

**Efficiency Maine Trust
Board Meeting Minutes
December 18, 2019
168 Capitol St., Augusta ME**

Trustees:

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

Efficiency Maine Trust (EMT) Staff:

- Ian Burnes
- Emily Cushman
- Bridget Doxsee
- Peter Eglinton
- Monte Haynes
- Anastasia Hediger
- Greg Leclair
- Michael Stoddard

Other Attendees:

- Sue Ely, Natural Resources Council of Maine
- Dana Fischer, Mitsubishi Electric
- Troy Fullmer, MaineHousing
- Michelle Marean, DNV GL

1. Welcome and Introductions

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

2. Approve Agenda and Minutes

Mr. Hodsdon requested a reordering of the meeting agenda (addressing action items first) to accommodate an early departure. Mr. Drost noted an incorrect name spelling for Kim Farenc in the draft minutes.

ACTION: Upon a motion duly made (Mr. Burgess) and seconded (Mr. Hodson), the Board voted unanimously to approve the adjusted agenda and the corrected November 20 Board Meeting Minutes.

3. Public Comment on Agenda Items

Mr. Fischer commented on recently announced eligibility criteria for heat pumps in the Affordable Heat Initiative (AHI). Mr. Stoddard observed that the EMT Staff's analysis indicates that there is an improved likelihood of energy and financial savings associated with heat pumps having an HSPF of 13 or greater. He also noted that for heat pumps incentivized through HESP for market-rate units, those meeting the the existing efficiency criteria will remain eligible. Mr. Stoddard said that Staff will continue to monitor program activity and consider adjustments, as appropriate. Mr. Stapp asked whether certain heat pumps pose reliability issues that could impact the realization of savings. Mr. Stoddard said that heat pumps installed in Maine are well-regarded and that

EMT is not aware of significant reliability issues, but would welcome feedback from distributors and installers.

4. **Planned Business**

(a) **APPROVE FY2020 Budget Adjustments**

Mr. Eglinton explained that when the Board approved the base budget in June 2019, the revenue and expenditure budgets for Electric Vehicle (EV) Initiatives were based on the total amount of funding EMT had received from the Volkswagen (VW) Settlement. The proposed budget adjustment aligns with the two-year plan for the initiatives, as well as the updated Significant Change II budget.

ACTION: Upon a motion duly made (Mr. Poole) and seconded (Ms. Welsh), the Board voted unanimously to adjust the FY2020 source of funding (revenue) and expenditure budgets as described in Mr. Leclair’s December 18 memo, resulting in a total FY2020 source of funding (revenue) and expenditure budgets of \$99,379,992 and \$94,228,409, respectively.

(b) **APPROVE Authorization to Receive Additional VW Settlement Funds**

Mr. Stoddard explained that a portion of the VW settlement funds awarded to Maine has not yet been allocated to a specific use. On November 26, 2019, the Governor signed an Executive Order establishing a new initiative of state government to “Lead by Example” in efforts to lower the carbon footprint of its operations. The Attorney General and the Governor’s Energy Office (GEO) are considering using the remaining VW settlement funds to invest in energy improvements in state government facilities to reduce their carbon footprint. The proponents of this idea would like EMT to administer the funds, develop a strategic approach to investing the funds, and provide targeted scoping and technical assistance to help move the qualified projects forward. Per the statute, EMT must seek approval from the Board to accept these funds.

Mr. Stapp asked how much of the funding would go toward photovoltaic (PV) solutions, noting that EMT has moved away from PV as an organization. Mr. Stapp encouraged EMT scrutinize the penetration of renewables and their impact on baseload generating assets. Mr. Burgess noted that these limited VW funds are meant to assess concrete opportunities in both new and existing state buildings. The GEO is investigating grid issues through a separate study channel.

Mr. Stoddard concluded that Staff sees this as an opportunity to improve energy management processes in state government. Though EMT has not designed the program, Staff is considering administering the funds as a revolving loan fund. Mr. Stapp voiced support for the model.

ACTION: Upon a motion duly made (Mr. Burgess) and seconded (Mr. Poole), the Board voted unanimously to find that, as described in Mr. Stoddard’s December 18 memo, the receipt of the funds is consistent with the purposes of the EMT Act and to authorize the

Executive Director to accept up to \$4 million in VW Settlement funds to administer a lead-by-example program for energy equipment and systems used by state government.

(c) APPROVE Motion to move into Executive Session Pursuant to 1 MRS §405(6)(F) to Discuss Request for Designation of Confidential Information Related to Certain Proposal Information

ACTION: Upon a motion duly made (Mr. Stapp) and seconded (Mr. Drost), the Board voted unanimously to move into Executive Session Pursuant to 1 MRS §405(6)(F) to Discuss Request for Designation of Confidential Information Related to Certain Proposal Information at 10:05 a.m.

(d) APPROVE Motion to Come Out of Executive Session

ACTION: Upon a motion duly made (Mr. Stapp) and seconded (Mr. Poole), the Board voted unanimously to come out of Executive Session at 10:18 a.m.

(e) DECIDE Designation of Confidential Information Related to a Bidder's Request for Designation of Confidential Information Related to Certain Proposal Information

ACTION: Upon a motion duly made (Mr. Poole) and seconded (Mr. Stapp), the Board voted unanimously to deny the Request for Designation of Confidential Information Related to Certain Proposal Information.

- Following this action, Mr. Hodson deputized the role of the Chair to Mr. Poole for the remainder of the meeting.

(f) UPDATE on Monthly Financial Reports

Mr. Leclair reported that revenues and expenditures are on track. December's Regional Greenhouse Gas Initiative (RGGI) auction revenues were slightly ahead of forecast. Mr. Leclair explained that electric procurement collections appear slow in light of the Public Utilities Commission's (PUC's) recent approval of additional funding, EMT anticipates collecting the full balance over the next two remittance periods.

5. Executive Director's Report

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

- Mr. Stoddard noted an uptick in local press coverage of HESP and heat pump activity, which is typical for the winter as people start to heat their homes. He reported that national groups have asked Staff to talk about EMT's approach to program design, standards, and outreach. Mr. Stoddard suggested that Maine's leadership with heat pumps, heat pump water heaters (HPWHs), EVs, and the Maine Climate Council (MCC) is increasingly attracting the interest of outside groups.
- Last week, the PUC voted to unanimously approve the Trust's adjustments to Triennial Plan IV (Significant Change II).

- Mr. Stoddard recently attended the Maine Transportation for the Future conference to talk about EVs and EMT's efforts to expand EV public charging infrastructure. He reported strong attendance.
- HESP continues to show growth in activity despite static incentive levels. Mr. Stoddard observed that this increase could indicate that heat pumps are entering the public consciousness. Mr. Drost added that he has noticed increased marketing from the heat pump vendor community, including regular advertisements on the evening news.
- Distributor Initiatives is adjusting program design to improve uptake of smart circulator pumps, as there remains considerable untapped potential with this measure. EMT estimates that approximately 20,000 circulator pumps are sold in Maine per year.
- Staff awarded 12 more grants to new Level 2 EV charger host sites along Route 1 and in other areas of the state. Mr. Stoddard reported that new Level 3 fast chargers are live in Skowhegan, and that Jackman fast chargers will soon be operational. He also expects new EV models to enter dealership lots in the coming months.
- EMT submitted two EV pilot proposals to the PUC: one that would investigate EV home charging behavior and the other to expand consumer education around EV public charging and install additional public Level 2 chargers.

6. PRESENTATION on Low-Income Initiatives

Ms. Doxsee and Mr. Fullmer provided overviews of energy efficiency program offerings for low-income households through EMT and MaineHousing, respectively. Their presentations covered how the two organizations work together to leverage resources and coordinate efforts to provide heat pumps to low-income Mainers.

Ms. Doxsee described EMT's initiatives to reach low- and moderate-income households. These initiatives fall into the following categories: market-based initiatives, where low-income customers receive enhanced incentives for many of the same programs the Trust offers to other residential customers; direct-mail campaigns, where eligible customers receive an offer for free, do-it-yourself (DIY) energy-saving devices, along with a postage-paid order form; and direct installation of conservation measures, where the Trust covers up to 100% of the cost of equipment and installation and oversees contractor support.

Mr. Fullmer reviewed MaineHousing's weatherization, Central Heating Improvement Program (CHIP), and heat pump initiatives. The new heat pump initiative is run on a first-come-first-served basis. The community action program (CAP) agencies connect customers to MaineHousing's programs. He explained that MaineHousing prioritizes proper operation of a customer's primary heating system over new heat pump installations. Mr. Stoddard suggested following a needs-based outreach strategy instead of a first-come-first served approach by narrowing down a list of candidates that are already receiving the highest tier of assistance from CAP agencies and targeting them directly for a heat pump.

Ms. MacDonald noted that the MCC Buildings Working Group is focused on meeting carbon reduction goals and can give additional attention to these low-income efforts. She asked EMT to identify the highest areas of need for low-income customers. Mr. Stoddard noted that heat pumps, HPWHs, and high-quality affordable housing are the most significant opportunities that the working group can support with analysis and advocacy.

7. New Business

Mr. Poole asked about any updates on the pilot project with Central Maine Power (CMP). Mr. Stoddard reported that EMT is still in discussions with CMP about the agreement.

8. Next Meeting Agenda and Scheduling

The next Board meeting will be held on January 22, 2020.

9. Adjourn

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