

Executive Director's Summary Report

to the Board of Trustees
of the
Efficiency Maine Trust

March 27, 2019

1. Communications

A) Awareness and Press

- Press
 - An initiative to promote the sale of electric vehicles, to be administered by Efficiency Maine, was covered by the *Portland Press Herald* (<https://www.pressherald.com/2019/03/21/maine-to-give-5-1-million-subsidy-to-boost-electric-vehicle-purchases/>)
 - Efficiency Maine was mentioned in the *Kennebec Journal* in relation to Gov. Mills' speech at the February policy forum of E2Tech (<https://www.centralmaine.com/2019/03/11/our-view-climate-change-fight-will-take-many-forms/>)
 - The Commercial Demand Response pilot was mentioned in the Bangor Daily News (<https://bangordailynews.com/bdn-maine/event/2019/03/07/lunch-and-learn-reducing-your-business-energy-demand-charges-2/>)
 - Efficiency Maine was mentioned in coverage of the proposed CMP Transmission line in western Maine by NRCM (<https://www.nrcm.org/maine-environmental-news/cmp-settlement-less-than-meets-eye-opposition-corridor-continues-grow/>) and *Mainebiz* ([http://www.mainebiz.biz/article/20190221/NEWS01/190229983/cmp%27s-sweetens-the-deal-picks-up-support-from-mills-and-others-for-\\$950m-project](http://www.mainebiz.biz/article/20190221/NEWS01/190229983/cmp%27s-sweetens-the-deal-picks-up-support-from-mills-and-others-for-$950m-project)).
- Events
 - Staff presented at Maine Housing's 50th Anniversary Event, February 27.
 - Staff appeared on a Maine Calling segment focusing on energy efficiency in older homes, March 20.
 - The Executive Director spoke at an E2Tech forum on Electric Vehicles, March 21 to announce that Efficiency Maine would be administering programs to promote the purchase of electric vehicles using the \$5.1 million settlement with VW won by the Office of the Attorney General.
 - Staff presented at Plumbing, Heating and Cooling Contractors Show, March 22.
- Website and Outreach (February)
 - 28,486 website visits (compared to 31,721 visits in January)
 - 16,993 unique visits
 - 9,265 visits were driven through digital ads
 - Facebook
 - 3,252 fans
- Call Center (February)
 - 1,339 inbound phone calls received, 17% higher than the long-term average
 - 97% answered within 20 seconds (vs. a goal of 90%) despite high volume and recent staff turnover

- 638 inbound emails
- 1,645 pieces of inbound mail

B) Government Relations

- Public Utilities Commission (PUC)
 - Staff participated in the hearing in the Triennial Plan proceeding and proposed settlement conversations with intervenors.
 - Staff prepared and filed minor compliance filings in the Triennial Plan III docket.
 - Staff continued to participate in settlement discussions on the PUC-initiated non-wires alternative docket.
- Legislature
 - The Executive Director testified on two bills at the Legislature. LD 754 proposed to cap the Trust's revenues from RGGI. LD 614 proposed to appropriate \$500,000 for the Trust to administer a program to promote electric vehicles. LD 754 was voted Ought Not to Pass at a subsequent work session.

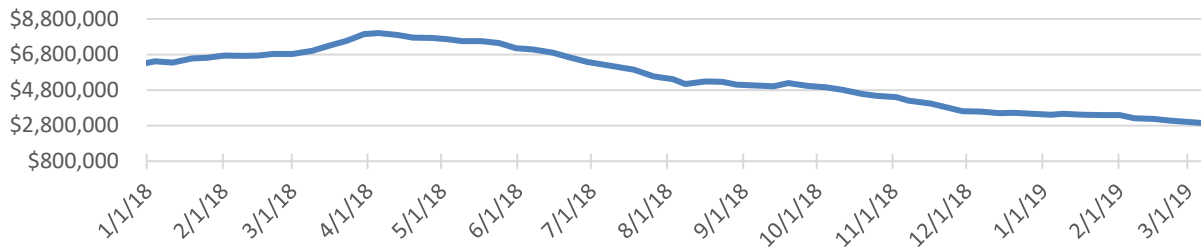
2. Program Highlights¹

A) C&I Prescriptive (CIP) Program

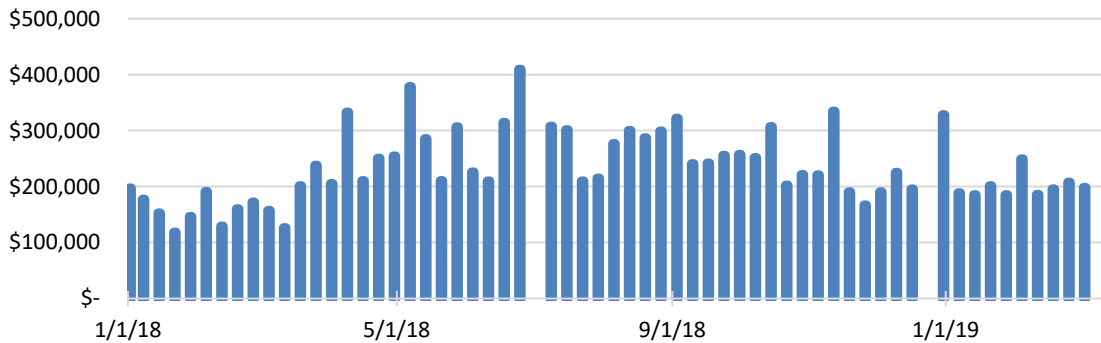
- Overall, the program is on target. Including the \$2.7 million pipeline of committed projects across all funding sources, the program is at 69% invested at 66% through the fiscal year.
- Program activity remains strong. Staff anticipates investing all electric funds this fiscal year.
- The number of lighting retrofit submittals by Qualified Partners has increased to over 1,200 lighting projects.
- Total volume for lighting sales through the distributor channel decreased through February compared to the prior month.
 - 39% are screw-in bulbs (21% of discounts paid)
 - 61% are mogul and T8 linear replacement lamps (79% of discounts paid)
- Program participation in the HVAC distributor program is seasonal; nevertheless, participation over the past few months is higher than the same time period of the previous program year.
- The program team is reviewing Technical Reference Manual (TRM) values and recent material prices in preparation for the fourth quarter.

¹ The Updated Financials table reported for each Program reflects data pulled from the Trust's financial management system mid-month; the Energy Savings table reflects data pulled from the Efficiency Maine project tracking database on March 20, 2019, to capture the progress for the year through the most recent complete month of reported actual results (i.e., through the end of February 2019).

CIP - Pipeline



CIP - Incentives Paid



Updated Financials	Program Investment
FY2019 Program Budget	\$17,460,592
7/1 to 2/28 Spending	\$9,462,386
Percent of Budget Spent to Date	54%
Percent of Year Passed	66%

Energy Savings (through 2/28)	Annual kWh Savings	Annual MMBtu Savings*
Electric Programs	79,645,031	(85,184)
Thermal Programs	102,509	47,896

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

Project Type (through 2/28)	Units
Distributor Lighting Solutions	140,778
Prescriptive Lighting Solutions	1,641
Electric Heating and Cooling Solutions	352
Compressed Air Solutions and Other	53
Natural Gas Heating and Cooling Solutions	68
All Fuels Heating and Cooling Solutions	81

B) C&I Custom Program

- The C&I Custom Program Review Team met once and approved 3 projects worth \$221,194 in incentive offers.
- The number of projects in the pipeline is level at 8 projects but the size of the pipeline as grown to \$2.3 million in potential incentive offers as the probability of project completion increases.
- Program staff reviewed 3 project proposals that did not meet the program requirements and were ultimately denied.
- Program staff received an application for 1 new scoping audit.

Updated Financials	Program Investment
FY2019 Program Budget	\$14,797,439
7/1 to 2/28 Spending	\$1,871,216
Percent of Budget Spent to Date	13%
Percent of Year Passed	66%

Additional Details on FY 2019 Financials	Program Investment
Expenditures	\$1,871,216
Committed	\$7,022,762
Pipeline	\$2,324,050
Total (Expenditures, Committed, & Pipeline)	\$11,218,028
Percent of Budget	76%

Energy Savings (through 2/28)	Annual kWh Savings	Annual MMBtu Savings*
Electric Programs	3,609,212	(3,338)
Thermal Programs		1,212

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

C) Small Business Initiative (SBI)

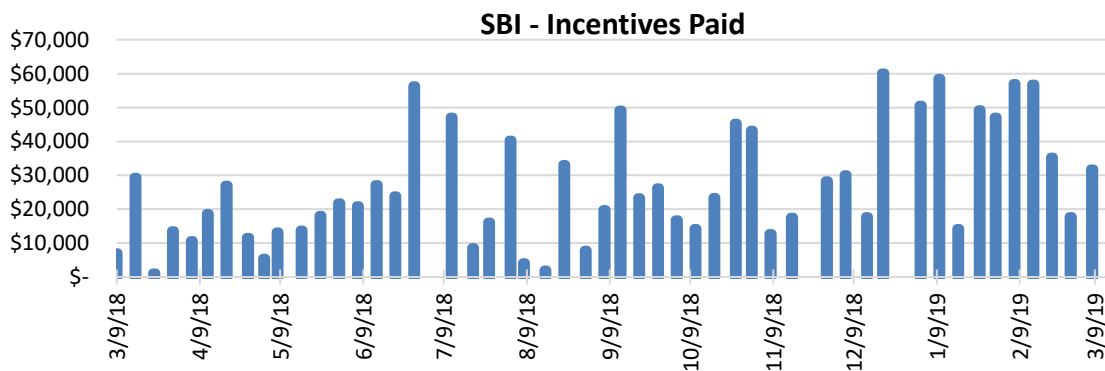
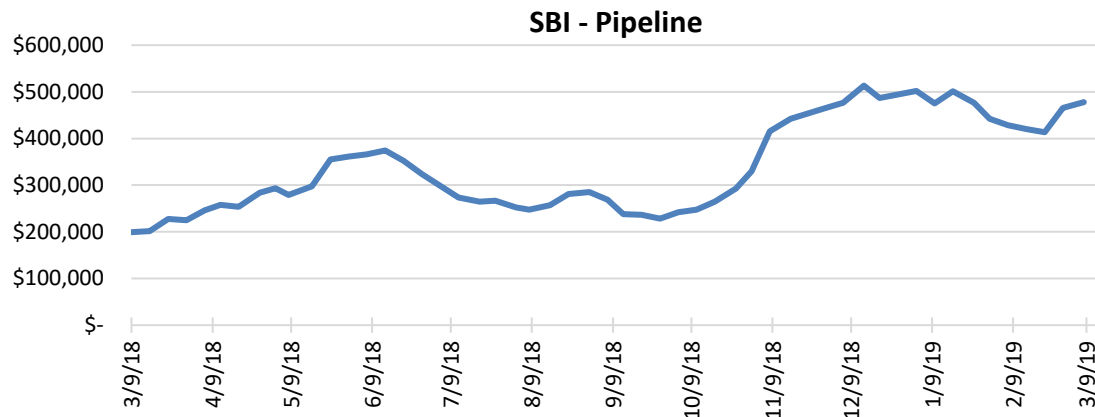
- The program has supported 299 projects through March 15, compared to 257 in all of FY2018. That said, the average project cost has decreased.
- All projects have been completed in Region 9 (Windham, Gray, and New Gloucester) and incentives will be paid out over the next month.
- Activity in Region 10 (Ellsworth area) continues to be strong. Thus far, 107 have been completed projects and another 160 are in the pipeline.
- Customer outreach (using utility data) continues in Region 11 (Old Town and Orono). After finding that approximately 40 percent of the accounts are for multifamily housing properties, staff are working on rolling out a targeted promotion for Multifamily Housing for exterior and common area lighting.
- The first project was completed in Region 12 (Hallowell, Gardiner, and Chelsea) this month, with 9 additional installations underway. The program team continues to receive requests

for lighting assessments from business owners and anticipates an increase in the pipeline over the next month.

- The first project was completed in Region 13 (Burnham to Hermon, Rt 2 and 95 Corridor) this month, with two additional installations underway.
- Preparations are underway to launch a 14th region (Bangor area).

SBI Activities	Region 9	Region 10	Region 11	Region 12	Region 13
Launch Date	5/2018	7/2018	8/2018	1/2019	2/2019
Assessments Requested/Assigned	151	262	24	50	42
Assessments Completed	147	228	20	31	19
Pre-approved Projects	144	214	15	20	15
Signed SOWs	131	160	10	14	6
Installations Underway	1	32	7	9	2
Projects Completed	129	107	0	1	1

Region 9 covers Windham, Gray, and New Gloucester; Region 10 covers the Ellsworth area; Region 11 covers Old Town and Orono; Region 12 covers Hallowell, Gardiner, and Chelsea; and Region 13 covers Burnham to Hermon.



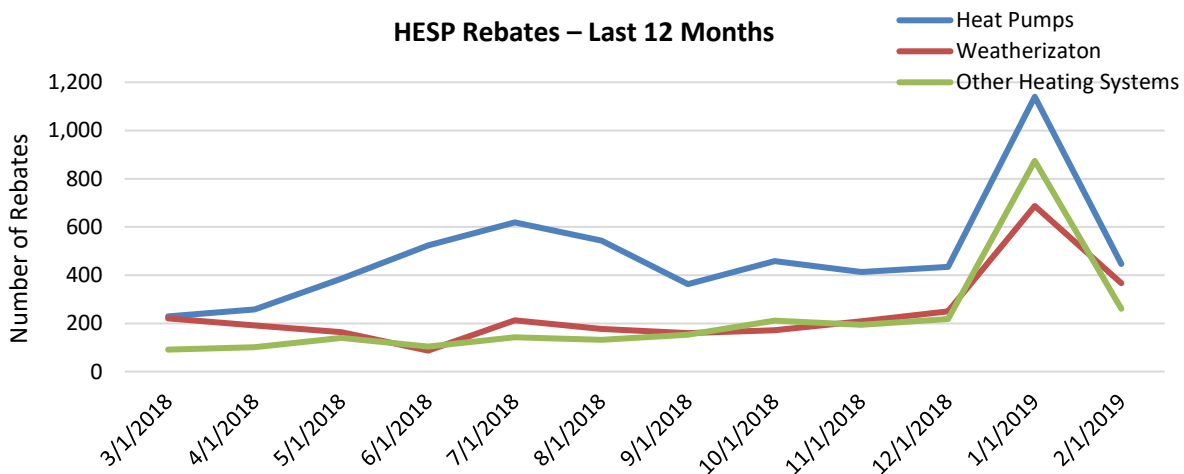
Updated Financials	Program Investment
FY2019 Program Budget	\$3,556,369
7/1 to 2/28 Spending	\$1,105,960
Percent of Budget Spent to Date	31%
Percent of Year Passed	66%

Energy Savings (through 2/28)	Annual kWh Savings	Annual MMBtu Savings*
Electric Programs	2,100,932	(2,298)

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

D) Home Energy Savings Program (HESP)

- The number of rebates in February 2019 was up 31% compared to February 2018, and fiscal year-to-date (YTD) rebated measures are up 42% over last year. This increase is being seen across measures:
 - Heat pumps are up 25% YTD vs last year.
 - Insulation and air sealing rebates are up 41% YTD vs last year.
 - Boiler and furnace rebates are up 101% YTD vs last year.
 - Pellet and wood stove rebates (suspended 12/31/18) were moving at a pace up ten-fold vs last year.



Updated Financials	Program Investment
FY2019 Program Budget	\$11,685,960
7/1 to 2/28 Spending	\$6,834,327
Percent of Budget Spent to Date	58%
Percent of Year Passed	66%

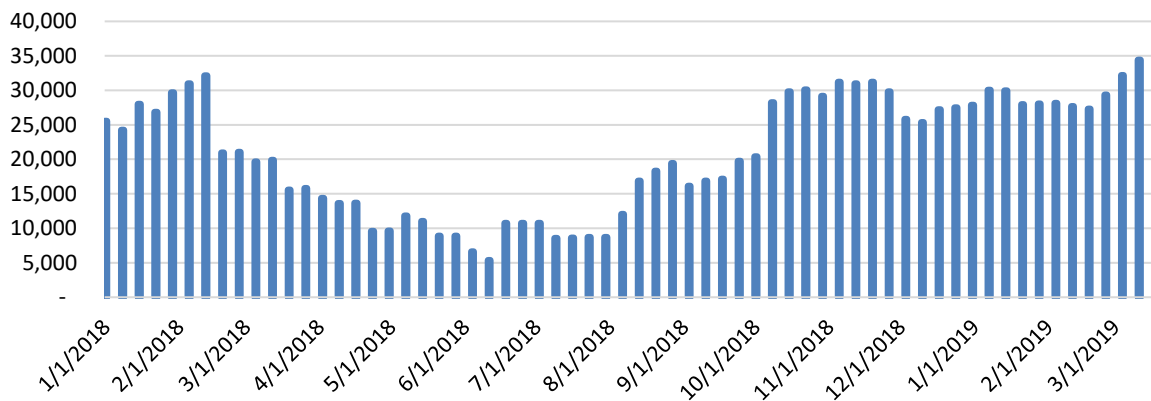
Energy Savings (through 2/28)	Annual kWh Savings	Annual MMBtu Savings
Electric Programs	11,025,525	-
Thermal Programs	414,521	61,185

Project Type (through 2/28)	Participating Households
Electric Measures	4,225
All Fuels Measures	2,721
Natural Gas Measures	308

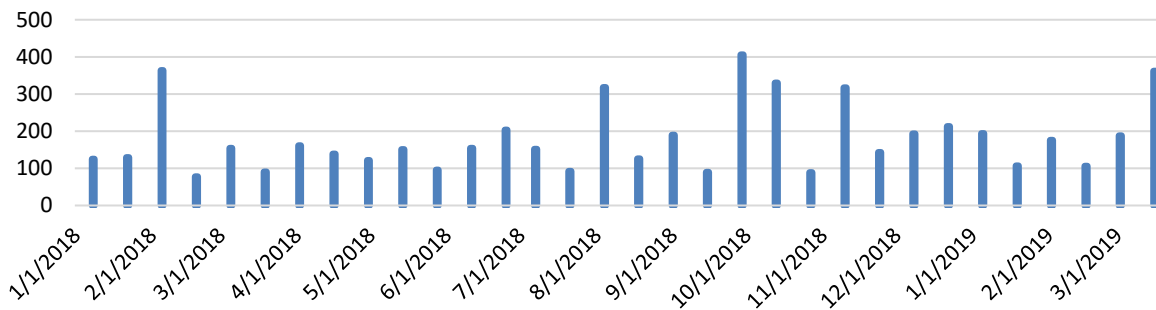
E) Consumer Products Program

- The program team has launched a promotion for distributors that sell heat pump water heaters for \$250 or less and the response has been favorable. The team is forecasting a record 7,758 units this fiscal year.
- Over 200 stores across the state have promotional displays featuring \$0.50 and \$1.00 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.

Weekly Bulb Sales (including unaudited estimates)



Weekly HPWH Sales (including unaudited estimates)



Updated Financials	Program Investment
FY2019 Program Budget	\$13,995,604
7/1 to 2/28 Spending	\$5,178,804
Percent of Budget Spent to Date	37%
Percent of Year Passed	66%

Energy Savings (through 2/28)	Annual kWh Savings	Annual MMBtu Savings*
Electric Programs	29,761,473	(20,977)
Thermal Programs	2,322	6,527

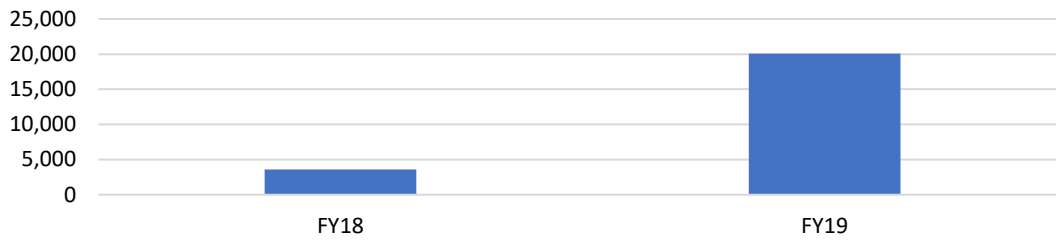
*Negative MMBtu savings indicates thermal interactive effects with lighting measures.

Rebate Type (through 2/28)	Projects
Light Bulbs	720,507
Appliance Rebates	9,410
Smart Thermostats	680

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 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, and are working through, a backlog of enrollments from CMP.
- The market-based Affordable Heat Initiative (AHI), which offers enhanced rebates on ductless heat pumps and insulation to eligible homeowners using funds from RGGI and the MPRP, is currently suspended. All funds for this initiative are fully invested for this fiscal year.
- The Low Income Direct Install (LIDI) initiative offers free installations of heat pump water heaters (HPWHs) as a retrofit measure to eligible households. So far this fiscal year, 253 have been installed, with another 150 in the pipeline, compared to a goal of 750. Staff are reaching out to the Community Action Program (CAP) agencies to try to increase investment. The team is also planning a promotion to spur contractor interest.
- Staff anticipate completing a weatherization project in a group of natural gas-fired multifamily buildings in April. Once complete, the project will include 158 low-income units.

Low Income Direct Mail Kits sent to customers



Updated Financials	Program Investment
FY2019 Program Budget	\$9,134,120
7/1 to 2/28 Spending	\$3,484,184
Percent of Budget Spent to Date	38%
Percent of Year Passed	66%

Energy Savings (through 2/28)	Annual kWh Savings	Annual MMBtu Savings*
Electric Programs	7,762,240	(1,264)
Thermal Programs	(2,594,698)	46,252

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

Initiative (through 2/28)	Units
Direct Installs	215
Market-based Installs	1,855

G) Renewable Energy Demonstration Grants Program

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

H) Electric Vehicles

- **EV Charging Initiative**
 - Trust Staff presented an update to the Drive Electric Maine quarterly meeting held at GPCOG. At the meeting, the Trust circulated a request for comments on a list of key questions that it is using to help determine the criteria for the RFP for Phase 2 of the initiative.
 - The Trust circulated by email its request for comments on the questions for the Phase 2 RFP to the Steering Committee and its list of interested parties.
 - The Trust sponsored an E2Tech Forum at Bowdoin College on electric vehicles on 3/21. The Trust described Phase II of the EV Charging Initiative and answered questions from the audience.

- **Promoting Electric Vehicles**

- The Governor publicly announced that the Trust had been given \$5.1 million from the Office of the Attorney General for the purpose of administering programs to promote the purchase and use of electric vehicles in Maine.
- The Trust provided a general overview of the intention to use the funds on two initiatives: the first to provide incentives for EVs purchased by state and local government fleets or non-profits serving the elderly, special needs or low-income communities; the second to provide rebates on the purchase of EVs by Maine residents and businesses.
- The Trust estimated that it would have sufficient funds to promote the purchase of more than 100 EVs for the first initiative and 900 EVs for the second.
- The Trust has indicated that has not set a date for when these initiatives will be launched, and that it is planning to solicit input from interested parties on the design of the initiatives.

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 awardee has been announced and Staff are waiting on CMP to provide the control group usage data for the analysis.
- Work on the Commercial Demand Response pilot continues as Revision expands efforts to market and promote the program. Given the slow start and the relatively long cycle time of the commercial solar sales process, Revision has proposed pushing the timeline of the pilot “test year” out by 60 to 90 days to give them time to adjust the offering, secure participants, and get systems installed before the “test year” begins.
- 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. Staff have made some changes to rebates and eligible measures to balance uptake in the portfolio.

II. Evaluation, Measurement & Verification

- Staff has issued requests for proposals (RFPs) for evaluations of the Small Business Initiative and the Retail Lighting portion of the Consumer Product Program.

III. Forward Capacity Market

- EMT filed comments in complaint at FERC against ISO-NE’s proposed switch to net savings.
- Staff kicked off the annual M&V certification.

3. Administration and Finance Highlights

A) Administration

- Staff filed the annual report on RGGI activities to the Legislature. This is a report that is jointly prepared and filed with the Maine PUC and Maine DEP.

B) Financial

Revenues

- The new revenues from state and regional sources through the end of February 2019 were \$39.3 million (up from \$33.9 million through the end of January) out of a total expected annual revenue of \$55.5 million. Approximately \$0.8 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 \$1.3 million. The outstanding balance for revenues is approximately \$16.1 million for the fiscal year, not including the balance of interfund transfers.

Expenditures

- Total expenditures through the end of February 2019 were \$34.6 million (up from \$31.1 in the last report), of which approximately:
 - i. \$1.7 million was spent on Administration (excluding interfund transfers)
 - ii. \$157,000 was spent on Public Information
 - iii. \$304,000 was spent on Evaluation work
 - iv. \$103,000 was spent on Innovation pilots
 - v. \$3.4 million was spent on Low Income Initiatives
 - vi. \$5.1 million was spent on the Consumer Products Program
 - vii. \$6.8 million was spent through HESP
 - viii. \$9.4 million was spent through the C&I Prescriptive Program
 - ix. \$1.8 million was spent on the C&I Custom Program
 - x. \$1.1 million was spent on the Small Business Initiative
 - xi. \$3 million was spent in Inter-Agency Transfers