

# Executive Director's Summary Report

to the Board of Trustees  
of the  
Efficiency Maine Trust

February 27, 2019

## 1. Communications

### A) Awareness and Press

- Press
  - Efficiency Maine's residential heat pump program was recognized by the American Council for an Energy-Efficient Economy (ACEEE) in its Fourth National Review of Exemplary Energy Efficiency Programs (<https://aceee.org/press/2019/01/aceee-honors-outstanding-utility>).
  - Efficiency Maine was mentioned in coverage of various CMP issues by a number of outlets, including the *Bangor Daily News* (<https://bangordailynews.com/2019/02/06/business/angry-regulators-threaten-fine-for-central-maine-power/>), *Portland Press Herald* (<https://www.pressherald.com/2019/02/06/regulators-threaten-cmp-with-sanctions-fines-for-billing-and-customer-service-problems/>), and *Mainebiz* (<http://www.mainebiz.biz/article/20190207/NEWS0101/190209966/puc-threatens-sanctions-if-cmp-fails-to-resolve-customer-service-problems>).
- Events
  - Staff presented at the 2019 Falmouth/Cumberland/Yarmouth Home Energy Fair, January 26.
  - The Executive Director spoke at the Maine Modern Wood Heat Symposium, February 5.
- Website and Outreach (January)
  - 31,721 website visits (compared to 27,594 visits in December)
    - 20,057 unique visits
    - 9,546 visits were driven through digital ads
  - Facebook
    - 3,242 fans
- Call Center (January)
  - 1,939 inbound phone calls, 50% higher than the long-term average
    - 97% answered within 20 seconds (vs a goal of 90%) despite high volume and recent staff turnover
  - 859 inbound emails

## B) Government Relations

- Public Utilities Commission (PUC)
  - In the Triennial Plan IV case, Trust Staff reviewed the PUC Staff's Bench Analysis and intervenor testimony, issued data requests, and questioned the parties on their testimony at a technical conference.
  - Staff attended confidential settlement negotiations in the Non-Wires Alternatives case.
- Legislature
  - The Executive Director testified on two bills at the Legislature. LD 398 proposes to give the Trust Board full discretion to allocate budgets from RGGI revenues. This would change the statutory requirement to allocate half of the RGGI funds to residential programs and the other half to non-residential programs. The bill was voted unanimously "Ought to Pass" out of the Committee. LD 658 is a Resolve proposing to require the Governor's Energy Office to develop a plan to make the state energy independent by 2030. The hearing was held on 2/26/2019.

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

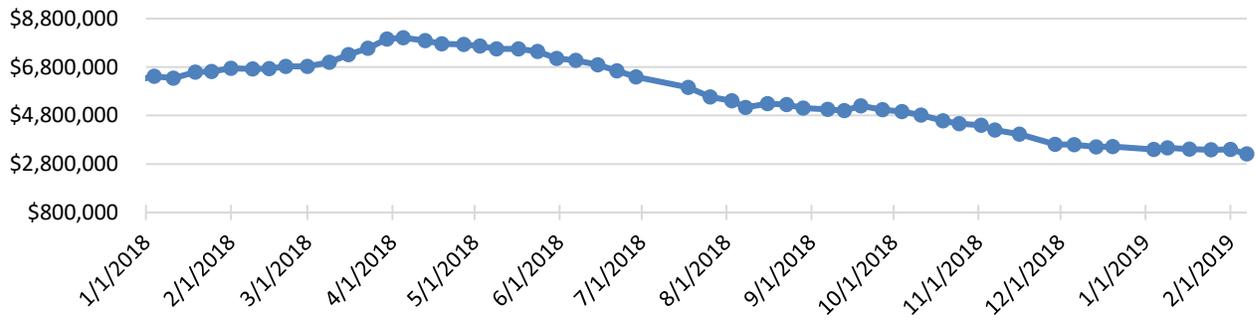
### A) C&I Prescriptive (CIP) Program

- While the pipeline of pending electric projects continues to decrease slightly, program activity remains strong. Heat pumps represent a large share of the electric pipeline.
- To date, Qualified Partners have submitted over 1,130 lighting projects using the new CLIC tool. The majority of the submittals (82%) are utilizing the Prescriptive pathway versus the more tailored approach using incentives tied to estimated energy savings.
- Total volume for lighting sales through the distributor channel decreased through January. Sales volume information:
  - 40% are screw-in bulbs (22% of discounts paid)
  - 60% are mogul and T8 linear replacement lamps (78% of discounts paid)
- Participation in the HVAC distributor program is increased over the the same time period last program year.
- The program team is beginning the process of reviewing program offerings, Technical Reference Manual (TRM) values and material prices in preparation for the fourth quarter.

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<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 February 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 January 2019).

### CIP - Pipeline



### CIP - Incentives Paid



Updated Financials	Program Investment
FY2019 Program Budget	\$18,760,592
7/1 to 1/31 Spending	\$8,569,519
Percent of Budget Spent to Date	46%
Percent of Year Passed	59%

Energy Savings (through 1/31)	Annual kWh Savings	Annual MMBtu Savings*
Electric Programs	73,680,907	(80,618)
Thermal Programs	102,509	44,528

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

Project Type (through 1/31)	Projects
Distributor Lighting Solutions	129,575
Prescriptive Lighting Solutions	1,390
Electric Heating and Cooling Solutions	318
Compressed Air Solutions and Other	51
Natural Gas Heating and Cooling Solutions	67
All Fuels Heating and Cooling Solutions	75

**B) C&I Custom Program**

- The C&I Custom Program Review Team met twice and approved 8 projects worth \$780,487 in incentive offers.
- The number of projects in the pipeline has decreased to 8 projects, as many have moved through the program, but the size of the pipeline has grown to \$1.03 million in potential incentive offers.
- Program staff reviewed 4 project proposals that did not meet the program requirements and were ultimately denied.
- Program staff received applications for 3 new scoping audits.

<b>Updated Financials</b>	<b>Program Investment</b>
FY2019 Program Budget	\$14,847,439
7/1 to 1/31 Spending	\$1,743,295
Percent of Budget Spent to Date	12%
Percent of Year Passed	59%

<b>Additional Details on FY 2019 Financials</b>	<b>Program Investment</b>
Expenditures	\$1,743,295
Committed	\$7,150,682
Pipeline	\$1,480,597
Total (Expenditures, Committed, & Pipeline)	\$10,374,574
Percent of Budget	73%
% of Budget with carry-over	51%

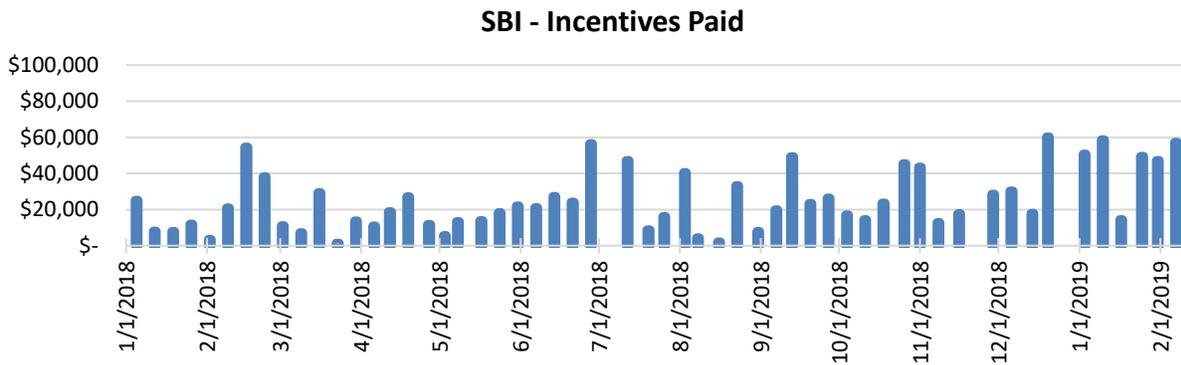
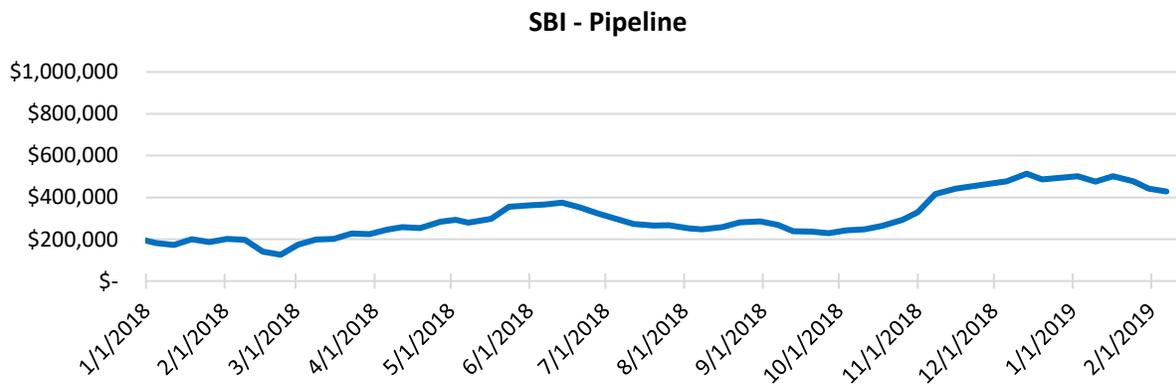
<b>Energy Savings (through 1/31)</b>	<b>Annual kWh Savings</b>	<b>Annual MMBtu Savings*</b>
Electric Programs	2,927,824	(3,286)
Thermal Programs	-	1,212

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

**C) Small Business Initiative (SBI)**

- Some projects are still underway in Region 9 (Windham, Gray, and New Gloucester) and are scheduled to be completed by mid-February 2019. Staff anticipate closing out the region in February.
- Twenty contractors are participating in Region 10 (Ellsworth area) with projects underway. The number of installations completed each week increased in January, while pipeline growth has slowed.
- Customer outreach (using utility data) continued in Region 11 (Old Town and Orono). Six contractors are currently on board, with the first round of lighting assessments completed this month. The program team evaluated the Region 11 utility data and determined approximately 40 percent of the accounts are for housing properties. Staff are considering a promotion for apartment building owners next month.

- A contractor informational/training event was held in Hallowell for Region 12 (Hallowell, Gardiner, and Chelsea). Currently, 8 contractors are on board for this region, with initial projects underway. The program team continue to receive requests for lighting assessments from business owners in Region 12 and anticipate an increase in the pipeline over the next month.
- A contractor informational/training event was held in Newport for Region 13 (Burnham to Hermon, Rt 2 and 95 Corridor). Eight contractors have signed up to participate in this region. An introductory letter was mailed to the eligible customers using contact information from the utility.
- A process improvement was implemented this month for SBI projects. Moving forward, customers with pre-approved projects will receive the project scope of work and program terms and conditions by email and be able to accept them using an online link.



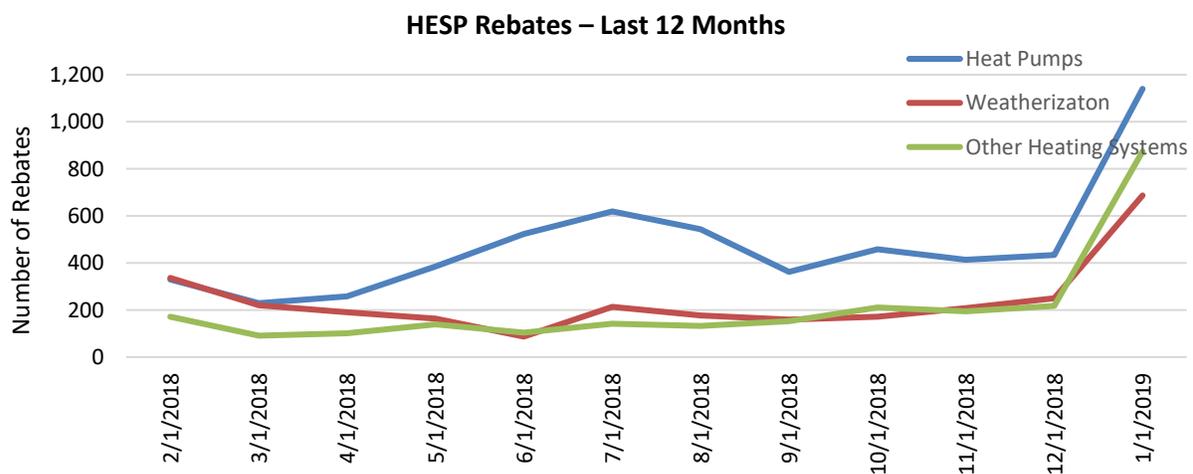
Updated Financials	Program Investment
FY2019 Program Budget	\$3,556,369
7/1 to 1/31 Spending	\$936,592
Percent of Budget Spent to Date	26%
Percent of Year Passed	59%

Energy Savings	Annual kWh Savings	Annual MMBtu Savings*
Electric Programs	1,746,296	(1,961)

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

#### D) Home Energy Savings Program (HESP)

- Four temporary staff and two new hires joined the sub-contracted delivery team to process a backlog of rebates. In ten days, they processed 1,400 rebates worth over a million dollars – equivalent to two months of typical activity
- The number of rebates in January 2019 was up 270% compared to January 2018, and fiscal year-to-date (YTD) rebated measures are up 44% over last year.
- Increased demand, expressed in terms of number of rebates, is shown across all measures:
  - Heat pumps are up 24% YTD vs last year.
  - Insulation and air sealing rebates are up 49% YTD vs last year.
  - Boiler and furnace rebates are up 112% YTD vs last year.
  - Pellet and wood stove rebates (suspended 12/31/18) were up 1500% vs last year.



Updated Financials	Program Investment
FY2019 Program Budget	\$10,365,960
7/1 to 1/31 Spending	\$5,883,913
Percent of Budget Spent to Date	57%
Percent of Year Passed	59%

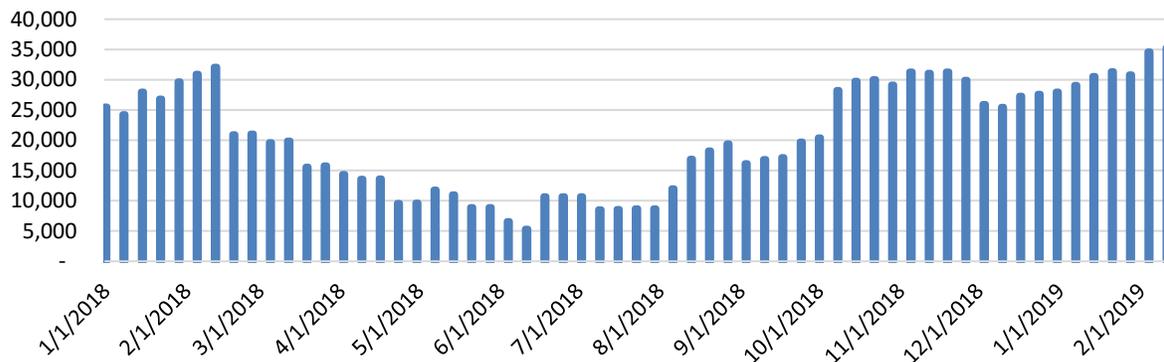
Energy Savings	Annual kWh Savings	Annual MMBtu Savings
Electric Programs	7,196,993	-
Thermal Programs	28,877	33,000

Project Type (through 1/31)	Participating Households
Electric Measures	2,722
All Fuels Measures	1,283
Natural Gas Measures	233

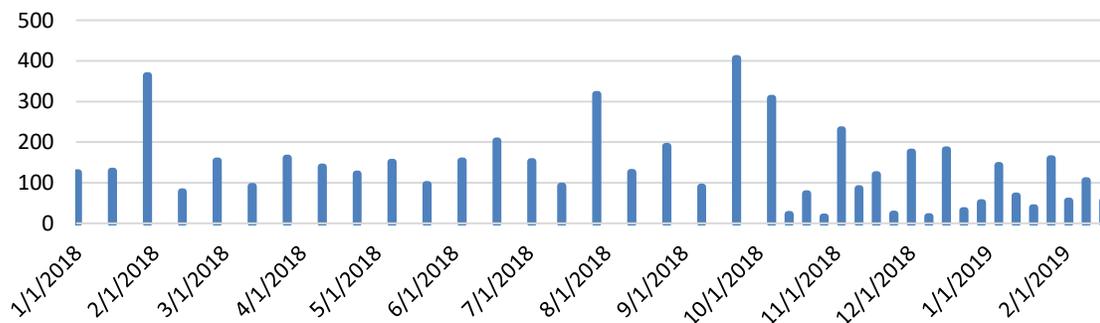
#### E) Consumer Products Program

- The program team is rolling out a promotion for distributors that sell the efficient water heaters for \$250 or less. The team is forecasting a record 6,300 units this fiscal year.
- Over 300 stores across the state have promotional displays featuring \$0.50 and \$1 LED bulbs discounted by Efficiency Maine. Best prices are posted on [efficiencymaine.com](http://efficiencymaine.com). The team is forecasting nearly 1.5 million LEDs this fiscal year.

#### Weekly Bulb Sales – Retail (including unaudited estimates)



#### Weekly HPWH Sales (including unaudited estimates)



Updated Financials	Program Investment
FY2019 Program Budget	\$13,995,604
7/1 to 1/31 Spending	\$4,662,748
Percent of Budget Spent to Date	33%
Percent of Year Passed	59%

Energy Savings	Annual kWh Savings	Annual MMBtu Savings*
Electric Programs	26,015,632	(17,561)
Thermal Programs	2,300	6,427

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

Rebate Type (through 1/31)	Projects
Light Bulbs	608,437
Appliance Rebates	8,797
Smart Thermostats	671

#### 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 forecast a strong Q3 and Q4 with help from DHHS.
- The Trust continues to participate in the electric utilities' Arrearage Management Program (AMP). Staff are exploring offering weatherization and ductless heat pump installations in electrically heated homes. Staff have received a backlog of enrollments from CMP.
- The market-based Affordable Heat Initiative (AHI) is currently suspended. This is the Trust's initiative that 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 invested for this fiscal year and the remaining claim forms are being processed.
- 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 220 installs so far this fiscal year, with another 95 in the pipeline, compared to a goal of 750. The new LIHEAP list has yielded 900 households with electric resistance water heating who have not received previous marketing materials. Staff anticipate a strong response.
- For Low Income Natural Gas initiatives, there is no new status to report this month.

**Low Income Direct Mail Kits sent to customers**



Updated Financials	Program Investment
FY2019 Program Budget	\$9,104,120
7/1 to 1/31 Spending	\$3,047,396
Percent of Budget Spent to Date	33%
Percent of Year Passed	59%

Energy Savings	Annual kWh Savings	Annual MMBtu Savings*
Electric Programs	4,431,498	(895)
Thermal Programs	(1,256,880)	24,776

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

Initiative (through 1/31)	Units
Direct Installs	204
Market-based Installs	1,520

**G) Renewable Energy Demonstration Grants Program**

- The Trust has no new information to report this month.

**H) Electric Vehicle Supply Equipment (ESVE) Initiative**

- The Trust has no new information to report this month.

**I) Strategic Initiatives (Cross Cutting)**

**I. Innovation**

- The Low Income Behavioral Pilot is progressing smoothly. Due to delays in obtaining data from CMP, the pilot was extended to June 31. The final awardees will be announced in February and the remaining months will be used to analyze the data.
- Revision Energy met with two strong candidates for the Commercial Demand Response pilot that have shown enthusiasm but have yet to commit to the project. There will be several informational sessions in February that they expect to generate leads.
- Revision Energy continues to aggressively expand the sales and marketing effort for the Residential DER aggregation and controls pilot. As a result, the pace of both proposals and contracts have increased. The first installed and commissioned “sites” have come online and are performing smoothly. Starting in February, Staff expect make some changes to balance uptake in the portfolio.

**II. Evaluation, Measurement & Verification**

- Staff issued RFPs for evaluations of the Small Business Initiative and the Retail Lighting portion of the Consumer Product Program.

### III. Forward Capacity Market

- The Trust cleared 50 MW of new capacity in the 13<sup>th</sup> Forward Capacity Auction bringing the Trust's total capacity in the 13<sup>th</sup> compliance period to 146 MW.
- Staff initiated an M&V study to ensure compliance with ISO-NE standards.

## 3. Administration and Finance Highlights

### A) Administration

- Anastasia Hediger has joined the Trust Staff as a new Program Assistant. Anastasia has previously worked on environmental policy issues, supported a program to help refugee farmers, and assisted in managing an investment fund. She is a recent graduate of Bowdoin College.
- Staff has entered a new lease for new a photocopier machine after the demise of the unit that served us well over the past 7 years.

### B) Financial

#### Revenues

- The new revenues from state and regional sources through the end of January 2019 were \$33.9 million (up from \$31.1 million through the end of December) out of a total expected annual revenue of \$55.5 million. Approximately \$0.69 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 interfund transfers of \$1.1 million. The outstanding balance for revenues is approximately \$21.5 million for the fiscal year, not including interfund transfers.

#### Expenditures

- Total expenditures through the end of January 2019 were \$31.1 million (up from \$24.8 in the last report), of which approximately:
  - i. \$1.5 million was spent on Administration (excluding interfund transfers)
  - ii. \$146,000 was spent on Public Information
  - iii. \$291,000 was spent on Evaluation work
  - iv. \$101,000 was spent on Innovation pilots
  - v. \$4 million was spent on Low Income Initiatives
  - vi. \$4.6 million was spent on the Consumer Products Program
  - vii. \$5.8 million was spent through HESP
  - viii. \$8.5 million was spent through the C&I Prescriptive Program
  - ix. \$1.7 million was spent on the C&I Custom Program
  - x. \$936,000 was spent on the Small Business Initiative
  - xi. \$3 million was spent in Inter-Agency Transfers