

Executive Director's Summary Report

to the Board of Trustees
of the
Efficiency Maine Trust

January 23, 2019

1. Communications

A) Awareness and Press

- Press
 - Efficiency Maine's electric vehicle charging initiative was covered by a number of outlets, including the *Press Herald* (<https://www.sunjournal.com/2018/12/20/maine-to-get-7-more-electric-car-charging-stations-next-year/>), *MPBN* (<http://www.mainepublic.org/post/maine-prepares-install-high-speed-electric-car-chargers>), and *Mainebiz* (<http://www.mainebiz.biz/apps/pbcs.dll/article?AID=/20181221/NEWS01/181229988/maine-to-get-seven-new-high-speed-electric-car-charging-stations&template=printart>)
 - Efficiency Maine's low income initiatives were mentioned in coverage of the recently released Rural Efficiency Gap report (<http://www.mainepublic.org/post/mainers-are-finding-creative-ways-fix-leaky-windows-and-address-rural-efficiency-gap> and <https://bangordailynews.com/2018/12/20/news/state/mainers-are-finding-creative-ways-to-keep-homes-warm/>)
 - Efficiency Maine's FY2018 Annual Report was covered by the Energy News Network (<https://energynews.us/2019/01/14/northeast/maine-energy-efficiency-spending-rebounds-with-rggi-auction-prices/>)
- Events
 - Staff presented at the Kennebec Valley Community College heat pump class, January 10.
 - Staff presented on integrated controls for ductless heat pumps at an industry event, January 16.
 - The Executive Director and Staff spoke at an E2Tech Forum on ductless heat pumps, January 17.
- Website and Outreach (December)
 - 27,594 website visits (compared to 18,894 visits in November)
 - 17,328 unique visits
 - 7,901 visits were driven through digital ads
 - Facebook
 - 3,239 fans (23 new)
- Call Center (December)
 - 1,620 inbound phone calls, 30% higher than the long-term average
 - 97% answered within 20 seconds (vs a goal of 90%) despite high volume and recent staff turnover
 - 972 inbound emails

- 6,976 inbound mail, 5 times the long-term average, largely driven by the Low Income Direct Mail Program

B) Government Relations

- Public Utilities Commission (PUC)
 - Staff filed detailed technical comments on the Commission's review of avoided energy supply costs to be used in the Fourth Triennial Plan.
 - Staff responded to data requests from intervenors in the Fourth Triennial Plan proceeding at the PUC.
 - Staff attended a technical conference to review the Trust's request for PUC approval of the budget allocations of the FY2018 carryforward.
 - Staff participated in the technical conference for the review of the utilities' Non-Wires Alternative proposals.
- Legislature
 - Staff reviewed bill titles for topics that appear related to work of the Trust.
 - Staff presented an overview of the Trust's activities and results at the orientation of the Energy, Utilities and Technology Committee (EUT) on January 22, 2019.

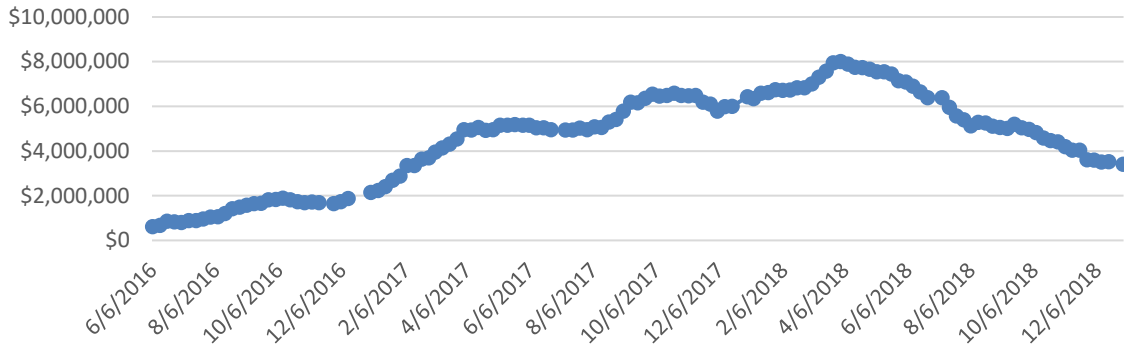
2. Program Highlights¹

A) C&I Prescriptive (CIP) Program

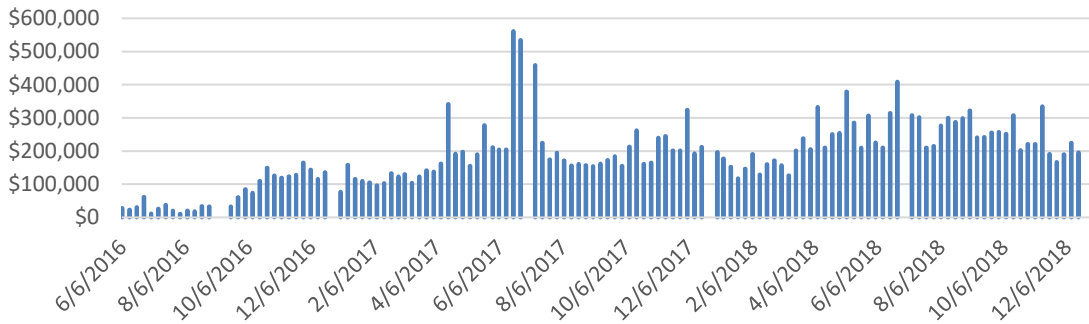
- The total pipeline of pending CIP electric projects continues to decrease slightly, although program participation remains strong.
- The pipeline of compressed air projects has increased over the last four weeks.
- To date, Qualified Partners have submitted over 930 lighting projects using the new CLIC tool.
- Total volume for lighting sales through the distributor channel remained consistent through November, with submittals for December still coming in. Staff are seeing a shift in the percent of discounts paid towards linear and mogul lamps since the discontinuation of the discount for A-line lamps. Sales volume information:
 - 45% are screw-in bulbs (23% of discounts paid)
 - 55% are mogul and T8 linear replacement lamps (77% of discounts paid)
- Thus far in FY2019, the distributor discount initiative has discounted 92 natural gas, 62 propane, 4 oil and 7 electric (smart pumps) measures related to HVAC systems.

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 January 15, 2019, to capture the progress for the year through the most recent complete month of reported actual results (i.e., through the end of December 2018).

CIP - Pipeline



CIP - Incentives Paid



Updated Financials	Program Investment
FY2019 Program Budget	\$16,410,592
7/1 to 12/31 Spending	\$7,638,038
Percent of Budget Spent to Date	47%
Percent of Year Passed	50%

Summary Program Update	Annual kWh Savings	Annual MMBtu Savings*
Start of fiscal year to 12/31	60,616,539	(31,207)

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

Project Type (through 12/31)	Participants
Lighting Solutions (not including distributor instant discounts)	1,163
Electric Heating and Cooling Solutions	286
Compressed Air Solutions and Other	37
Natural Gas Heating and Cooling Solutions (not including distributor instant discounts)	55
All Fuels Heating and Cooling Solutions (not including distributor instant discounts)	61

B) C&I Custom Program

- The C&I Custom Program Review Team met twice and approved four projects worth \$2.6 million in incentive offers.
- The pipeline of pending projects has grown modestly, and now consists of \$1.5 million in incentive offers.
- Program staff reviewed 7 project proposals that did not meet the program requirements and were ultimately denied.
- Program staff received applications for one new scoping audits, and no new technical assistance studies.

Updated Financials	Program Investment
FY2019 Program Budget	\$14,847,439
7/1 to 12/31 Spending	\$1,409,158
Percent of Budget Spent to Date	9%
Percent of Year Passed	50%

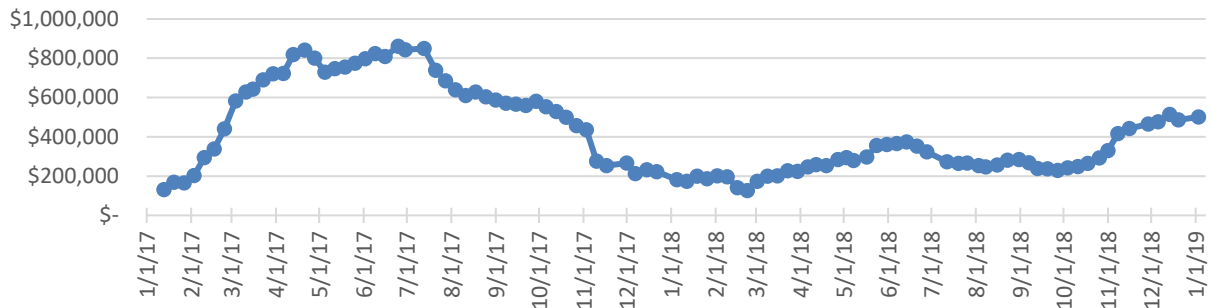
Additional Details on FY 2019 Financials	Program Investment
Expenditures	\$1,409,158
Committed	\$7,313,803
Pipeline	\$1,500,472
Total (Expenditures, Committed, & Pipeline)	\$10,223,434
Percent of Budget	72%
% of Budget with carry-over	50%

Summary Program Update	Annual kWh Savings	Annual MMBtu Savings	Participants
Start of fiscal year to 12/31	2,927,824	(2,074)	9

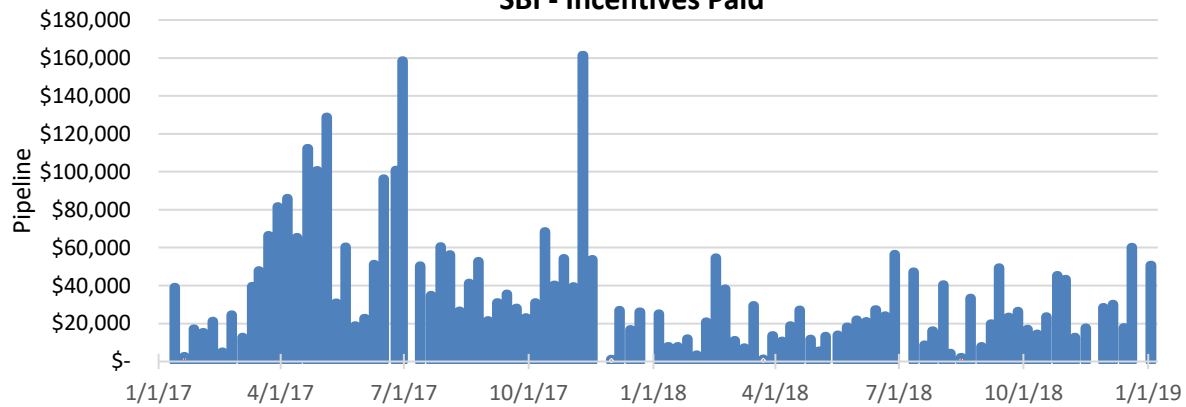
C) Small Business Initiative (SBI)

- Twelve contractors are on board for Region 9 (Windham-Gray-New Gloucester) with projects underway. All remaining projects in Region 9 are scheduled to be completed by February 15, 2019.
- Currently 18 contractors are on board for Region 10 (Ellsworth) with projects underway. This region has seen robust activity.
- Region 11 (Old Town-Orono) was launched in mid-December. Initial assessments have begun.
- Initial outreach letters for Region 12 (Gardner-Hallowell) were sent out in early January. A contractor training is scheduled for later this month.
- The team plans to send out an initial outreach letter for Region 13 (Newport-Skowhegan) in late January.

SBI - Pipeline



SBI - Incentives Paid



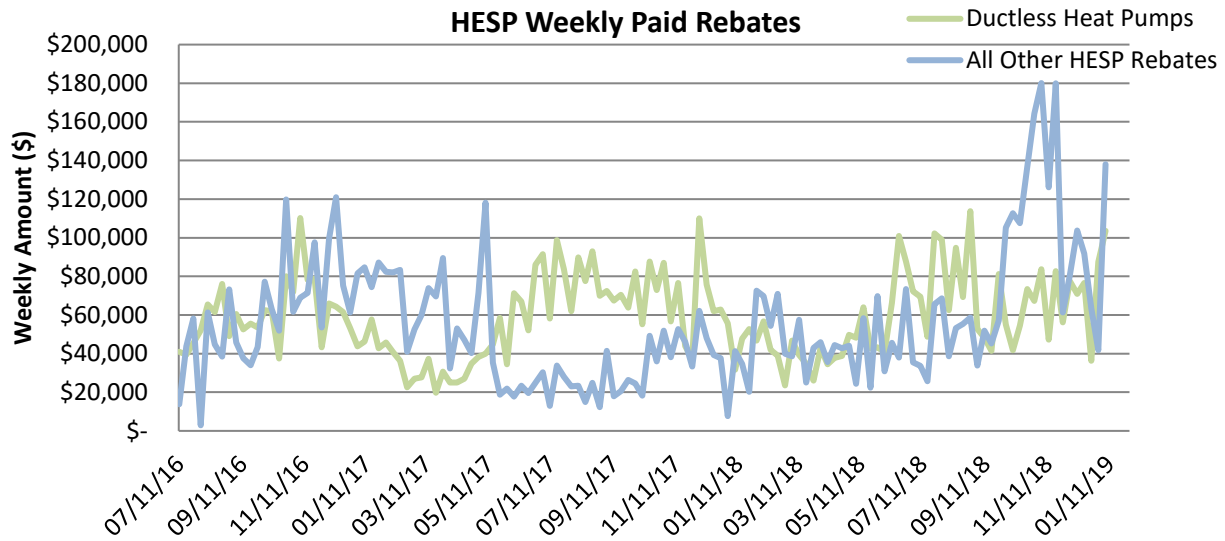
Updated Financials	Program Investment
FY2019 Program Budget	\$3,556,369
7/1 to 12/31 Spending	\$745,289
Percent of Budget Spent to Date	21%
Percent of Year Passed	50%

Summary Program Update	kWh Savings	Annual MMBtu Savings	Participants
Start of fiscal year to 12/31	1,279,194	(1,491)	51

D) Home Energy Savings Program (HESP)

- The number of rebates in December 2018 was up 26% compared to December 2017 (1,125 vs 891), and fiscal year-to-date (YTD) rebated measures are up 8% over last year (6,589 vs 6,087).
- Program changes launched in May (increased incentives and streamlined eligibility criteria) are driving increased customer participation.
 - a. Insulation and air sealing rebates are up 15% YTD vs last year (1,197 vs 1,045).

- b. Boiler and furnace rebates are up 49% YTD vs last year (760 vs 510).
- c. Pellet and wood stove rebates, with support from the retail field team, are 280 YTD vs 29 at this time last year.
- Heat pumps have seen minimal program changes and are at 4,324 YTD.



Updated Financials	Program Investment
FY2019 Program Budget	\$10,365,960
7/1 to 12/31 Spending	\$4,485,474
Percent of Budget Spent to Date	43%
Percent of Year Passed	50%

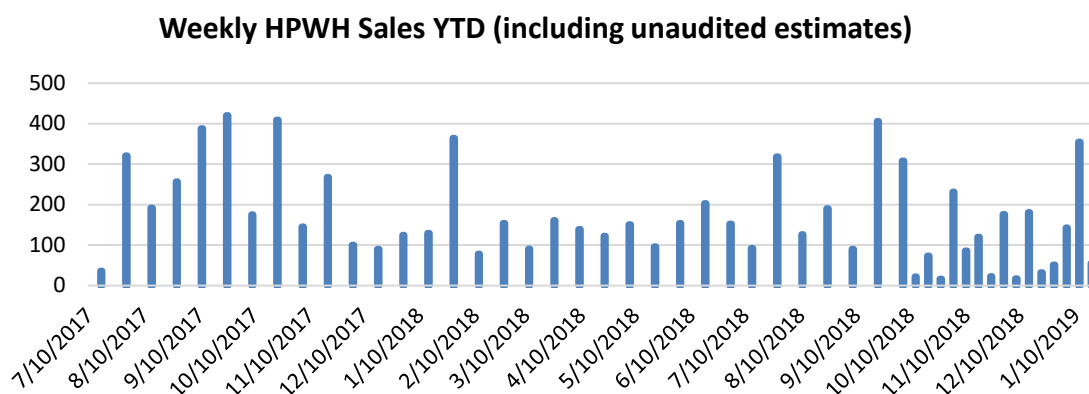
Summary Program Update	Annual kWh Savings	Annual MMBtu Savings
Start of fiscal year to 12/31	5,975,946	25,408

Project Type (through 12/19)	Participating Households
Electric Measures	2,261
All Fuels Measures	977

E) Consumer Products Program

- Maine continues to have one of the most successful heat pump water heater programs in the country. To maintain momentum, the delivery team is lobbying manufacturers to lower prices further and increase inventories in Maine. The team is forecasting a record 6,500 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 nearly 1.5 million LEDs this fiscal year.
- The pipeline of pending rebates and reports from retailers and distributors suggest that the program will invest approximately 80% of its budget this year. The program team is exploring options for boosting activity in the remainder of the year.



Updated Financials	Program Investment
FY2019 Program Budget	\$13,995,604
7/1 to 12/31 Spending	\$3,515,445
Percent of Budget Spent to Date	25%
Percent of Year Passed	50%

Summary Program Update	Annual kWh Savings	Annual MMBtu Savings
Start of fiscal year to 12/31	18,348,164	(4,740)

Rebate Type (through 12/31)	Projects
Appliances	7,043
Light Bulbs	398,706
Smart Thermostats	668

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. Staff have seen strong investment in this initiative and have already sent out more kits in FY2019 than in all of FY2018.

- The Trust continues to participate in the electric utilities' Arrearage Management Program (AMP). The Call Center has reached out to all AMP participants with a direct installation offer of heat pump water heaters (HPWHs), where applicable. Staff will consult with the Low Income Advisory Group on offering weatherization and ductless heat pump installations in electrically heated homes. Staff anticipate another 250 enrollments from CMP.
- 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. All funds for this initiative are fully committed, though claim forms are still being processed. No new applications are being accepted at this time.
- The Low Income Direct Install (LIDI) initiative offers free installations of heat pump water heaters (HPWHs) as a retrofit measure to eligible households. There have been 200 installs so far this fiscal year, with another 100 in the pipeline, compared to a goal of 750. Staff are ramping up outreach using a new Low Income Home Energy Assistance Program (LIHEAP) list and information from the Maine Department of Health and Human Services (DHHS) in order to meet investment goals. 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).
- 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. Other local distribution companies (LDCs) have been contacted to replicate this program design in their territories.

Updated Financials	Program Investment
FY2019 Program Budget	\$9,104,120
7/1 to 12/31 Spending	\$2,277,291
Percent of Budget Spent to Date	25%
Percent of Year Passed	50%

Summary Program Update	MMBtu Savings	Annual kWh Savings
Start of fiscal year to 12/31	23,495	1,441,576

Initiative (through 12/31)	Units
Direct Installs	173
Market-based Installs	1,319

G) Renewable Energy Demonstration Grants Program

- No new activity since the last report.

H) Electric Vehicle Supply Equipment (ESVE) Initiative

- No new activity since the last report.

I) Strategic Initiatives

a) Innovation

- The Low Income Behavioral Pilot is continuing to reward participants based on their engagement CMP's online Energy Manager tool. Due to delays with data retrieval from CMP, the pilot has been extended until to June 31.
- Revision Energy is in the final stages of selecting the equipment and manufacturers that will be used in the Commercial Demand Response pilot study. They continue to recruit participants through their commercial sales representatives and informational events.
- The Residential DER aggregation and controls pilot is on schedule and on budget. Revision expects a steady increase in proposals and contracts over the next weeks and months.

b) Evaluation Measurement and Verification

- No new activity since the last report.

3. Administration and Finance Highlights

A) Administration

- Staff filed reports to the Legislature regarding Board expenses for the year.
- Staff have interviewed candidates for the Program Assistant position.

B) Financial

Revenues

- The new revenues from state and regional sources through the end of December 2018 were \$31.1 million (up from \$19.4 million through the end of October) out of a total expected annual revenue of \$55.5 million. Approximately \$0.57 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 \$24.5 million for the fiscal year, not including interfund transfers.

Expenditures

- Total expenditures through the end of December 2018 were \$24.8 million, of which approximately:
 - i. \$1.2 million was spent on Administration
 - ii. \$100,000 was spent on Public Information
 - iii. \$237,000 was spent on Evaluation, Measurement and Verification
 - iv. \$93,000 was spent on Innovation pilots
 - v. \$2.27 million was spent on Low Income Initiatives
 - vi. \$3.5 million was spent on the Consumer Products Program

- vii. \$4.48 million was spent through HESP
- viii. \$7.63 million was spent through the C&I Prescriptive Program
- ix. \$1.4 million was spent on the C&I Custom Program
- x. \$745,000 was spent on the Small Business Initiative
- xi. \$2.9 million was spent in Inter-Agency Transfers