

**Efficiency Maine Trust
Board Meeting Minutes
January 23, 2019**

Trust Board Members:

- David Barber (via phone)
- Brent Boyles, Treasurer (via phone)
- Dan Brennan, MaineHousing
- Herbert Crosby, Secretary
- Ken Fletcher
- Al Hodsdon, Vice-Chair
- Don Lewis
- Angela Monroe, Governor's Energy Office
- David Stapp, Chair

Efficiency Maine Trust (EMT) Staff:

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

Other Attendees:

- Ben Lake, Greater Portland Council of Governments
- Dylan Voorhees, Natural Resources Council of Maine
- Barry Woods, Revision Energy

1.0 Welcome and Introductions

Mr. Stapp 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. Hodsdon), the Board voted unanimously to approve the agenda and the December Board Meeting Minutes.

3.0 Public Comment on Agenda Items

None

4.0 Executive Director's Report

Mr. Stoddard summarized the Executive Director's Report, deferring details on program activity to be covered in a subsequent item on the agenda. Following are items highlighted during his presentation:

- The Trust sponsored and presented at an E2Tech forum in South Portland that focused on the savings potential for heat pumps in Maine, as well as on appropriate applications for the technology and best practices for heat pump users.

- The process for Triennial Plan IV is moving along. A decision is expected in mid-April, which would be more than a month ahead of last time. Staff participated in technical discussions at the Maine Public Utilities Commission (PUC) on assumptions regarding avoided costs used in Triennial Plan IV calculations of savings and cost-effectiveness.
- Staff also participated in a PUC proceeding on non-wires alternatives (NWAs).
- The legislative session is picking up speed, with over 100 bills that fall under the Energy, Utilities, and Technology (EUT) committee. Most bills do not pertain to the Trust, but some relevant topics include biomass, NWAs, building codes, appliance standards, carbon, and the Regional Greenhouse Gas Initiative (RGGI). One of the proposed RGGI bills contemplates giving EMT the discretion to decide how to allocate RGGI proceeds across various EMT budgets (rather than requiring a 50-50 split between residential and non-residential programs). Another contemplates mandating refunding RGGI funds if proceeds from the auctions increase above a certain threshold. The EUT recently approved unanimously the bill to give the Trust flexibility in allocating RGGI revenues as dictated by the amount of revenues, market conditions, and consistent with the Triennial Plan.

Mr. Stapp asked for more detail on the biomass bills. Mr. Stoddard offered that the bills appear related to biomass generators that consume low-grade forest products. Mr. Lewis mentioned that the market for low-grade biomass is challenging because high-value biomass is needed to justify logging. Mr. Stoddard added that the funds previously set aside for one biomass generator were not fully expended. In prior years, there were proposals to have EMT use the remaining funds to incentivize commercial biomass boilers in schools.

Mr. Fletcher noted that with 100 bills in the legislature, the Trust may have more work coming. Mr. Stoddard agreed and noted that the NWA issues, in particular, could require more attention than in past years.

- Mr. Hodsdon inquired about the new \$500,000 weatherization portion of the \$15 million housing bond. Mr. Brennan noted that that the affordable housing bond will come to Maine Housing (i.e., this provision of the bond does not appear to impact the Trust). Mr. Hodsdon also asked about the future of the Governor's Energy Office. Ms. Monroe noted that she had not heard any definitive news on that front, but that there does seem to be some overlap and potential for cooperation with the new Office of Innovation and the Future.
- Mr. Stapp asked about status of the electric vehicle (EV) initiatives. Mr. Stoddard explained staff were discussing modifying the sequence of the phases in the initiative so that the effort to promote Level 2 chargers could occur before doing another round of Level 3 "fast chargers." This approach would allow implementation and a review of the first phase of Level 3 chargers before committing to the next round.

Mr. Hodsdon wondered whether the Trust was envisioning putting more charging stations per location given the reduced cost to install additional units once the

infrastructure is in place. Mr. Stoddard explained that the team is trying to balance covering more locations and increasing the value per installation.

Mr. Fletcher asked whether the legislature was considering an equivalent of the gas tax for EVs. Mr. Stoddard noted that the legislatures discussed a bill last year.

- Regarding personnel issues, Anne Stephenson and Emily Cushman are both out on maternity leave. Meanwhile, Staff have posted a position for a program assistant and will also be looking to add a program manager to work on EV issues.

5.0 Planned Business

(a) UPDATE on Monthly Financial Reports

Mr. Leclair noted revenues are on track with projections and the budget.

(b) APPROVE Adjustment to the FY2019 Budget

Mr. Eglinton explained that in October 2018, the Board approved the allocation of FY2018 carryforward funds across the Trust's programs. At that time, Staff proposed to continue its past practice of reserving a portion of the unallocated fund balance to be held in reserve to be budgeted later, as needed, to address potential challenges to cash flows that may arise due to fluctuations in revenues or program participation rates during the year. Now that FY2019 has passed the halfway point, Staff recommends allocating "reserve" amounts of electric procurement and Forward Capacity Market (FCM) that are held in the fund balance to the operating budget for the Commercial and Industrial Prescriptive Incentive Program (CIP). The amended total budget for electric measures would bring the FY2019 budget for CIP into line with the proposed budget for FY2020. Mr. Eglinton added that the proposed motion would also reduce the Admin Fund revenue and expenditure budget by \$10,266 to bring the total in line with revised interfund transfers for FY 2019.

ACTION: Upon a motion duly made (Mr. Lewis) and seconded (Mr. Fletcher), the Board voted unanimously to adjust the FY2019 source of funding (revenue) and expenditure budgets as described in the January 23, 2019 memo, resulting in a total FY2019 source of funding (revenue) and expenditure budgets of \$86,024,450 and \$85,998,669, respectively.

(c) UPDATE on Mid-Year Program Results and Program Design Changes

Mr. Eglinton gave an overview of mid-year program results, mentioning that some of the programs have been managed to meet lower budgets while awaiting PUC approval of some of our proposed carryforward budget allocations. Following are highlights from the presentation:

- Commercial & Industrial Prescriptive Program (CIP) activity, especially electric measures, is looking strong.
- The C&I Custom program is running similar to last year. Although only 9% of the accumulated budget had been expended as of December 31, the program has a significant pipeline of pending and committed projects (representing an additional 60% of the budget).

- Compared with last year, the Small Business Initiative (SBI) is seeing higher activity. The program is running simultaneously in more regions; the delivery team has field staff operating on commission to secure committed projects; and the Trust is getting higher quality customer data from Emera than it did from CMP.
- The Home Energy Savings Program shows expenditures running at about 43% of budget at the mid-year mark. However, we know that a large number of rebates were processed in January, and once these are reflected in the month-end financials it will bring the year to date investment up. Staff expect to invest nearly all the funds by the end of the year.
- In the Consumer Products program, activity has been relatively slow, due largely to expected downward trends in LED sales (which are also reflected in the proposed Triennial Plan IV) as well as to higher manufacturer prices for heat pump water heaters. The program team is actively engaging manufacturers and distributors to lower costs to consumers.
- The Low-Income Initiatives have fully invested its budget for the Affordable Heat Initiative, which uses RGGI and MPRP funds to incentivize heat pumps and weatherization where saving unregulated fuels. As with HESP, the AHI program team has recently processed a large batch of rebates that will be reflected in the next Executive Director's Report. Staff also expect to fully expend natural gas funds in at least one local distribution company (LDC) territory. Electric spending continues to be slow; the program team is working on a new direct install pilot program for heated homes demonstrating significant levels of electric space heating to invest more of these funds.
- Mr. Lewis expressed interest in learning about the “payback” for programs based on the energy saved and the funds expended. Mr. Eglinton explained that addressing that question would require splitting out the reporting on each of these programs into the thermal and electric components. In the summary presented at the board meeting, the funding for each of the fuel types (i.e., electric conservation fund, natural gas conservation fund, RGGI funds, etc.) were combined for each program, and therefore it is not possible to accurately analyze paybacks or the cost per unit of energy saved from this presentation.

(d) BRIEFING on State of EV Level 2 Charging in Maine

Mr. Lake from the Greater Portland Council of Governments and Mr. Woods from Revision Energy gave an overview of the state of electric vehicles and electric vehicle charging in Maine. Some of the topics highlighted include:

- Charging technology is undergoing rapid change. In the future, chargers that can adequately charge older EV models might not provide enough power to charge a newer generation EV in a reasonable time frame.
- Most charging occurs at home, followed by workplaces and then public areas.

- The infrastructure for electric vehicles is growing in Maine. Five years ago there were five Level 2 charging stations, whereas now there are approximately 150. There are currently around 1,500 electric vehicles in Maine.
- Mr. Hodsdon asked about the need for 3-phase power for fast chargers, suggesting that 3-phase power be produced on site. Mr. Lake responded that he would need to research the issue.

6.0 New Business

None

7.0 Next Meeting Agenda and Scheduling

The next Board meeting will be held on February 27, 2019.