

**Efficiency Maine Trust
Board Meeting Minutes
November 20, 2019**

Trustees:

- Dan Brennan
- Ken Fletcher, Secretary
- Al Hodsdon, Chair
- Suzanne MacDonald, Vice-Chair
- Glenn Poole, Treasurer
- David Stapp (via phone)
- Joan Welsh

Efficiency Maine Trust (EMT) Staff:

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

Other Attendees:

- Jason Grove,
- Dana Fischer, Mitsubishi Electric
- Kim Ferenc, MaineHousing
- Michelle Morean, DNV GL

1. Welcome and Introductions

Mr. Hodson called the meeting to order at 9:31 a.m.

2. Approve Agenda and Minutes

ACTION: Upon a motion duly made (Mr. Fletcher) and seconded (Ms. Welsh), the Board voted unanimously to approve the agenda and the October 30 Board Meeting Minutes.

3. Public Comment on Agenda Items

- Mr. Fischer explained that the heat pump industry has been growing rapidly in Maine, with installers, distributors, and manufacturers working to meet the anticipated growth in demand associated with elevated incentives and the 100,000 Heat Pump legislation. He reported that Mitsubishi and others are ramping up training for installers and suppliers, and new distributors are moving to the state. Mr. Fischer expressed some concern that the more stringent efficiency requirements of the recently announced Affordable Heat Initiative (AHI) will put pressure on manufacturers given that there are a limited number of models currently available in Maine that will meet the standard for single-zone heat pump systems. He suggested that for some manufacturers, the development cycles may find it challenging to keep up with the shift from HSPF 12 to 13 in 2020.

- EMT Staff emphasized that the Home Energy Savings Program (HESP) has been making clear to manufacturers, distributors and contractors that the HSPF 12 standard will continue to be eligible for the HESP rebates as they have been in prior years.
- Mr. Fischer affirmed that workforce development is a top priority right now. He added that labor supply varies by region, but that the most active installers have plenty of workers and continue to hire. He said the industry is changing and there should be a push in the trade schools to encourage more entry and more holistic skillsets.
- Mr. Stoddard observed that the industry provides a range of models and configurations to accommodate buildings with different needs and limitations. Mr. Stoddard indicated that EMT will pay close attention to the dynamic between its programs' performance standards, rebate levels, and supply chain capacity going forward. Mr. Eglinton added that 30% of heat pump rebates already comply with the new standards.
- Mr. Grove asked if the Small Business Initiative (SBI) is active in towns beyond Augusta. Mr. Stoddard explained that, while most other EMT programs are offered statewide, SBI focuses on one geographic region at a time. This allows EMT to build concentrated local awareness and improve economies of scale for local contractors. The program involves hands-on, labor-intensive management, and is therefore more cost-effective when limited to a specific region. Mr. Eglinton listed the towns where SBI has been active over the years and where it will go in the coming year.

4. Executive Director's Report

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

- Programs are posting strong results so far based on current FY2020 budgets. However, Mr. Stoddard stressed the need to manage expectations given that Significant Change II (still under review at the Public Utilities Commission [PUC]) will, if approved, add a substantial tranche of funding halfway through the fiscal year and it may take a redoubling of efforts to fully commit those funds in the time remaining this year.
- Mr. Stoddard reported positive press interest in Electric Vehicle (EV) Initiatives. The Governor's Office wants to continue to collaborate on publicity opportunities.
- Ms. MacDonald notified the Board that there will be a follow-up piece to a previous article in the Portland Press Herald about workforce challenges in Maine's weatherization industry (mentioned in last Board meeting). She told the reporter that Maine is well-equipped to meet weatherization goals and encouraged her to look beyond the building envelope for this story, as there are other elements to the issue.
- The Home Energy Savings Program (HESP) is seeing continuous growth. Activity remains higher than it was this time last year. Mr. Stoddard added that, because it is a seasonal market (home improvement projects generally slow down in middle of winter and pick up again in the spring) we may see some slowdown in program activity after the end of the calendar year.
- Mr. Stoddard reported that Retail Initiatives is focused on managing the wood and pellet stove offerings through vendors. He noted the increased demand for high-efficiency wood stoves which is common at this time of year. The program will run until its limited Regional Greenhouse Gas Initiative (RGGI) funding is depleted.

- Distributor Initiatives is showing strong performance. Mr. Stoddard explained that EMT has been moving more measures into this channel from other channels. In almost all cases, measure activity increases. The instant markdown is helpful to customers and captures short turnaround time when installers look to make the cheapest purchase. He reported that the Electronically Commutated Motor (ECM) Circulator Pumps are not performing as well as Staff had hoped. Because it is a new measure, Staff will be looking at options such as offering a promotional (increased) rebate or ramping up efforts to increase education and awareness.
- Low-Income Initiatives re-launched the Affordable Heat Initiative (AHI) after limited funding (last year) forced a temporary suspension. This program offers enhanced incentives to qualifying low-income customers installing heat pumps meeting the highest efficiency standards. In addition to those on the Low-Income Home Energy Assistance Program (LIHEAP) list, customers with homes in the bottom quartile of their county's median assessed property value are considered eligible for this program.
- Mr. Stoddard reported that EMT is submitting two pilot proposals to the PUC as part of the beneficial electrification Request for Proposals (RFP): one pertaining to load management of EV charging, and another to increased education and training about EV charging-related issues and practices.
- Program Assistant Nat Blackford is leaving EMT this coming Friday to join the Peace Corps.
- Three colleagues have reached their 10-year anniversaries with EMT: Rick Meinking, Andy Meyer, Ian Burnes. Mr. Stoddard and the Board recognized each for their service. Ms. MacDonald commended these employees for being so accessible and effective over the years.

5. **Planned Business**

(a) **UPDATE on Monthly Financial Reports**

Mr. Leclair reported that revenues and expenditures are where EMT expected them to be. The next RGGI auction will be in early December. He explained the PUC will order a collection rate to the utilities if and when they approve the adjusted budget, and there may be a brief lag as the utilities remit funds to EMT. The increase in funds will reflect the entire fiscal year, despite being approved halfway through FY2020. Mr. Stoddard reiterated that managing the \$12.8 million increase by fiscal year's end will be a challenge.

(b) **APPROVE FY2019 Budget Adjustments**

Mr. Eglinton explained that Staff seeks Board approval to implement the previously approved changes to Triennial Plan IV in Appendix B of Significant Change II into the budget. This will allow Staff to avoid any lags in program activity as EMT waits PUC approval of the changes already approved by the Board. He added that Staff will notify the Board if the PUC decides something different unexpectedly. Mr. Eglinton explained that the budget adjustment accounts for the 100,000 heat pump initiative and the law that allows EMT to apply Forward Capacity Market (FCM) funds to supplement existing incentives, and adds electric utility funding (the "Procurement") to backfill programs previously funded

by FCM dollars. Lastly, additional funding is going to be directed by the PUC to EMT's budgets to support the Agricultural Fairs Initiative established by legislation last year.

ACTION: Upon a motion duly made (Mr. Poole) and seconded (Ms. Welsh), the Board voted unanimously to approve the FY2019 Budget Adjustments.

(c) APPROVE FY2019 Annual Report

Mr. Eglinton provided an overview of the FY2018 Annual Report. He highlighted that program investment avoided more than \$209 million in unnecessary lifetime energy costs. He further noted that HESP activity was a highlight for the Trust in FY2019, funding more than 11,000 projects. Ms. MacDonald and Mr. Poole suggested that adding more context around performance metrics and results compared to previous year's results would be helpful.

ACTION: Upon a motion duly made (Mr. Poole) and seconded (Mr. Fletcher), the Board voted unanimously to approve the FY2019 Annual Report.

(d) PRESENTATION of MaineHousing 2020 Weatherization Assistance Program State Plan

Ms. Ferenc presented an overview of the 2019 Weatherization Assistance Program (WAP) State Plan and a preview of MaineHousing's plan for the 2020 weatherization program. She 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. Ms. Ferenc reported that MaineHousing will hold a public hearing for the plan on December 17, 2019 and the final plan is due to the federal Department of Energy (DOE) in March 2020. Mr. Stoddard asked how this plan interacts with the LIHEAP weatherization plan. Ms. Ferenc explained that LIHEAP is different program serving different customers, but that they work hand in hand. Ms. MacDonald expressed interested in a future briefing of how EMT will work together with MaineHousing to achieve the State's weatherization goals.

6. New Business

None.

7. Next Meeting Agenda and Scheduling

The next Board meeting will be held on December 18, 2019.

8. Adjourn

ACTION: Upon a motion duly made (Ms. Fletcher) and seconded (Ms. Welsh), the Board voted unanimously to adjourn the Board Meeting at 11:46 a.m.