

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

Trustees:

- Jim Boyle
- Dan Brennan
- Ken Fletcher
- Al Hodsdon
- Suzanne MacDonald (on phone)
- Glenn Poole
- David Stapp, Chair

Efficiency Maine Trust (EMT) Staff:

- Ian Burnes
- Emily Cushman
- Peter Eglinton
- Laura Martel
- Andy Meyer
- Monte Haynes
- Anastasia Hediger
- Greg Leclair
- Michael Stoddard

Other Attendees:

- Dylan Voorhees, Natural Resources Council of Maine

1. Welcome and Introductions

Mr. Stapp called the meeting to order at 9:33 a.m.

2. Approve Agenda and Minutes

ACTION: Upon a motion duly made (Mr. Hodsdon) and seconded (Mr. Poole), the Board voted unanimously to approve the agenda and the June 26 Board Meeting Minutes.

3. Public Comment on Agenda Items

None

4. Executive Director's Report

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

- Staff has been busy with the transition to a new fiscal year and the new triennial plan. Integrating the new benefit-cost methodology and assumptions (M&As) associated with emergency legislation has consumed significant Staff time.
- There was considerable EMT-related press that followed the last legislative session, much of it relatively neutral. Mr. Stoddard expressed concern that coverage of Central Maine Power's (CMP's) proposed rate increases might spill over onto other uses of rates, including conservation programs.
- In a related matter, Mr. Stoddard reported that CMP has asked EMT for its assistance in addressing high energy use among certain residential customers experiencing

significantly higher than normal usage and who are disputing their bills. He explained that to date, no one from CMP has visited these homes. Mr. Stoddard informed the Board that he recently agreed to consider a pilot program in which the Public Utilities Commission (PUC) Customer Assistance Division (CAD) and CMP would refer unresolved high-usage cases to EMT, who would then conduct a home energy assessment. CMP would compensate EMT using shareholder dollars. Mr. Stoddard said that Staff sees this as an opportunity for EMT to be helpful to struggling customers, while also fulfilling its role as a trusted agent in educating homeowners and helping manage energy use. He also noted that maintaining customer confidence in the electric utilities is essential if EMT is to successfully leverage beneficial electrification strategies to meet long-term carbon goals.

- Several Board Members expressed concern over EMT involving itself with CMP amidst the utility's ongoing public relations challenges and the potential impacts on EMT's reputation as a neutral third party. Mr. Boyle urged Staff to establish a clear chain of communication, using the PUC to maintain a break between CMP and EMT. Mr. Fletcher stressed the importance of an MOU in clarifying these roles. Mr. Boyle asked whether Staff had a plan for handling press inquiries. Mr. Stoddard clarified that the discussion is still preliminary. Mr. Poole asked if EMT had considered funding the pilot internally. Mr. Stoddard said that the scope is certainly consistent with EMT's other programs (particularly offerings for low-income customers), but his impression is that the public would want CMP shareholders to fund it. Mr. Boyle clarified that the Board took no position regarding funding for the pilot; Staff should decide internally and bring suggestions back to the Board. Mr. Stoddard agreed to keep the Board abreast of this issue and welcomed ongoing feedback in the interim.
- Mr. Stoddard highlighted that it has been a strong year for the Home Energy Savings Program (HESP). The program budget was fully funded and able to offer increased rebates for weatherization from prior years. The year-over-year increase in activity is largely reflective of growth in the number of heat pump and weatherization projects. Mr. Stoddard explained that, because this program relies so heavily on vendors who quote projects in advance of receiving the EMT incentive, it can be very disruptive to the marketplace if the program makes significant changes to rebate levels or suspends rebates entirely. In Triennial Plan IV, the Consumer Products Program was split into Retail Initiatives and Distributor Initiatives to better reflect the distinct channels involved in addressing each of the respective sectors. Mr. Stoddard highlighted that the residential lighting and heat pump water heater (HPWH) measures were very active last month. He also noted that these are among the highest-performing programs in the country, on a per capita basis. Mr. Eglinton added that HPWH sales in Maine were 8% of the nation's total efficient water heater sales.
- Mr. Stoddard explained that EMT previously established a Low-Income Advisory Group a few years ago to track results and discuss issues with stakeholders. It meets quarterly. EMT Staff is currently focused on identifying for EMT's Low-Income Initiatives additional candidates for the high-efficiency water heater initiative. This initiative uses the direct-install approach, and requires no customer co-pay for the purchase and installation. He also highlighted that Staff recently completed thorough weatherization work with low-income natural gas customers in Lewiston.

- Electric Vehicle (EV) Initiatives activity is ramping up. Mr. Stoddard reported that in the coming weeks, EMT would be making announcements on new EV charger stations and launch the EV Rebate Program.
- Mr. Stoddard provided a brief overview of the new Maine Climate Council, noting that the Governor's office would like EMT to play a prominent role in the Buildings and Infrastructure Work Group. EMT is expected to have some involvement in the Energy Work Group and the Transportation Work Group as well.

5. **Planned Business**

(a) ELECT Officers for the Board of Trustees

Mr. Stapp announced that Mr. Hodson is willing to serve as Chair, Ms. MacDonald as Vice-Chair, Mr. Poole as Treasurer, and Mr. Fletcher as Secretary, and nominated this slate to serve as the Board officers for the year.

ACTION: Upon a motion duly made (Mr. Stapp) and seconded (Mr. Poole), the Board voted unanimously to approve the new officers for the Board of Trustees, as listed above.

(b) UPDATE on Monthly Financial Reports

Mr. Leclair indicated that EMT is on track to receive all expected revenues for FY2019. Mr. Poole asked whether EMT is aware of looming issues related to the Forward Capacity Market rules. Mr. Stoddard explained that EMT is well aware of these issues and has been involved in mobilizing similarly situated conservation program administrators to analyze the proposed rule changes and advocate for favorable policies.

(c) APPROVE Budget Adjustment to Reallocate FY2020 RGGI Revenues

Mr. Eglinton explained that since EMT's Regional Greenhouse Gas Initiative (RGGI) budget was developed over a year ago, certain changes have prompted Staff to reexamine RGGI budget allocations. Most notably, the state law establishing the 100,000 heat pump goal calls on EMT to allocate all FCM revenues to advancing that goal, including for lower and moderate income customers. That law also has prompted MaineHousing to commit significant resources (estimated at more than \$5 million next year) to promoting heat pumps in low income homes. The availability of these funds for promoting heat pumps in low income homes reduces the burden that the RGGI funds were originally designated to carry, freeing up RGGI funds for other uses. Another recent legislative change codified EMT's authority to allocate RGGI funds across sectors in the Board's discretion. In light of these changes, Staff proposes adjusting the FY2020 budget to shift RGGI funds to HESP (primarily to cover incentives for weatherization) and the to the C&I Custom Program (to better meet the level of anticipated demand form industrial customers) in the year ahead. These proposed changes would have no net impact on the total budget.

ACTION: Upon a motion duly made (Mr. Poole) and seconded (Mr. Fletcher), the Board voted unanimously to adjust the FY2020 budget to reallocate FY2020 RGGI revenues as detailed in Mr. Leclair's July 24 memo.

(d) REPORT on the Evaluation of the Home Energy Savings Program (HESP)

Ms. Martel provided an overview of the results of the recent HESP Evaluation. The Trust commissions an independent, third-party evaluation of each of its programs at least once every 3-5 years. This particular evaluation took about 18 months to be completed. The extended duration reflected EMT's desire to ensure that data collection included a full winter (heating season) in Maine. Objectives of the evaluation included: analyzing gross energy savings (kWh) and summer and winter demand reduction (kW) from ductless heat pumps; estimating annual energy savings of unregulated fuels from insulation and air sealing; estimating annual natural gas savings from insulation, air sealing, and efficient boilers; calculating realization rates; recommending changes to the Technical Reference Manual (TRM); estimating the net-to-gross (NTGR) for the evaluated measures; and conducting a benefit/cost analysis using the evaluated savings. The evaluation drew upon information from data loggers installed in homes, customers' bills, and surveys of customers and contractors to gauge free ridership, market activity, and customer decision-making.

The evaluation found lower realization rates than those reflected in the TRM, which Staff expected. Mr. Stoddard explained that realization rate observations are relative; because this was the first HESP evaluation, Staff was not surprised that its initial assumptions would need to be recalibrated. Staff expects that the next time there is an evaluation of this program, the results will more closely match the TRM as it reflects the many lessons learned from this most recent evaluation. Ms. Martel provided a sensitivity analysis showing that all measures were found cost-effective with new FY2020 M&As, except for natural gas measures funded with the Natural Gas Procurement. She concluded by highlighting a key takeaway from the evaluation: Maine homeowners are operating heat pumps in a way that is failing to reach their full potential for saving energy. The technology works very well if it is used throughout the heating season and is properly coordinated with a central heating system. Staff is actively engaged in an education campaign to optimize heat pump usage in the state, conducting outreach to both customers and installers.

(e) REPORT on Programs:

Due to time constraints at this Board meeting, it was decided that Mr. Meyer will present on the Retail Initiatives and Distributor Initiatives at a future Board meeting.

6. New Business

None.

7. Next Meeting Agenda and Scheduling

The next Board meeting will be held either on September 4 or September 11, 2019, to be confirmed later.

8. Adjourn

ACTION: Upon a motion duly made (Mr. Fletcher) and seconded (Mr. Poole), the Board voted unanimously to adjourn the Board Meeting at 12:08 p.m.