

Executive Director's Summary Report

to the Board of Trustees
of the
Efficiency Maine Trust

June 26, 2019

1. Communications

A) Awareness and Press

- Press
 - The bill proposing a Green New Deal was covered by *WGME* (<https://wgme.com/news/local/democrat-bill-for-green-new-deal-in-maine-awaits-more-votes>), *The Maine Wire* (<https://www.themainewire.com/2019/06/green-new-deal-for-maine-bill-has-nothing-to-do-with-climate-change/>), and *PV Magazine* (<https://pv-magazine-usa.com/2019/06/06/green-new-deal-passes-maine-house/>).
 - The signing of the LD 1766, “An Act To Transform Maine’s Heat Pump Market To Advance Economic Security and Climate Objectives” was covered by *Renewable Energy Magazine* (<https://www.renewableenergymagazine.com/panorama/governor-mills-signs-bill-promoting-energy-efficient-20190618>) and by WABI (<https://www.wabi.tv/content/news/Bill-to-set-ambitious-heating-pump-goal-signed-into-bill-511318602.html>).
 - The legislative action in Maine surrounding clean energy was covered by *Utility Dive* (<https://www.utilitydive.com/news/maine-steps-up-clean-energy-turnaround-tees-up-80-rps-pro-solar-bills/556783/>).
- Events
 - The Executive Director attended the signing of LD 1766, “An Act To Transform Maine’s Heat Pump Market To Advance Economic Security and Climate Objectives,” at Kennebec Valley Community College on June 14.
 - Staff presented on heat pumps to the Greater Bangor Apartment Owners and Managers Association on June 18.
 - Staff presented in Washington, DC on Bridging the Rural Efficiency Gap on June 19.
- Website and Outreach (May)
 - 21,314 website visits (compared to 21,711 visits in April)
 - 12,245 unique visits
 - 2,395 visits were driven through digital ads
 - Facebook
 - 3,405 fans
- Call Center (May)
 - 1,334 inbound phone calls received
 - 99% answered within 20 seconds (vs. a goal of 90%)
 - 684 inbound emails
 - 7,645 pieces of inbound mail

B) Government Relations

- Public Utilities Commission (PUC)
 - In accordance with the PUC's order in Triennial Plan IV, the Trust filed a good faith estimate of uncommitted carryforward budget for the PUC's consideration in netting these amounts out of the new "procurement" funds (for electricity and natural gas MACE budgets) in 2020.
 - Staff participated in a Case Conference to discuss strategies for adopting benefit cost methodologies and assumptions and budgets that would be consistent with the recently passed LD 1757, in such a way to minimize disruption of the EE marketplace.
 - Staff filed "Request for Significant Change One" seeking authorization to apply cost-effectiveness screening methodologies and assumptions (M&As) consistent with the recently enacted LD 1757. These M&As are effectively the same as what the Board approved, and the Trust Staff filed, last fall in the Triennial Plan IV docket. By order of June 25, 2019, the Commission approved this authorization.
- Legislature – Staff provided technical information on and tracked voting on several bills at the Legislature, including:
 - LD 912 – a bill establishing the Wood Energy Investment Program at the Trust
 - Carried over to next year
 - LD 1282 – a bill proposing a Green New Deal for Maine
 - Enacted as amended by the EUT Committee
 - Requires the Trust to work with the Maine Department of Education to facilitate energy efficiency upgrades to new school construction and, in particular, to facilitate power purchase agreements to put solar PV on schools approved for state funding
 - LD 1464 – a bill promoting "beneficial electrification" for heating and transportation
 - Enacted as amended by the EUT Committee.
 - "Beneficial electrification" means electrification of a technology that results in reduction in the use of a fossil fuel, including electrification of a technology that would otherwise require energy from a fossil fuel, and that provides a benefit to a utility, a ratepayer or the environment, without causing harm to utilities, ratepayers or the environment, by improving the efficiency of the electricity grid or reducing consumer costs or emissions, including carbon emissions.
 - Requires the Trust to conduct a study on barriers to beneficial electrification and submit to the Legislature a report enumerating the barriers and identifying potential solutions
 - LD 1679 – a bill creating the Maine Climate Change Council, which includes the Trust
 - LD 1757 – a bill clarifying standards for the Trust's Triennial Plan process
 - Enacted and took effect upon the Governor's signing
 - Requires the Trust to use, and the Commission to give deference to, certain enumerated methodologies and assumptions (M&As) for calculating cost-effectiveness

- LD 1766 – a bill to transform Maine’s heat pump market
 - Enacted
 - Establishes a goal of installing 100,000 high-performance heat pumps by 2025
 - Requires FCM funds to be used to advance the goal, and to “supplement but not supplant” incentives being funded by MACE.
- LD 1836 – Governor’s comprehensive bond bill
 - Did not receive sufficient votes to pass
 - Would have established a \$5 million fund at the Trust to finance heat pumps for low- and moderate- income Mainers
 - Would have established a \$10 million fund at the Trust to provide incentives for high-efficiency heat pumps, solar systems, modern biomass thermal systems and other efficiency measures at municipal and school buildings

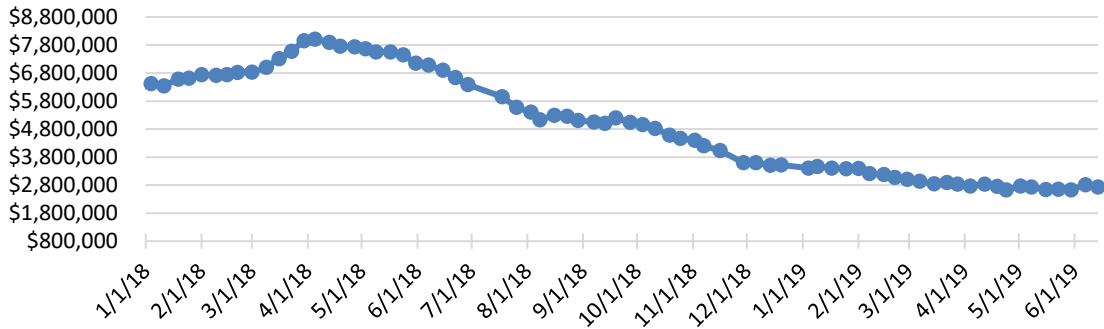
2. Program Highlights¹

A) C&I Prescriptive (CIP) Program

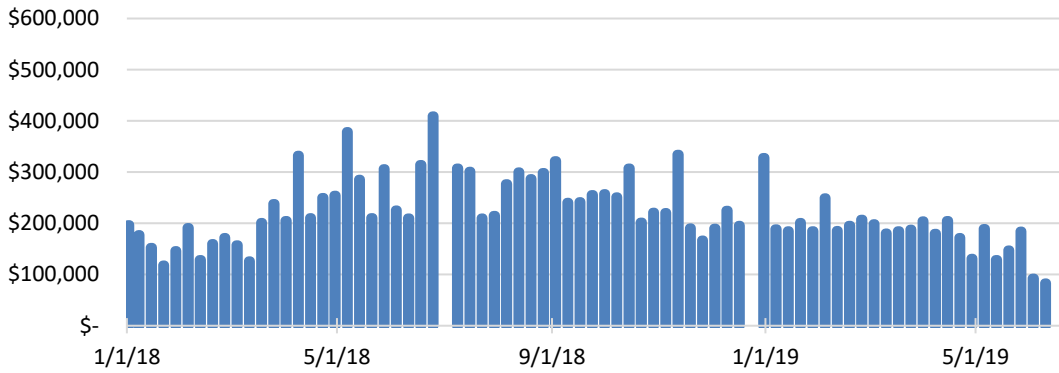
- Program activity remains strong and Staff anticipates investing all electric funds this fiscal year.
- Total volume for lighting sales through the distributor channel increased through the end of May.
 - 34% are screw-in bulbs (18% of discounts paid)
 - 66% are mogul and T8 linear replacement lamps (82% of discounts paid)
- To date, there have been over 1,800 Prescriptive and Pay-for-Performance lighting projects submitted using the Commercial Lighting Incentive Calculator (CLIC) tool. Most of the submittals (85%) are utilizing the Prescriptive pathway.
- Qualified Partner (QP) Annual Certifications have begun, with a total of 10 on-site sessions and 4 webinars scheduled to train contractors and increase engagement. Over 75% of existing QPs are currently registered for a session.
- The distributor screw-in lighting advisory group held its second meeting in May. Participating lighting distributors provided input on product selection, pricing and the reporting process.
- Staff are preparing to expand the Variable Refrigerant Flow (VRF-Heat Pumps) measure to include heat recovery in FY2020.

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 June 18, 2019, to capture the progress for the year through the most recent complete month of reported actual results (i.e., through the end of May 2019).

CIP - Pipeline



CIP - Incentives



Updated Financials	Program Investment
FY2019 Program Budget	\$18,316,592
7/1 to 5/31 Spending	\$12,370,464
Percent of Budget Spent to Date	68%
Percent of Year Passed	92%

Energy Savings (through 5/31)	Annual kWh Savings	Annual MMBtu Savings*
Electric Programs	101,406,030	(100,459)
Thermal Programs	233,116	65,124

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

Project Type (through 5/31)	Units	Projects
Distributor Lighting Solutions	182,476	-
Prescriptive Lighting Solutions	-	2,184
Electric Heating and Cooling Solutions	-	446
Compressed Air Solutions and Other	-	80
Natural Gas Heating and Cooling Solutions	-	90
All-Fuels Heating and Cooling Solutions	-	107

B) C&I Custom Program

- The C&I Custom Program Review Team met once and approved 3 projects worth just over \$61,000 in incentive offers. The Review Team has one more meeting scheduled before the end of FY2019.
- The pipeline has grown modestly, adding 7 new projects. The total pipeline now consists of 12 projects worth almost \$376,000 in incentive offers. Of this, Staff expects to award 3 projects worth approximately \$109,000 before the end of FY2019. The remaining pipeline of projects will carry over into FY2020.
- Program staff reviewed 4 project proposals that did not meet the program requirements and were not moved forward for further review.

Updated Financials	Program Investment
FY2019 Program Budget	\$14,247,439
7/1 to 5/31 Spending	\$2,744,504
Percent of Budget Spent to Date	19%
Percent of Year Passed	92%

Additional Details on FY2019 Financials	Program Investment
Expenditures	\$2,744,504
Committed	\$9,299,169
Pipeline*	\$108,562
Total (Expenditures, Committed, & Pipeline)	\$12,152,235
Percent of Budget	82%

*Only reflects portion of pipeline with high likelihood of being awarded in FY2019.

Energy Savings (through 5/31)	Annual kWh Savings	Annual MMBtu Savings
Electric Programs	4,265,452	9,202
Thermal Programs	-	4,425

C) Small Business Initiative (SBI)

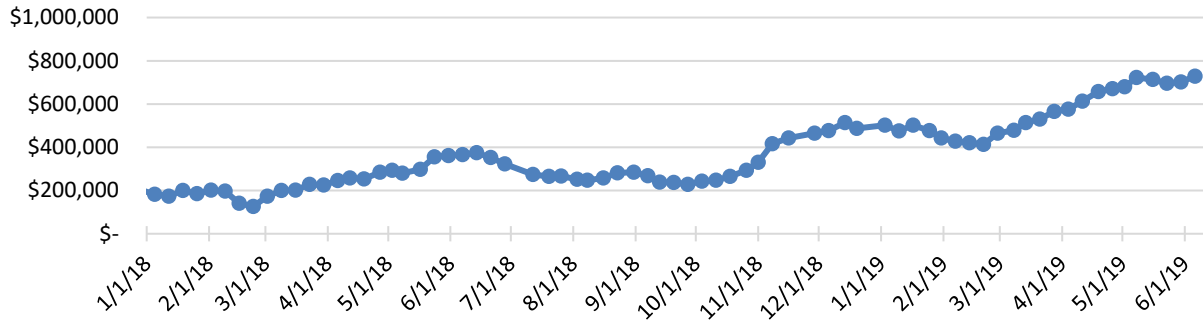
- The SBI FY 2020 Supplier Request for Prices was issued on May 9, 2019. Gilman Electric was selected from the three proposals received.
- Regions 12 and 13 will continue to add interested customers until June 30.
- Bangor (Region 14) has suspended recruitment activities until the current pipeline of projects have been completed. Staff expects to restart in late July.

SBI Activities	Region 10	Region 11	Region 12	Region 13	Region 14
Launch Date	7/2018	8/2018	1/2019	2/2019	4/2019
Assessments Requested/Assigned	325	43	110	118	150
Assessments Completed	307	42	96	101	75
Pre-approved Projects	272	36	84	94	61
Signed SOWs	226	30	57	70	34

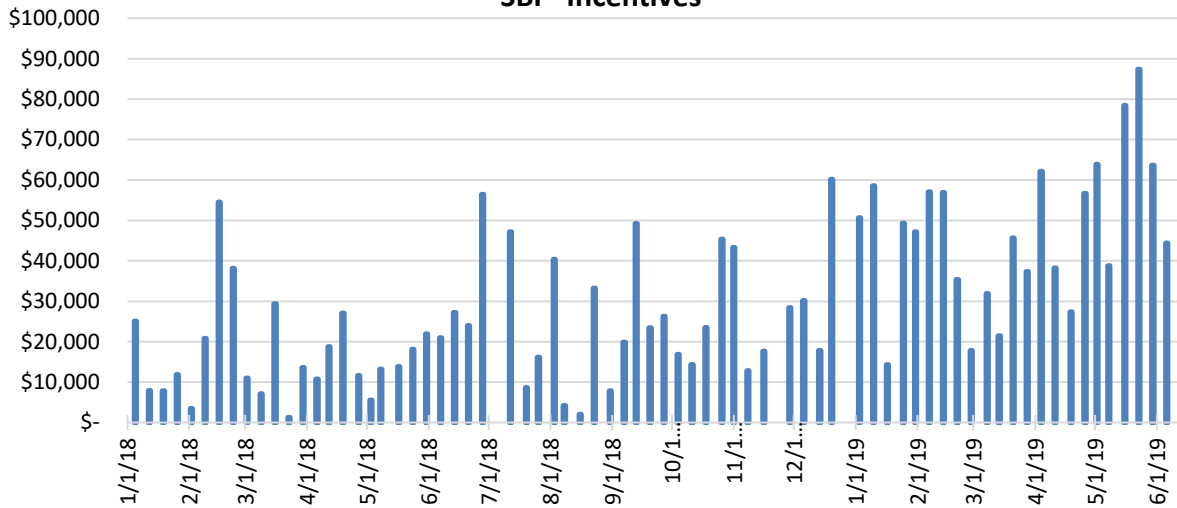
Installations Underway	25	6	18	16	7
Projects Completed	194	23	34	43	6

Region 10 covers the Ellsworth area; Region 11 covers Old Town and Orono; Region 12 covers Hallowell, Gardiner, and Chelsea; Region 13 covers Burnham to Hermon; and Region 14 covers Bangor and Hampden.

SBI - Pipeline



SBI - Incentives



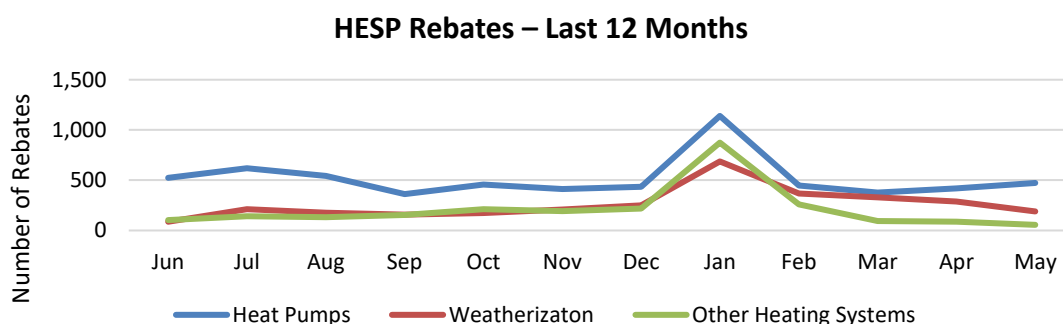
Updated Financials	Program Investment
FY2019 Program Budget	\$3,206,369
7/1 to 5/31 Spending	\$1,904,636
Percent of Budget Spent to Date	59%
Percent of Year Passed	92%

Energy Savings (through 5/31)	Annual kWh Savings	Annual MMBtu Savings*
Electric Programs	3,600,447	(3,657)

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

D) Home Energy Savings Program (HESP)

- The number of rebates in May 2019 was up 4% compared to May 2018, and fiscal YTD rebated measures are up 42% over last year. This increase in the number of units is being seen across multiple measures:
 - Heat pump rebates up 31% YTD vs. last year
 - Insulation and air sealing rebates up 41% YTD vs. last year
 - Boiler and furnace rebates are up 48% YTD vs last year
 - Pellet and wood stove rebates (suspended 12/31/2018) were up 654% vs last year
- The peak of activity in January reflects the processing of a backlog of rebate requests that were received in the summer and fall.
- Note that \$1.35 million of the budget is RGGI funding that is planned to be carried forward into FY2020.



Updated Financials	Program Investment
FY2019 Program Budget	\$12,265,960
7/1 to 5/31 Spending	\$9,098,500
Percent of Budget Spent to Date	74%
Percent of Year Passed	92%

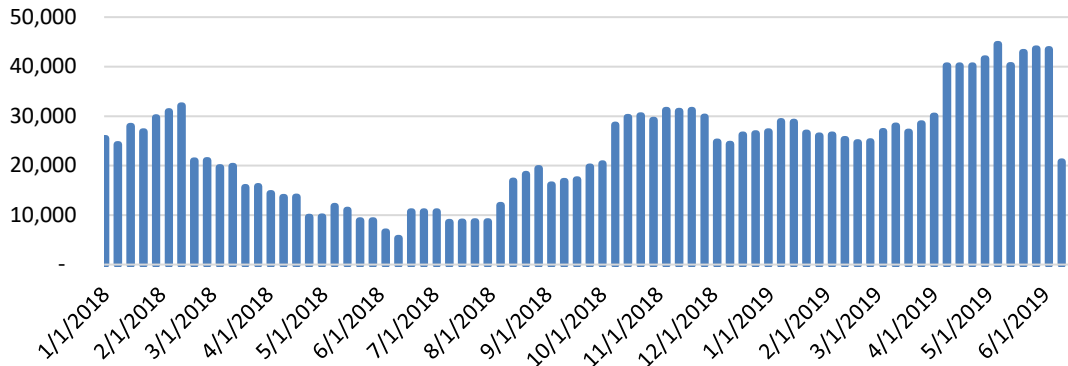
Energy Savings (through 5/31)	Annual kWh Savings	Annual MMBtu Savings
Electric Programs	15,981,000	-
Thermal Programs	629,677	92,873

Project Type (through 5/31)	Participating Households
Electric Measures	6,082
All Fuels Measures	3,795
Natural Gas Measures	454

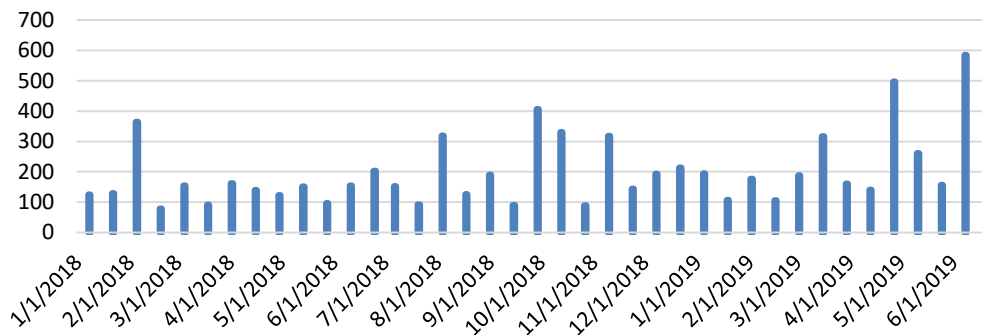
E) Consumer Products Program

- 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 6,087 units this fiscal year.
- Over 200 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. The team is forecasting nearly 1.4 million LEDs this fiscal year.
- The program is on track to invest 73% of funds by the end of June.

Weekly Bulb Sales – Retail (including unaudited estimates)



Weekly HPWH Sales (including unaudited estimates)



Updated Financials	Program Investment
FY2019 Program Budget	\$13,495,604
7/1 to 5/31 Spending	\$7,830,706
Percent of Budget Spent to Date	58%
Percent of Year Passed	92%

Energy Savings (through 5/31)	Annual kWh Savings	Annual MMBtu Savings*
Electric Programs	39,323,812	(26,259)
Thermal Programs	2,326	6,545

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

Rebate Type (through 5/31)	Projects
Light Bulbs	901,000
Appliance Rebates	13,243
Smart Thermostats	682

F) Low-Income Initiatives

- The Low Income Direct Mail (LIDM) Initiative continues to offer free Do-It-Yourself (DIY) kits to households that participate in state or federal low-income programs. Staff forecasts ending the year with 300% more activity than last year (FY2018).
- The Trust participates in the electric utilities' Arrearage Management Program (AMP). Staff has enrolled 678 participants into AMP so far this year and continues to receive enrollments from the utilities.
- The Low Income Direct Install (LIDI) initiative offers free installations of heat pump water heaters (HPWHs) to eligible households. Activity has increased and the program is on pace to surpass the number of installations seen last year.
- The program contracted with two community action agencies to audit 60 low income homes with a high annual electricity consumption (13,000 kWh minimum), and to identify opportunities to install appropriate efficiency measures. Of the 60 homes, 14 were added to the list of homes to be served through the existing HPWH initiative. Seventeen homes were found to rely heavily on inefficient electric space heating. The initiative is scheduling Registered Vendors to do direct installation of weatherization and heat pumps (using only one indoor unit) in these homes. Vendors are instructed to place a high priority on homeowner education in operation of a DHP, as well as explaining the impacts of their present behaviors in heating with inefficient electrical appliances. Another unique aspect of this pilot is that we will be metering not only the heat pump but the whole house electrical usage approximately July to April.
- Earlier in the year, the program completed a natural gas project in a low-income multifamily housing complex in Unitil territory, successfully investing the budget. Staff is now looking to replicate the project in the Bangor Natural Gas and Maine Natural Gas territories.
- The market-based Affordable Heat Initiative (AHI), which offers enhanced rebates on ductless heat pumps and insulation to eligible homeowners, is currently suspended. All funds from RGGI and MPRP that were available for this initiative have been fully invested for this fiscal year.

Updated Financials	Program Investment
FY2019 Program Budget	\$9,134,120
7/1 to 5/31 Spending	\$4,715,022
Percent of Budget Spent to Date	52%
Percent of Year Passed	92%

Energy Savings (through 5/31)	Annual kWh Savings	Annual MMBtu Savings*
Electric Programs	9,519,687	(1,437)
Thermal Programs	(2,690,343)	48,131

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

Initiative (through 5/31)	Units
Direct Installs	426
Market-based Installs	1,917

G) Renewable Energy Demonstration Grants Program

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

H) Electric Vehicle Initiatives

- EV Charging Initiative
 - Staff held a biweekly check-in call with ChargePoint Inc. to review the status of each host site in Phase 1. Staff continues to work with ChargePoint in pursuit of a suitable location on Route 302 between Portland and the New Hampshire border.
 - In Phase 2, Staff started receiving applications for Level 2 EV charger incentives.
- EV Rebate Initiative
 - Staff discussed stakeholder feedback on the straw proposal and used it to update the draft EV rebate program design.
 - Staff continues to prepare the marketing plan and overall implementation of the initiative.

I) Strategic Initiatives

- **Innovation**
 - Staff and TRC are working on analyzing the results of the Low Income Behavioral Pilot. Data on the control group is being reviewed and a feedback survey is being developed for pilot participants.
 - In the Commercial Demand Response pilot, Staff is working with Revision to adjust the scope of this pilot.
 - The Residential DER aggregation and controls pilot is on schedule and on budget. Revision Energy has closed sales and is focusing on installing the remaining projects by the end of June. With a handful of exceptions related to internet availability at new homes, the Staff expects all devices to meet this deadline.
- **Evaluation, Measurement & Verification**
 - The Trust has no new information to report this month.

3. Administration and Finance Highlights

A) Administration

- Staff is reviewing applications for the position of Program Assistant.
- Initial field work by the independent auditors began.
- Bureau of the Budget for the State is working with the Trust to provide updates to the new biennial budget, as necessary.
- Staff has selected a health insurance plan for the year.
- Staff has procured new software to better enable it to receive and manage utility data.

B) Financial

Revenues

- The new revenues from state and regional sources through the end of May 2019 were \$54.9 million (up from \$48.4 million through the end of April) out of a revised total expected annual revenue of \$60.6 million. Approximately \$1.19 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 \$2.09 million. The outstanding balance for revenues is approximately \$5.2 million for the fiscal year, not including the balance of interfund transfers.

Expenditures

- Total expenditures through the end of May 2019 were \$47.3 million (up from \$44 in the last report), of which approximately:
 - i. \$4.59 million was spent on Administration (excluding interfund transfers)
 - ii. \$194,000 was spent on Public Information
 - iii. \$395,000 was spent on Evaluation work
 - iv. \$139,000 was spent on Innovation pilots
 - v. \$4.7 million was spent on Low Income Initiatives
 - vi. \$7.8 million was spent on the Consumer Products Program
 - vii. \$9 million was spent through HESP
 - viii. \$12.3 million was spent through the C&I Prescriptive Program
 - ix. \$2.74 million was spent on the C&I Custom Program
 - x. \$1.9 million was spent on the Small Business Initiative
 - xi. \$3.18 million was spent in Inter-Agency Transfers