

**Efficiency Maine Trust
Board Meeting Minutes
February 27, 2019**

Trust Board Members:

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

Efficiency Maine Trust (EMT) Staff:

- Nat Blackford
- Ian Burnes
- Peter Eglinton
- Monte Haynes
- Greg Leclair (via phone)
- Michael Stoddard

Other Attendees:

- Bruce Harrington, Energy and Resource Solutions (ERS)
- Matt Morrison, Maine Energy Marketers Association (MEMA)
- 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. Fletcher), the Board voted unanimously to approve the agenda and the January 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. Following are items highlighted during his presentation:

- The press has covered several Trust-related activities in recent weeks. First, the American Council for an Energy-Efficient Economy (ACEEE) recognized the Trust for its residential heat pump program. Second, a proposed settlement for the pending New England Clean Energy Connect (NECEC) includes funding for electric vehicle (EV) rebates and infrastructure, heat pumps, and low income

initiatives. Ms. Monroe added that the proposed settlement also mentioned EMT involvement in studies around non-wires alternatives.

- Staff have been closely monitoring two bills at the legislature. The first one amends one sentence in the EMT statute to remove the 50/50 split between residential and commercial customers for Regional Greenhouse Gas Initiative (RGGI) revenues, and instead give the Board discretion in allocating these funds. The second bill would direct GEO to develop a 10-year plan to achieve energy independence (net exporter of energy) by 2030. The bill has not yet gone to committee. Ms. Monroe noted that there are several additional bills that mention climate goals.
- The Home Energy Savings Program (HESP) and Low Income Initiatives (LII) had a flood of projects in the late fall, which led to a backlog in rebate processing. After bringing on more staff, the delivery team caught up in early January, which is why expenditures are higher than usual this month. Ms. Monroe asked what was causing the increase in wood and pellet stove rebates. Mr. Stoddard explained that the program had removed some requirements (such as outdoor air intake), and that more stove manufacturers are testing their products for federal efficiency ratings. Mr. Eglinton added that EMT increased outreach to and support for stove retailers, which increased awareness of rebates. Given that HESP ended the stove rebate on December 31, customers were trying to complete purchases before then.
- Staff have notified stakeholders that the next phase of the Electric Vehicle Supply Equipment (EVSE) initiative will involve incentives for level 2 charging stations, followed by another round of level 3 chargers. This sequence will help meet the public's interest in level 2 stations, and is anticipated to support approximately 60 level 2 charging stations. Mr. Morrison asked about the ongoing maintenance of the charging stations and about the possible need for workforce training. Mr. Stoddard noted that the level 2 chargers are less complicated than Level 3 chargers and can be serviced and installed by regular electricians. Some companies specialize in the maintenance of the larger level 3 charging stations, but manufacturers are working to facilitate the installation and maintenance of these units.

5.0 Planned Business

(a) UPDATE on Monthly Financial Reports

Mr. Leclair noted revenues are on track. On the expenditures side, a large invoice for HESP and Low Income Initiatives was processed in January and the Trust entered several interfund transfers and administrative expenses. Mr. Eglinton added that the Low Income Initiatives Team is working on a feasibility study to explore an approach to helping invest electric funds.

(b) APPROVE Adjustment to the FY2019 Budget

Mr. Eglinton provided an overview of a proposed budget amendment that included three changes. The first would shift natural gas funds from HESP to LII in order to close out a

large initiative in Lewiston. The second change would shift some natural gas funds from the Commercial and Industrial Prescriptive (CIP) program to the Custom program to support two anticipated projects in the Custom pipeline. The third change would move \$1.35 million of RGGI funds from Custom and CIP to HESP. The Trust anticipates that some of these funds would carry forward into FY2020 to address what we are expecting to be a continuation of recent strong weatherization activity.

ACTION: Upon a motion duly made (Mr. Lewis) and seconded (Mr. Crosby), the Board voted unanimously to adjust the FY2019 expenditure budget to reallocate funds as detailed in the February 27, 2019 memo.

(c) APPROVE Membership Renewal for Consortium for Energy Efficiency (CEE)

Mr. Eglinton gave an overview of CEE, which is the primary trade association for energy efficiency program administrators. This group allows the Trust to engage in discussions on emerging research and analysis of what other administrators are doing. CEE is the only membership being proposed for 2019.

ACTION: Upon a motion duly made (Mr. Fletcher) and seconded (Mr. Lewis), the Board voted unanimously to authorize the Executive Director to renew Efficiency Maine's membership in the Consortium for Energy Efficiency for 2019 in the amount of \$22,533.

(d) UPDATE on Triennial Plan IV

Mr. Stoddard gave an overview of the Triennial Plan IV process, noting that the Trust had filed the plan at the Maine Public Utilities Commission (PUC), responded to data requests and testimony from other parties, and initiated discussions on a settlement proposal. The next step is a hearing (scheduled for March 6). While Mr. Stoddard mentioned that the parties are not far apart, he explained some of the noteworthy differences:

- The Trust proposed an allocation approach to meeting the statutory requirement that 10% of electric investments go to low-income eligible customers. This approach would include estimating the number of eligible customers who participate in market-based programs and counting these measures towards the goal, in addition to directly engaging low-income households. The approach preferred by some advocates is to not use an allocation approach, but rather maintain a stand-alone program that reaches out directly to prequalified low-income customers using lists of participants in state and federal low-income programs, such as the Low Income Home Energy Assistance Program (LIHEAP). The Trust has used this approach in the current Triennial Plan III period, but is missing eligible households that are participating in the "lost opportunity" marketplace and buying lower-efficiency products when they could otherwise take advantage of ongoing market-based programs (e.g., instant rebates for heat pump water heaters through distributors).
- The Trust has proposed using the same allocation approach to Small Business programs, where the 10% goal could be met in part through prescriptive programs other than the Small Business Initiative. Given that most businesses in Maine

qualify as small businesses, staff felt that other EMT programs that serve these customers contribute to the overall goal.

- If the Trust used the discount rate and avoided costs proposed by PUC staff, heat pump water heaters (HPWHs) would no longer be cost-effective. However, HPWH prices have fallen, making the measure more cost-effective. Staff included price updates in a recent filing at the PUC. Ms. Monroe asked about the impact of prices on the number of units sold. Mr. Burnes noted that the number of units did not change under the updated price information, but that the Trust was able to reduce the incentive (because the incremental cost was lower), so the overall budget went down slightly.
- Mr. Burnes noted that Bangor Natural Gas challenged our baseline for gas boilers. After conducting field research, Trust Staff concluded that the baseline for people installing a gas boiler should be an efficient condensing boiler. This resulted in a finding that there is not a cost-effective opportunity for smaller (e.g., residential) gas boilers.

(e) UPDATE on Legislative Activities

Mr. Hodsdon asked about the terms of the Trustees. Mr. Leclair noted that the members who would be up soon were Brent Boyles, Herb Crosby, and Dave Barber; Don Lewis has also submitted his resignation.

(f) PRESENTATION on Massachusetts Three-Year Energy Efficiency Plan

Mr. Stoddard explained that Massachusetts recently approved a three-year plan for energy efficiency. Because the Trust is in the midst of a similar process, Staff reviewed the plan to identify any interesting goals or approaches and shared some highlights with the Board.

6.0 New Business

None.

7.0 Next Meeting Agenda and Scheduling

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

ACTION: Upon a motion duly made (Mr. Lewis) and seconded (Mr. Fletcher), the Board voted unanimously to adjourn the Board Meeting at 12:04 p.m.