

**Efficiency Maine Trust
Board Meeting Minutes
May 18, 2016**

Trust Board Members:

- David Barber, Chair
- Brent Boyles, Treasurer
- Daniel Brennan for John Gallagher
- Herbert Crosby
- Don Lewis
- David Stapp
- Patrick Woodcock

Efficiency Maine Trust (EMT) Staff:

- Ian Burnes
- Emily Cushman
- Peter Eglinton
- Dana Fischer
- Greg Leclair
- Michael Stoddard

Other Attendees:

- Will Beck, Maine Energy Marketers Association (MEMA)
- Bill Bell, Maine Pellet Fuels Association (MPFA)
- Dylan Voorhees, National Resources Council of Maine (NRCM)
- Jeffrey Packard, Alodyne
- Michelle Marean, DNV GL

1.0 Welcome and Introductions

Mr. Barber called the meeting to order at 9:31 a.m.

EMT's two new board members – Mr. Crosby and Mr. Stapp – provided brief summaries of their backgrounds.

2.0 Approve Agenda and Minutes

ACTION: Upon a motion duly made (Mr. Lewis) and seconded (Mr. Brennan), the Board voted unanimously to approve the agenda and approve the March Board Meeting Minutes.

3.0 Public Comment on Agenda Items

Mr. Bell stated that the Maine Forest Service was awarded a U.S. Forest Service grant to promote wood and pellet heating in schools and public buildings. He also noted that MPFA has recently hired a marketing expert.

Mr. Voorhees urged the Board to approve the request to accept City of Bangor funds and administer enhanced incentives under the Home Energy Savings Program (HESP). He commended EMT for leveraging local assets to accelerate energy efficiency projects. Mr.

Voorhees also commented on the Triennial Plan proceedings at the Public Utilities Commission (PUC) and commended the objectivity of the Trust Staff's analysis and focus on quantification.

4.0 Executive Director's Report

Mr. Stoddard summarized and distributed copies of the Executive Director's Report. Following are items highlighted during his presentation:

- Staff continued to exhibit at a number of energy fairs and conferences over the past month. Mr. Fischer and Ms. Kidder were active in promoting HESP as the Trust emerges from the heating season and stepping up marketing efforts during what is typically a slow time of year.
- The Triennial Plan III proceedings at the PUC are in their final stretch; the settlement document should be finalized within the week.
- EMT is also tracking the Non-Transmission Alternatives (NTA) case at the PUC. Over the course of the summer, the PUC will develop a framework for selecting an NTA coordinator and determine the scope of its functions and duties.
- The Business Incentive Program's electric and natural gas spending are on track. To address slow investment of all-fuels budgets, EMT Staff is stepping up marketing efforts directed at equipment distributors, and is also ramping up for the new program year with Qualified Partner (QP) workshops and certifications.
- HESP investment is on track. Mr. Woodcock asked for an update on loans. Mr. Fischer stated that FY2016 loan activity is down by about 15% from FY2015.
- While EMT has been successful in incentivizing electric measures for low-income customers, weatherization and non-electric heating measures have posed more of a challenge. Ms. Kidder, a recent hire, will be the dedicated staff person to coordinate Low Income Initiatives. Mr. Woodcock offered to connect EMT Staff with his contacts at AARP, noting that the organization is eager to expand awareness of energy budgets.
- Mr. Stoddard mentioned that Mr. Barber and Mr. Boyles were re-appointed to the Board, and Mr. Crosby and Mr. Stapp were newly appointed. Mr. Woodcock stressed the need to recruit women to the Board in the future.

5.0 Committee Report

(a) Finance Committee

i. REVIEW Financial Reports

Mr. Boyles provided an overview of revenues and expenditures to date. He noted that Maine Yankee settlement funding will sunset this year, causing electric procurement funding to increase in FY2017.

ii. APPROVE FY2016 Budget Adjustments

The Finance Committee recommends two funding transfers to achieve additional energy savings through more active programs and to prepare for FY2017.

ACTION: Upon a motion duly made (Mr. Boyles) and seconded (Mr. Lewis), the Board voted unanimously to approve the transfer of \$155,000 into Retail Initiatives and \$650,000 into the Business Incentive Program according to the budget adjustments detailed in a May 18, 2016, memo from Mr. Leclair.

iii. APPROVE Request to accept City of Bangor funds and administer enhanced incentives for qualified customers under HESP

Mr. Boyles directed the Board to a memo from Mr. Eglinton and Mr. Fischer dated May 18, 2016, recommending that EMT administer the City of Bangor's incentive funding to supplement HESP for city residents. Mr. Woodcock encouraged EMT to set a minimum matching budget for similar arrangements moving forward.

ACTION: Upon a motion duly made (Mr. Boyles) and seconded (Mr. Stapp), the Board voted unanimously to authorize the Trust to accept, budget, and contractually obligate funds provided through an MOU with the City of Bangor as allocated by the city for rebates and promotion of energy efficiency activities in coordination with existing Trust programs and delivery service contracts.

iv. APPROVE transaction to accept U.S. DOE State Energy Program funds to assist the Trust's U.S. DOE ARRA-funded Revolving Loan Program

Mr. Boyles directed the Board to a memo from Mr. Stoddard dated May 18, 2016, describing the U.S. Department of Energy (DOE) recommendation that the Governor's Energy Office (GEO) transfer federal funding to EMT. Mr. Stoddard explained that this funding was earmarked for a biomass study that has not yet been completed. In order to satisfy the impending expenditure deadline and proceed with the study, GEO can transfer the funding to EMT and receive an equal transfer of federal funds in return.

ACTION: Upon a motion duly made (Mr. Boyles) and seconded (Mr. Lewis), the Board voted unanimously to authorize the Trust to accept the transfer of \$87,000 in U.S. DOE State Energy Program funds for use in the Revolving Loan Fund in exchange for providing equal federal funding for the Governor's Energy Office study. Mr. Woodcock abstained from the vote.

v. REVIEW Updated Budget Summary from Triennial Plan Proceeding

Mr. Stoddard provided an overview of the updated FY2017 budget from Triennial Plan III proceeding. He explained that in contrast to the MACE

procurements for gas and electricity savings, the PUC does not determine the amount of revenues that will flow to EMT from RGGI, Forward Capacity Market (FCM) or Maine Power and Reliability Program (MPRP) funding. While there are some statutory requirements as to how those funds are spent, the total funding amount is determined by auction forecasts or legal settlement. The primary focus of the Triennial Plan III proceedings has been an examination of the modeling assumptions driving the EMT's MACE calculation for the procurement of cost-effective savings of electricity and natural gas. Mr. Stoddard reported that the final approved budget was lower than EMT's original submission, primarily due to adjustments related to updated projections of avoided energy costs. Mr. Stoddard also pointed out that all FCM funds and the majority of MPRP funds are netted out of the final electric procurement amount. Mr. Woodcock asked if EMT would maintain the discretion to use FCM and MPRP funding for any cost-effective project. Mr. Stoddard clarified that the Plan approved by the Board in November limits these funding streams to electric projects only, with the exception of \$300,000 of the MPRP funds that are earmarked by Stipulation to use in weatherization.

Mr. Stoddard described how the FY2017 budget compares to FY2016 as determined by the size of the cost-effective opportunity in each sector, and by forecasted revenues from RGGI and the FCM. Overall investment will increase in HESP, the Commercial Small Business Program, the Commercial New Construction Program, and in Low-Income Initiatives. Overall investment will decrease slightly in the Commercial and Industrial (C&I) Prescriptive Program and the C&I Custom Program. Investment in the Consumer Products Program is forecasted to remain constant.

Mr. Stoddard noted that the annual update process at the PUC will be more robust than it has been in the past, providing EMT with an opportunity to rerun models and reassess budgets if circumstances are substantially changed from when the Plan was initially approved. This process will occur no later than March 1 of each year.

(b) Program Committee

i. APPROVE sole source contract for services, materials, and license to support the Building Operator Certification training

Mr. Eglinton stated that Staff is requesting authorization to enter into a sole source contract to provide energy efficiency training and certification services for facility managers, including school facility managers. He reported that the Northwest Energy Efficiency Council offers a turnkey curriculum and training module that EMT has used for several years and seeks to continue using.

ACTION: Upon a motion duly made (Mr. Barber) and seconded (Mr. Boyles), the Board voted unanimously to authorize the Executive Director to

enter into a sole source contract with the Northwest Energy Efficiency Council in an amount not to exceed \$25,000.

ii. APPROVE sole source contract for services, materials, and license to support the C&I New Construction Program

The Program Committee recommends that the Board authorize EMT's continued sponsorship of New Buildings Institute (NBI), as explained in a memo from Mr. Eglinton dated May 18, 2016.

ACTION: Upon a motion duly made (Mr. Barber) and seconded (Mr. Lewis), the Board voted unanimously to authorize the Executive Director to continue sponsorship of the New Buildings Institute Advanced Buildings initiative at a cost of \$40,000, as budgeted.

iii. UPDATE on implications of recent amendments to Maine's RGGI law (LD 1398)

Mr. Stoddard provided a brief summary of LD 1398. The law requires EMT to return \$3 million in RGGI revenue to a group of "Affected Customers". The PUC has opened a docket to identify these customers and generate an appropriate list. EMT is simultaneously working to develop an approach to handling incentives for Affected Customers; those that keep their disbursement are ineligible for RGGI-funded programs, while those that choose to apply their disbursement to an energy efficiency project are eligible for an incentive match. The language surrounding these matching criteria is complicated and EMT will be evaluating it in the coming weeks.

6.0 New Business

Mr. Woodcock requested that board members be invited to join the Large Custom Program Review Committee, recognizing that Mr. Barber and Mr. Boyles have been serving with two previous board members. Mr. Stoddard said he would follow up with the chair about who is interested in and available to serve on various committee assignments.

Mr. Woodcock recommended that EMT Staff develop a list of potential topics for Board meeting presentations and discussion. He suggested adding two items: (1) the NTA PUC proceeding and (2) and how changing energy markets are affecting the biomass industry. Mr. Barber suggested including an update on EMT's efforts to coordinate low-income outreach with MaineHousing.

7.0 Next Meeting Agenda and Scheduling

The next Board meeting will be scheduled by email.

ACTION: Upon a motion duly made (Mr. Woodcock) and seconded (Mr. Boyles), the Board voted unanimously to adjourn the meeting at 11:46 a.m.