

**Efficiency Maine Trust
Board Meeting Minutes
November 14, 2018**

Trust Board Members:

- David Barber
- Brent Boyles, Treasurer (via phone)
- Herbert Crosby, Secretary
- Dan Drost, designee for Dan Brennan
- Ken Fletcher
- Al Hodsdon, Vice-Chair
- Don Lewis
- Angela Monroe

Efficiency Maine Trust (EMT) Staff:

- Nat Blackford
- Ian Burnes
- Emily Cushman
- Peter Eglinton
- Monte Haynes
- Greg Leclair
- Michael Stoddard

Other Attendees:

- Sue Ely, NRCM
- Troy Fullmer, MaineHousing
- Dot Kelly, Phippsburg
- Michelle Marean, DNV GL

1.0 Welcome and Introductions

Mr. Hodsdon called the meeting to order at 9:30 a.m.

2.0 Approve Agenda and Minutes

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

3.0 Public Comment on Agenda Items

Dot Kelly thanked EMT and its trustees for the work they do and asked that they consider renewables, electric vehicles (EVs) and energy storage in the Triennial Plan.

4.0 Executive Director's Report

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

- Staff filed the Fourth Triennial Plan (TPIV) with the PUC. A case conference is scheduled for November 15.
- The Home Energy Savings Program (HESP) is seeing increased activity in all measures, due in part to higher incentives and streamlined eligibility criteria.

Ms. Monroe asked whether wood stoves or pellet stoves are driving more activity. Mr. Stoddard committed that staff would get back to her with that information.

- The Consumer Products Program has seen strong activity in heat pump water heaters (HPWHs). Mr. Hodsdon observed that bulb sales seem to have dropped off. Mr. Stoddard explained that EMT is prioritizing a smaller set of bulbs that provide more savings and that can be placed in high-visibility areas in the store. Mr. Burnes added that, when facing budget constraints, bulbs are an easier measure to throttle back than HPWHs.
- Low Income Initiatives have seen increased investment. On natural gas, Staff is working with towns and landlords to target multifamily buildings. On the Arrearage Management Program, CMP has worked through an enrollment backlog, and sign-ups are resuming. The Affordable Heat Initiative (AHI), which targets market-based weatherization and space heating measures, was suspended in October after investing all its RGGI and MPRP funds for the fiscal year. This pause provides a chance to review the program.
- On the Electric Vehicle Supply Equipment (EVSE) initiative, Staff is negotiating a contract with the provider and preparing for the next round of the initiative. Mr. Fletcher asked about the status of additional EV funds through the Attorney General's (AG's) Office. Mr. Stoddard said that he has inquired but that there was no news to report at this time.
- Mr. Stoddard announced that EMT's metrics team made a new hire. He added that Dan Mistro has a graduate degree from UMaine in Resource Economics and Policy and has job experience working on outreach and metrics associated with the Window Dressers initiative.
- Mr. Hodsdon asked for an update on EMT's research on heat pump effectiveness in cold climates. Mr. Stoddard responded that EMT is confident that heat pumps produce heat at low temperatures. If people are interested in saving money, they should be running them for the whole winter. EMT is developing an education campaign centered around setting thermostats so that heat pumps are not turned off by the central system.

5.0 Planned Business

(a) UPDATE on Monthly Financial Reports

Mr. Leclair noted that revenues from the Regional Greenhouse Gas Initiative (RGGI) are slightly below the forecast, but that reserve funds can cover the shortage. The PUC has not yet ordered the assessment of natural gas procurement funds; it will not do so until it receives and analyzes FY2018 program results.

(b) APPROVE Corrections to FY2018 Audit and FY2019 Budget

Mr. Stoddard explained that Staff discovered an error in the financials while working on the Annual Report. Due to some improper invoice coding, certain expenses were allocated to the wrong funding sources. This error did not affect the year-end totals, but it required Staff to update carryforward amounts by funding source in the audit and in the Annual

Report. The Staff has instituted procedural changes to prevent this type of mistake moving forward.

ACTION: Upon a motion duly made (Mr. Lewis) and seconded (Mr. Barber), the Board voted unanimously to accept the restated audited financials of EMT issued by Runyon Kersteen Ouellette for the fiscal year ending June 30, 2018.

ACTION: Upon a motion duly made (Mr. Barber) and seconded (Mr. Lewis), the Board voted unanimously to correct the FY2019 source of funding (revenue) and expenditure budgets by applying a decrease of \$50,000 as detailed in the memo to result in a total FY2019 source of funding (revenue) and expenditure budgets of \$83,684,716 and \$83,685,935, respectively.

(c) APPROVE Adjustments to FY2019 Budget

Mr. Eglinton explained that Staff proposes moving RGGI funds between programs to support the closeout of the smart thermostat initiative and AHI. In addition, it proposes shifting natural gas funds to the C&I Custom Program to meet anticipated funding needs.

ACTION: Upon a motion duly made (Mr. Fletcher) and seconded (Mr. Lewis), the Board voted unanimously to adjust the FY2019 budget as described in the November 14 memo.

(d) APPROVE Sole-Source Purchase of Google and Facebook Digital Ads

Mr. Eglinton explained that EMT relies more on digital ads to market programs because they are targetable and measurable. The massive reach of Google and Facebook means that, while competition does exist, the market is still dominated by those two companies and it is not practical to seek multiple competitive bids for comparable service.

In response to a question from Ms. Monroe, Mr. Eglinton explained that while Facebook allows for broader demographic targeting, Google allows for keyword targeting. Customers will typically search for water heaters options when their current equipment is broken; Google ads are better-suited to reach people making this emergency replacement decision.

Mr. Hodsdon asked why EMT is prioritizing marketing heat pumps over weatherization. Mr. Stoddard explained that the marketing allocations are dependent on the funding source and the rate of investment and that, based on projections to year-end, the available funds for weatherization are very tight whereas those for heat pumps (coming from a different funding source) are less so. Mr. Hodsdon suggested that EMT might be able to use electric funds to weatherize homes that use heat pumps for space heating.

ACTION: Upon a motion duly made (Mr. Barber) and seconded (Mr. Fletcher), the Board voted unanimously to authorize the Executive Director to purchase Google digital ads in FY2019 at an amount not to exceed \$250,000, and Facebook ads in FY2019 not to exceed \$25,000.

(e) APPROVE Sole-Source Purchase of Metering Devices

Mr. Burnes noted that, in order to capture cost savings, EMT's metrics team is working to bring more evaluation, measurement, and verification activities in-house. Staff is seeking authorization to purchase 260 meters (integrated kW/kWh data loggers) to support this

effort. EMT will work with vendors to connect these devices as part of the initial measure installation. The devices will then be collected as part of regular project inspections.

ACTION: Upon a motion duly made (Mr. Lewis) and seconded (Mr. Fletcher), the Board voted unanimously to authorize the Executive Director to purchase 260 Efergy E2 Classic meters for \$25,610.

(f) PRESENTATION of MaineHousing 2019 Weatherization Assistance Program State Plan

Mr. Fullmer gave an overview of the 2019 Weatherization Assistance Program (WAP) State Plan. He explained that the goals of WAP are to reduce energy costs for low-income families by improving the energy efficiency of their homes, while also ensuring their health and safety. In 2018, MaineHousing plans to serve 273 homes through this program. Mr. Fullmer highlighted a change to the priority points system; the threshold age for children rose from two to six for the purposes of assigning points.

Mr. Hodsdon inquired about the extent of collaboration between MaineHousing and EMT. Mr. Stoddard explained that MaineHousing and EMT programs complement each other by serving different segments of the low-income population; MaineHousing prioritizes the neediest families, while EMT provides opportunities for the state's working poor.

(g) APPROVE FY2018 Annual Report

Mr. Eglinton provided an overview of the FY2018 Annual Report. He highlighted the fact that overall savings and private investment for the year were on track with FY2017. He further noted that in FY2018, EMT reached a milestone of rebating over 34,000 heat pumps.

Ms. Monroe asked for more information on the on-bill financing plan for SBI. Mr. Eglinton explained that it is intended to help to reduce upfront barriers to participation. Mr. Lewis asked who makes the credit qualification decision, noting that utilities generally make it too hard for businesses to participate. Mr. Eglinton answered that Emera would make that decision based on payment history. Ms. Monroe asked if the initiative would require PUC approval.

Mr. Barber asked about how EMT qualifies smart thermostats given the disparity in ease of use between different models. Mr. Eglinton responded that we use ENERGY STAR[®] as the qualifying criterion.

Mr. Stoddard reminded the Board that it can provide legislative recommendations as part of the Annual Report. He suggested that it flag a review of the statute requiring utilities to solicit customers for voluntary contributions for renewable energy demonstration projects, given relatively low revenues, relatively high administrative costs, and recent advancements in commercialization of renewable technologies.

ACTION: Upon a motion duly made (Mr. Lewis) and seconded (Mr. Barber), the Board voted unanimously to approve the FY2018 Annual Report, with any changes discussed and adopted at the November 2018 Board meeting, as well as any non-substantive typographical edits or computational corrections as may be required prior to submission to the PUC and Legislature.

6.0 New Business

None.

7.0 Next Meeting Agenda and Scheduling

The next Board meeting will be held on December 19, 2018.

ACTION: Upon a motion duly made (Mr. Barber) and seconded (Mr. Lewis), the Board voted unanimously to adjourn the Board meeting at 12:14 p.m.