in telecommunication service.
- Staff has issued an RFP seeking services to run the Call Center.

B) Financial

Revenues

- The new revenues from state and regional sources through the end of February, 2017 were \$32.4 million, up from \$30.3 million as of the prior month. Approximately \$789,000 in additional revenue has been received year-to-date on interest from outstanding loans, the NTA pilot project, and other miscellaneous revenues, up from \$691,000 as of the prior month. Year-to-date we have made approximately \$564,000 in interfund transfers. The outstanding balance for revenues is just more than \$18 million for the fiscal year, not including interfund transfers.

Expenditures

- Total expenditures through the end of February, 2017 were \$32.6 million, up from \$27.1 million as of the end of the prior month. An additional \$28 million is encumbered, and \$3.9 million has been awarded to individually contracted projects the contracts for which are pending.