

Executive Director's Summary Report

to the Board of Trustees
of the
Efficiency Maine Trust

November 14, 2018

1. Communications

A) Awareness and Press

- Press
 - Ductless heat pumps were the topic of an article in the Portland Press Herald (<https://www.pressherald.com/2018/10/28/hot-and-cold-on-heat-pumps-in-maine/>) in which Efficiency Maine was quoted.
- Events
 - Staff exhibited at the Maine Municipal Association Conference, October 3-4
 - Staff exhibited at the Maine Health Care Association Conference, October 10-11
 - Staff exhibited at the Greater Portland Energy Expo, October 20
- Website and Outreach (September)
 - 17,808 website visits (compared to 19,832 visits in October)
 - 15,166 unique visits
 - 6,065 visits were driven through digital ads
 - Facebook
 - 3,210 fans
- Call Center (September)
 - 1,709 inbound phone calls, 50% higher than the long-term average
 - 92% answered within 20 seconds vs a goal of 90% despite high volume and a recent 50% staff turnover
 - 614 inbound emails
 - 1,038 inbound mail (mostly rebate claims)

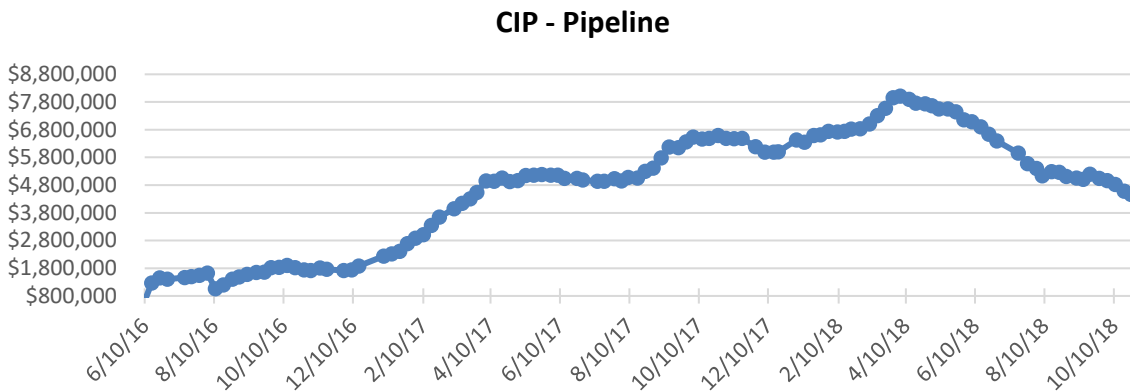
B) Government Relations

- Public Utilities Commission (PUC)
 - Staff filed the proposed *Triennial Plan IV for Fiscal Years 2020-2022* in docket #2018-00321.
 - In July, the PUC initiated an inquiry to obtain information and comment from the Trust and interested persons regarding assumptions and calculations that will be used in Triennial Plan IV. The Trust and its contractor team (Synapse) attended a Technical Conference in mid-October and filed responses to numerous data requests.
 - Staff attended a case conference in case to consider a utility proposal for transmission system upgrade in the Portland area and consideration of Non-Wires Alternatives (NWA).
 - Staff attended a case conference in the Investigation into Rate-Setting Mechanisms Regarding NWAs.

2. Program Highlights¹

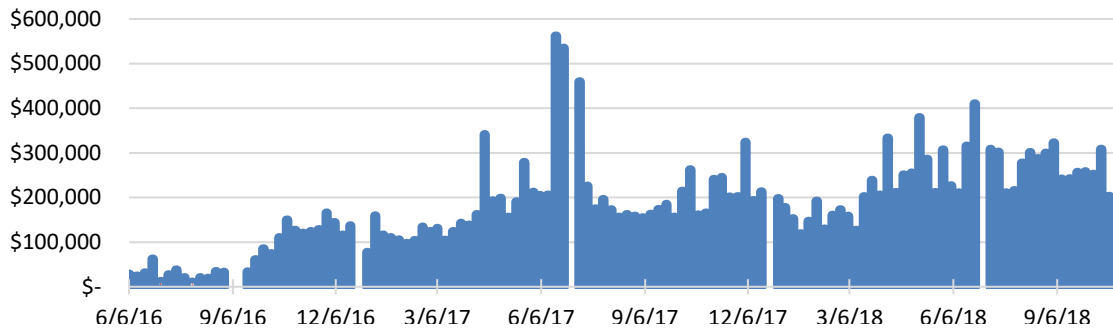
A) C&I Prescriptive (CIP) Program

- The pipeline of pending electric projects has decreased due to the switch to only retrofit measures. Contractors are also continuing to learn how to use the new Cost-Effective Lighting Investment Calculator (CLIC). So far in FY2019:
 - The team has completed 9 Counter Days with lighting distributors.
 - Qualified Partners have submitted 538 projects using the new CLIC tool.
- Total volume of distributor sales of screw-in bulbs, mogul bulbs, and tubular LEDs increased in July and August. Discounts for A-line lamps were discontinued for the 2nd Quarter. Sales volume information:
 - 41% are screw-in bulbs (24% of discounts paid in this measure category)
 - 59% are mogul and tubular LEDs (76% of discounts paid in this measure category)
- The program is wrapping up a heating season promotion that is running from July 1 through the end of October. It includes installing contractor spiffs for midstream purchases. There has been an increase in sales in September and October.



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 November 6, 2018, to capture the progress for the year through the most recent complete month of reported actual results (i.e., through the end of September 2018).

CIP - Incentives Paid



Updated Financials	Program Investment
FY2019 Program Budget	\$16,386,457
7/1 to 9/31 Spending	\$3,825,086
Percent of Budget Spent to Date	23%
Percent of Year Passed	25%

Summary Program Update	Annual kWh Savings	Annual MMBtu Savings*
Start of fiscal year to 9/31	25,240,159	(20,835)

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

Project Type (through 9/31)	Participants
Lighting Solutions (not including distributor instant discounts)	672
Electric Heating and Cooling Solutions	181
Compressed Air Solutions and Other	26
Natural Gas Heating and Cooling Solutions (not including distributor instant discounts)	14
All Fuels Heating and Cooling Solutions (not including distributor instant discounts)	25

B) C&I Custom Program

- The C&I Custom Program Review Team met once and approved 4 projects worth \$936,000 in incentive offers.
- The pipeline has grown modestly, adding 8 new projects. The total pipeline now consists of 10 projects worth \$660,000 in incentive offers.
- Program staff determined that 5 proposals in preliminary planning stages would not meet the program requirements and advised the proponents that they would not advance to the next stage of review.
- The program received an application for 1 new scoping audit

Updated Financials	Program Investment
FY2019 Program Budget	\$14,669,822
7/1 to 9/31 Spending	\$391,160
Percent of Budget Spent to Date	3%

Percent of Year Passed	25%
------------------------	-----

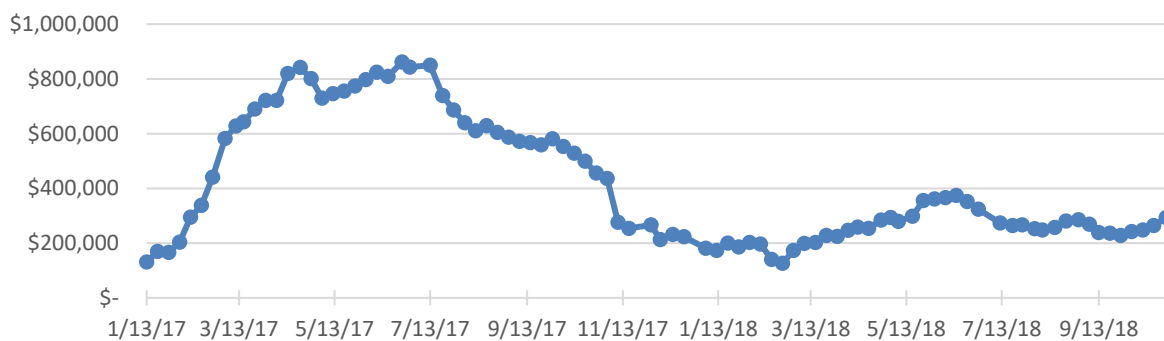
Additional Details on FY 2019 Financials	Program Investment
Expenditures	\$391,160
Committed	\$6,435,317
Pipeline	\$660,145
Total (Expenditures, Committed, & Pipeline)	\$7,486,622
Percent of Budget	53%

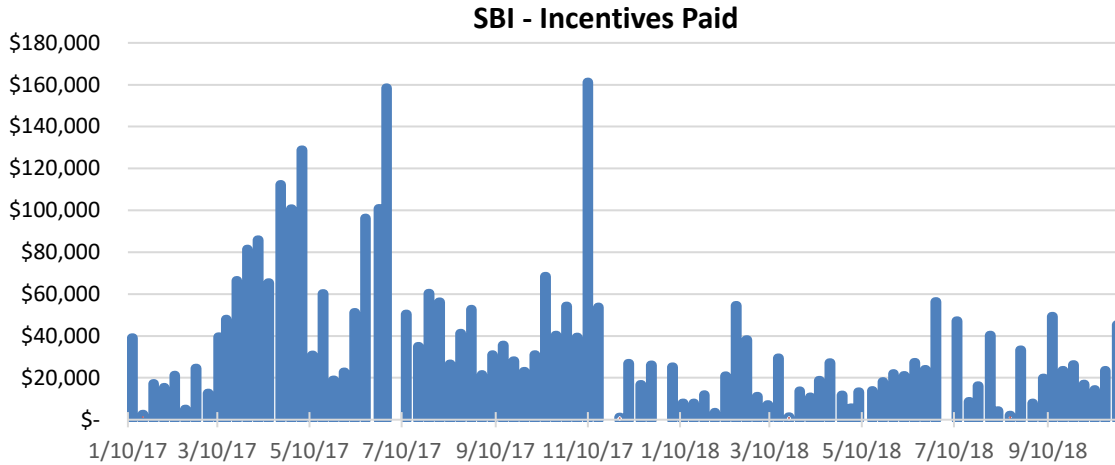
Summary Program Update	Annual kWh Savings	Annual MMBtu Savings	Participants
Start of fiscal year to 9/31	1,369,901	(3,286)	3

C) Small Business Initiative (SBI)

- The program team closed out Region 8 (Route 25 Corridor – Gorham and West) in October.
- Twelve contractors are on board for Region 9 (Windham-Gray-New Gloucester) with projects underway. New customers are being accepted to participate in this region through October 31. A promotional incentive is being extended to those new customers who sign up for an assessment by the end date.
- Fifteen contractors are on board for Region 10 (Ellsworth) with projects in the pipeline or recently completed. The delivery team conducted one round of targeted customer outreach for 2 days in mid-October, which resulted in 31 eligible customers signing up for a lighting assessment. Marketing letters with return post cards were sent to eligible customers, and the program has received several returned postcards this month. Contractors are bringing in their own customers to participate as well, so the Region 10 pipeline has been showing steady growth.
- Utility data has been received for Region 11 (Old Town-Orono) and targeted customer outreach plans are being developed.

SBI - Pipeline



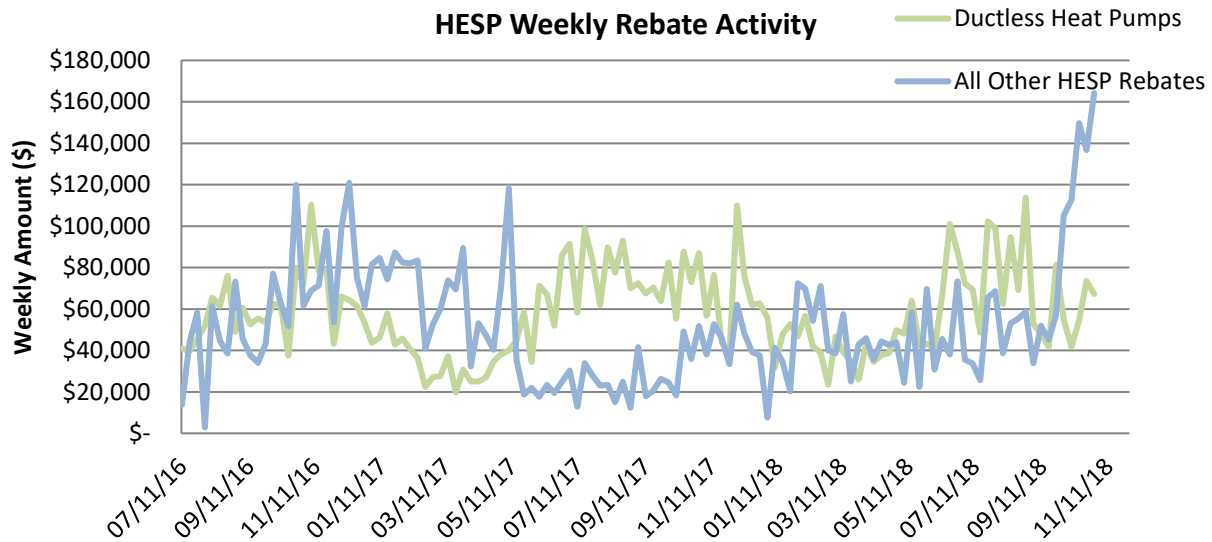


Updated Financials	Program Investment
FY2019 Program Budget	\$3,620,562
7/1 to 9/31 Spending	\$314,772
Percent of Budget Spent to Date	9%
Percent of Year Passed	25%

Summary Program Update	kWh Savings	Annual MMBtu Savings	Participants
Start of fiscal year to 9/31	642,941	(871)	33

D) Home Energy Savings Program (HESP)

- The number of rebates in September 2018 was down 2% compared to September 2017 (853 vs 873), but fiscal year-to-date (YTD) rebated measures are up 8% over last year (3,231 vs 3,004).
- Program changes launched in May (increased incentives and streamlined eligibility criteria) are starting to drive increased customer participation.
 - a. Insulation and air sealing rebates are up 29% YTD vs last year (549 vs 426)
 - b. Boiler and furnace rebates are up 72% YTD vs last year (361 vs 209) and oil units make up a higher percent of the units.
 - c. Pellet and wood stove rebates, with support from the retail field team, are up 850% YTD vs last year. (57 vs 6)
- Heat pumps have seen minimal program changes.
- The team is forecasting to rebate a record 14,000 measures in FY2019, 28% more than last year.



Updated Financials	Program Investment
FY2019 Program Budget	\$10,882,310
7/1 to 9/31 Spending	\$1,725,185
Percent of Budget Spent to Date	16%
Percent of Year Passed	25%

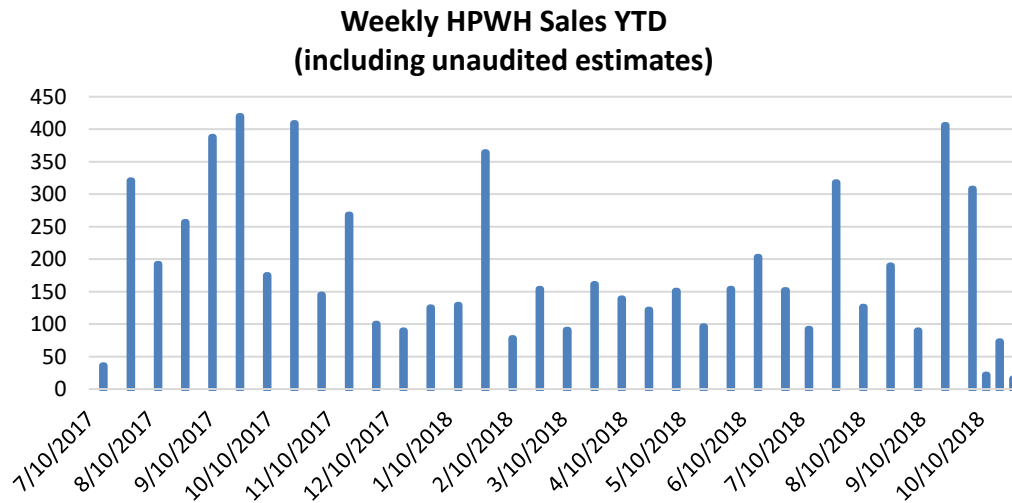
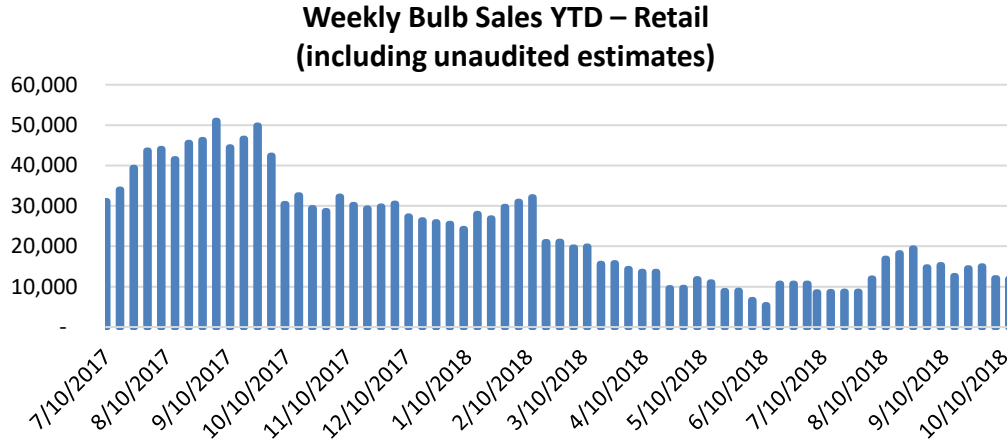
Summary Program Update	Annual kWh Savings	Annual MMBtu Savings
Start of fiscal year to 9/31	4,172,598	16,804

Project Type (through 9/31)	Units
Electric Measures	1,592
All Fuels Measures	642

E) Consumer Products Program

- Maine continues to have one of the most successful heat pump water heater programs in the country. In response to the delivery team’s urging, manufacturers have cut prices on Maine heat pump water heaters. Retailers and distributors continue to aggressively promote heat pump water heaters in prime store locations such as the front aisle by the cash registers. The team is forecasting a record 8,000 units this fiscal year.
- Over 300 stores across the state have promotional displays featuring LED bulbs discounted by Efficiency Maine. Best prices are posted on efficiencymaine.com. The team is forecasting over 1.6 million LEDs this fiscal year. With 550,000 households ([US Census](#)) and an average above 60 sockets per home ([2012 Maine Residential Lighting Program Evaluation](#)), this represents 5% of the 33 million household sockets.

- Although the percentage of the budget spent in this program through the end of September is behind schedule, the pipeline of pending rebates and reports from retailers and distributors suggest that the program will fully expend its budget this year.



Updated Financials	Program Investment
FY2019 Program Budget	\$14,152,135
7/1 to 9/31 Spending	\$1,310,916
Percent of Budget Spent to Date	9%
Percent of Year Passed	25%

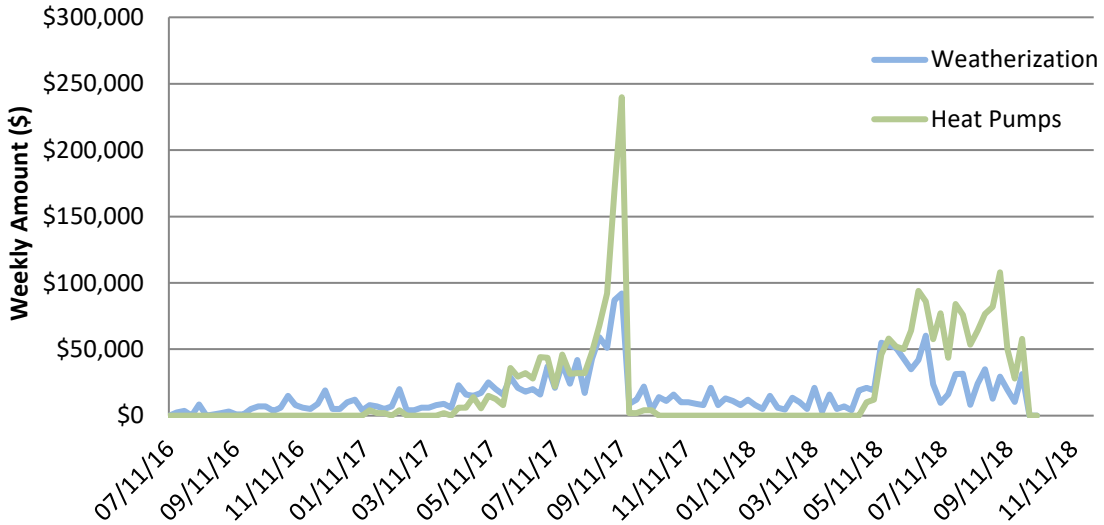
Summary Program Update	Annual kWh Savings	Annual MMBtu Savings
Start of fiscal year to 9/31	6,697,830	2,719

Rebate Type (through 9/31)	Projects
Appliances	3,633
Light Bulbs	118,524
Smart Thermostats	580

F) Low Income Initiatives

- The Low Income Direct Mail (LIDM) Initiative continues to offer Do-It-Yourself (DIY) kits to households that participate in state or federal low-income programs. Year-to-date requests are at 2,443 kits.
- The Trust continues to participate in the electric utilities’ Arrearage Management Program (AMP). In September, 284 new customers entered the program as backlogs of data were processed by the utility and sent to the Trust.
- The market-based Affordable Heat Initiative (AHI) offers enhanced rebates on ductless heat pumps and insulation to eligible homeowners who complete an air sealing measure. Over the course of the last 12 months, Efficiency Maine has issued AHI rebates for more than 1,000 air sealing upgrades and ductless heat pump installations. All funds for this initiative are fully invested and, on October 29, Staff suspended the program and instituted a reservations system for projects that were “in process”, where a financial commitment had been made prior to October 29. Low income households can continue to access rebates that are available for all Maine residents through the Home Energy Savings Program.
- The Low Income Direct Install (LIDI) initiative offers no-cost installations of heat pump water heaters (HPWHs) as a retrofit measure to eligible households. So far, 151 units have been installed in FY2019. The Trust is also offering an installation rebate of \$400 to qualifying low income households for the installation of a heat pump water heater to replace a broken electric water heater (i.e., as a lost opportunity measure). The installation rebate is in addition to the \$750 rebate on heat pump water heaters offered through the Consumer Products Program. The team has signed up more plumbers in the initiative through relationships gained from the Consumer Products Program Team.
- For Low Income Natural Gas initiatives, the program team has identified 34 multifamily weatherization projects (158 units) in Lewiston (Unitil territory) with cost-effective opportunities in basements and some attics. Work will begin on these properties in November.

AHI - Weekly Rebate Activity



Updated Financials	Program Investment
FY2019 Program Budget	\$8,601,202
7/1 to 9/31 Spending	\$1,414,915
Percent of Budget Spent to Date	16%
Percent of Year Passed	25%

Summary Program Update	MMBtu Savings	Annual kWh Savings
Start of fiscal year to 9/31	14,851	(58,116)

Initiative (through 9/31)	Units
Direct Installs	137
Market-based Installs	877

G) Renewable Energy Demonstration Grants Program

- No new activity since the last report.

H) Electric Vehicle Supply Equipment (ESVE) Initiative

- Commenced initiative of \$3.15M budget over 3 years
- Awarded bid for the first phase of development -- seven anchor station locations -- was awarded to ChargePoint, Inc.
 - a. These locations include the Maine Turnpike Authority plazas in Kennebunk and W. Gardiner, as well as private sites in Naples/Bridgton, Farmington, Bingham, and Jackman
 - b. Final site selection, as well as coordination with host sites and utilities, will occur over the next several months
 - c. Contract for phase 1 is being finalized
- Plans for Phase 2 are under development, including
 - a. Issue an RFP for Fast Charger stations to build out the network of stations identified in Phase 1
 - b. Outreach to priority communities and assist in connecting interested host sites with interested vendors.

I) Strategic Initiatives (Cross Cutting)

I. Innovation

- Staff worked with ReVision Energy on a marketing plan in anticipation of launching the two Load Management Innovation pilots.

II. Evaluation Measurement and Verification

- The evaluator has completed phase 6 of 6 of metering for the Heat Pump Water Heater (HPWH) Impact Evaluation. Analysis of the data is underway.

3. Administration and Finance Highlights

A) Administration

- Staff hired Dan Mistro, a recent graduate from the Resource Economics and Policy program at the University of Maine at Orono, for the position of Research and Data Analyst. Dan starts after Thanksgiving.
- Staff is considering purchasing a Customer Relationship Management package to track and manage communications, including calls to the Call Center, correspondence with trade allies, and mass mailings to targeted customer groups.
- Staff requested that the independent auditors at RKO assist with restating the FY2018 financial reports to correct an error identified by staff. The auditors are re-issuing a corrected FY2018 audit.
- Staff completed a draft of the FY2018 Annual Report for review and approval by the Board. The report will be submitted to the Legislature and the PUC no later than December 1, 2018.

B) Financial

Revenues

- The new revenues from state and regional sources through the end of September 2018 were \$17.6 million (up from \$7.9 million through the prior month) out of a total expected annual revenues of \$55.5 million. Approximately \$0.3 million in additional revenue has been received year-to-date on interest from outstanding loans and other miscellaneous revenues. Year-to-date we have made no interfund transfers. The outstanding balance for revenues is approximately \$38.3 million for the fiscal year, not including interfund transfers.

Expenditures

- Total expenditures through the end of September 2018 were \$6.3 million, of which approximately:
 - i. \$611,000 was spent on Administration
 - ii. \$20,000 was spent on Public Information
 - iii. \$118,000 was spent on Evaluation, Measurement and Verification
 - iv. \$31,000 was spent on Innovation pilots
 - v. \$1.4 million was spent on Low Income Initiatives
 - vi. \$1.3 million was spent on the Consumer Products Program
 - vii. \$1.7 million was spent through HESP
 - viii. \$3.8 million was spent through the C&I Prescriptive Program
 - ix. \$391,000 was spent on the C&I Custom Program
 - x. \$314,000 was spent on the Small Business Initiative
 - xi. \$354,000 was spent in Inter-Agency Transfers