

**Efficiency Maine Trust
Board Meeting Minutes
April 24, 2019**

Trust Board Members:

- David Barber
- Dan Burgess, Governor's Energy Office (GEO)
- Dan Drost, MaineHousing
- Ken Fletcher
- David Stapp, Chair

Efficiency Maine Trust (EMT) Staff:

- Nat Blackford
- Peter Eglinton
- Anastasia Hediger
- Greg Leclair
- Michael Stoddard

Other Attendees:

- Casey Hess, AmeriCorps
- Michelle Marean, DNV GL
- Steve Ward, Maine Climate Table

1. Welcome and Introductions

Mr. Stapp called the meeting to order at 9:30 a.m. Mr. Burgess, the new Director of the GEO, introduced himself. He most recently worked on clean energy policy in Massachusetts where he served as the chair of the Energy Efficiency Advisory Council. He noted that Governor Mills is keenly interested in addressing climate, and acknowledged the important role of energy efficiency in this endeavor.

2. Approve Agenda and Minutes

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

3. Public Comment on Agenda Items

Mr. Ward thanked EMT staff for presenting energy efficiency programs to small businesses and municipalities during meetings organized by the Maine Climate Table.

4. Executive Director's Report

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

- There has been more press coverage than normal this month, due primarily to the large number of bills at the Legislature that mention EMT. There has also been press coverage on heat pumps, helping EMT's efforts to explain best practices and get people to maximize their energy and financial savings.
- Staff submitted briefs in the Triennial Plan IV Public Utilities Commission (PUC) docket. The PUC Staff Examiners' Report is due May 1.

- The Commercial and Industrial (C&I) Prescriptive (CIP) Program is showing strong performance, committing 74% of its budget at 75% of the way through the year.
- The C&I Custom Program approved 3 projects, totaling around \$500,000 in incentive offers. Mr. Stapp asked whether the reported energy savings occurred in this fiscal year. Mr. Eglinton replied that the figures are based on projects that have been paid out this fiscal year.
- Rebate volumes are up in the Home Energy Savings Program (HESP), due in large part to increased incentives. Mr. Burgess wondered whether the spike in activity in January was attributable to the increased rebates. Mr. Eglinton explained that the spike reflects the delivery team bringing on additional staff to clear a backlog of pending rebate claims. Mr. Burgess also asked about the increase in boiler furnace and stove activity. Mr. Eglinton noted that rebates for these measures were discontinued, which always leads to a temporary spike in activity before the deadline.
- The Consumer Products Program (CPP) has seen an increase in activity. As the lighting market slows down, Staff has expanded the scope of incentives to cover more bulbs. Mr. Stapp asked about the long-term outlook for LED lighting. Mr. Stoddard mentioned that Staff anticipate that eventually the market will be transformed, obviating the need for EMT incentives. Currently, however, data shows that a significant number of halogen and incandescent bulbs continue to be sold in Maine. Mr. Stoddard went on to note that the program is on track to rebate almost 8,000 heat pump water heaters (HPWHs) this fiscal year. He explained that HPWHs are one of the measures most at risk in the Triennial Plan proceeding, as they do not prove cost effective using the PUC's approach to the methodology and assumptions. The PUC disputes some of the avoided costs used in EMT's analysis and proposes to apply a higher discount rate than the one adopted by EMT through rulemaking. This issue has come up before and causes uncertainty and disruption in program planning and implementation. There is a bill (LD 1757) pending at the Legislature that would provide some clarity on what approach to use.
- The Electric Vehicle (EV) Initiatives are moving along well. This month, staff signed a contract with ChargePoint to install level 3 charging stations in Maine over the next year, and issued an RFP to solicit bids for 50-100 smaller level 2 chargers. Staff will soon start to flesh out the program design for rebates for electric vehicles. That process will involve public input.
- EMT completed several RFP processes seeking delivery team services, awarding contracts for each of its major programs.
- Mr. Stoddard recognized Mr. Barber for his service on the Board. Mr. Barber served for two terms, including a period as the Board Chair.

5. **Planned Business**

(a) UPDATE on Monthly Financial Reports

Mr. Leclair noted that revenues were coming in consistent with forecasts, with most funding streams having reached 75% to 100% of budget. Mr. Stapp asked about the Renewables Resource Fund. Mr. Stoddard explained that it is a funding mechanism with two current funding sources. The first is voluntary contributions from customers, which generates between \$30,000 and \$50,000 each year. The second is Alternative Compliance Payments (ACPs) from generators that do not comply with Renewable Portfolio Standards (RPS). While ACPs have not generated significant revenue recently, they have totaled up to

\$500,000 in some years. Legislative action to increase the RPS requirements might increase the amount of revenue coming in from ACPs.

(b) APPROVE Adjustment to FY2019 Budget

Mr. Eglinton explained that the final months of the fiscal year provide a good opportunity to move funds between programs that are running ahead of pace and those that are running behind pace. This allows the Trust to maximize investment and minimize market disruption. Staff are proposing to make three adjustments to the budget at this time. The first would transfer electric funds from CPP to HESP in order to support strong heat pump rebate activity. The second adjustment would increase the natural gas budget for weatherization by moving existing natural gas funds from Innovation, EM&V, and CIP to HESP. The third adjustment would add \$5.1 million in Volkswagen settlement funds to the revenue side of the budget. While the Board approved accepting the funds, the funds have not yet been added to the budget.

ACTION: Upon a motion duly made (Mr. Fletcher) and seconded (Mr. Barber), the Board voted unanimously to adjust the FY2019 expenditure budget to reallocate funds as detailed in the April 24, 2019 memo. Upon approval of this amendment, the FY2019 budget for revenues increased by \$5,162,282 to \$91,186,732. The total budget for expenditures remained unchanged at \$85,998,669.

(c) PRESENTATION on Collaboration with Maine Campus Compact's "AmeriCorps VISTA" programs

Ms. Doxsee provided background on the collaboration between EMT's Low-Income Initiatives and Maine Campus Compact's AmeriCorps VISTA program. 20 AmeriCorps volunteers are stationed on six college campus throughout Maine, where they focus on energy efficiency both on and off campus. Off campus, they work with WindowDressers to install window inserts in low-income homes. EMT has participated in the effort since FY2017, helping to pay 50% of the window insert costs as well as providing small energy-saving measures (LEDs and low-flow devices) for volunteers to install in low-income homes.

Ms. Hess explained that she targeted low-income households by putting up posters and speaking at churches and community centers. Both renters and homeowners were eligible if they paid their own electric bills. Mr. Fletcher asked whether they did any follow up to connect people with additional energy efficiency opportunities. Mr. Eglinton noted that once EMT receives the business reply card (detailing the small energy-saving measure request and the customer's contact information), EMT Staff have the capacity to cross-market other low-income programs to that household. Mr. Fletcher wondered how the window insert energy savings would be measured. Mr. Stoddard explained that the savings will be modeled/deemed. Mr. Eglinton added that the collaboration will be used as a pilot to test participant behavior; in order to be cost-effective, the inserts need to be installed for three years. Mr. Stapp mentioned that the savings are probably conservative if they fail to account for the associated air sealing benefits.

(d) PRESENTATION on Context for FY2020 Budget Development

Mr. Eglinton provided an overview of the FY2020 budget, highlighting known elements and areas of uncertainty. The budgets for FY2020 through FY2022 will be determined by

the PUC as part of the proceeding for Triennial Plan IV. However, some funding sources, such as the Forward Capacity Market (FCM), Regional Greenhouse Gas Initiative (RGGI), and the Maine Power Reliability Program (MPRP) may be predicted relatively accurately at this time and will not change as a result of PUC action. Staff anticipate that FCM revenue will decline over the next three years, RGGI revenue is forecasted to stay flat, and revenue from the MPRP settlement will expire. Due to legislative fiat, EMT will have discretion in how to allocate RGGI revenues in FY2020 as between the residential and non-residential sectors. Part of Staff's current plan is to try to ensure that weatherization measures have sufficient funding to meet market demand at current incentive levels. In the Triennial Plan, Staff proposed a modest increase in the electric budget and a slight decrease in the natural gas budget. The most significant area of uncertainty surrounds the electric budget. Staff reported that if in the pending Triennial Plan proceeding the PUC decides to apply certain economic assumptions to EMT's benefit-cost analysis, then HPWHs and some lighting measures will not be cost-effective and the electric budget would decrease by approximately \$10 million/year.

Mr. Fletcher asked whether the Triennial Plan timeline allowed enough time for the Board to discuss and approve the budget. Mr. Stoddard explained that the PUC decision will be made by May 15, and can be discussed and approved at the May Board Meeting. There is also the possibility of adopting a working budget and then making changes as needed.

(e) UPDATE on Legislative Session

Mr. Stoddard gave an update on pending bills at the Legislature that pertain to EMT:

- LD 398, which gives the Board flexibility to allocate RGGI revenues between residential and commercial customers. (Approved by Committee on Energy, Utilities and Technology [EUT])
- LD 754, which establishes a ceiling on the Trust's RGGI funding, returning funds above the cap to ratepayers. (Majority of EUT voted "Ought Not to Pass (ONTP)")
- LD 614, which gives EMT authority to administer an EV program. (Approved by EUT)
- LD 1181, which establishes a Non-Wires Alternative Coordinator within the Office of the Public Advocate (OPA). (Unanimously approved by EUT).
- LD 1398, which provides incentives for energy efficiency in new construction. New construction is already eligible for some EMT programs. (EUT voted ONTP)
- LD 1464, which requires EMT to conduct a study regarding barriers to beneficial electrification in Maine's transportation and heating sectors. It would also direct the PUC to issue an RFP for beneficial electrification pilot focusing on transportation. (Work session scheduled for April 24)
- LD 1282, which promotes a Green New Deal for Maine. (Public hearing held April 23)
- LD 912, which calls for an EMT program that provides loans and incentives for wood-derived thermal energy. (Referred to EUT; no hearing scheduled)
- LD 1757, which brings more clarity to the Triennial Plan process by establishing standards for the PUC's review.
- LD 1766, a bill to set the goal of installing 100,000 heat pumps in Maine by 2025.

6. New Business

None.

7. Next Meeting Agenda and Scheduling

The next Board meeting will be held on May 29, 2019.

8. Adjourn

ACTION: Upon a motion duly made (Mr. Fletcher) and seconded (Mr. Drost), the Board voted unanimously to adjourn the Board Meeting at 12:07 p.m.