

**Efficiency Maine Trust
Board Meeting Minutes
January 22, 2020
168 Capitol St., Augusta ME**

Trustees:

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

Efficiency Maine Trust (EMT) Staff:

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

Other Attendees:

- Nick Battista, Island Institute
- Nick Collins, Energy & Resource Solutions (ERS)
- Rob Jenkins, Bell Simons
- Scott Libby, Royal River Heat Pumps
- Michelle Marean, DNV GL
- Steve McGrath, Maine Energy Marketers Association
- Steve Ward, Maine Climate Table
- Emma Wendt, Island Institute
- Roger Willett, Mitsubishi Electric
- Two (2) additional stakeholders, names and affiliations unknown

1. Welcome and Introductions

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

2. Approve Agenda and Minutes

Mr. Hodsdon noted that the October 30 Board Meeting Minutes should include a note recording when he left the meeting and transferred the duties of Chair to Mr. Poole.

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

3. Public Comment on Agenda Items

- Mr. Jenkins expressed frustration over EMT's new eligibility requirements for heat pumps promoted through the Affordable Heat Initiative (for low-income homes). Mr. Stoddard stressed that, in addition to the HSPF requirements, proper placement and operation are integral to saving money with heat pumps. Staff has found that requiring a

high wall mount installation reduces the likelihood of physical objects blocking distribution of heat throughout the room, leading to greater cost savings for the customer.

- Mr. Libby reported that enhanced rebates have stimulated more business, but they have also caused some confusion. He reported that many customer requests are being influenced by what would qualify for a rebate rather than what configuration might be best suited to the home. Mr. Libby suggested that EMT consider prioritize raising the standards for registered vendors to ensure quality installations.
- Mr. Willett echoed Mr. Libby's comments, estimating that Mitsubishi may lose sales until more of its HSPF 13 models hit the market later this year.
- Mr. Stoddard asked the commenters whether most installations are for supplemental heating or complete retrofits. Mr. Libby reported that the vast majority are supplemental, eliminating 70% to 80% of central heating system use. Mr. Stoddard noted that, if most cases are supplemental heating, there is not a big risk of that potential undersizing of heat pumps would leave customers without heat. Mr. Burnes added that there are significant savings associated with running a smaller, high-efficiency unit. Mr. Hodsdson thanked the group for their comments and encouraged them to submit additional comments in writing.
- Ms. MacDonald asked about the Staff's efforts to share its rationale for eligibility criteria with vendors.
- Mr. Stoddard reported that the Staff relies on interviews with vendors, third-party program evaluations, and literature from trade publications and program administrators in other jurisdictions. He added that EMT strives for continuous improvement and remains open to input and making mid-course corrections where appropriate, but also indicated that as a general matter EMT should continue to raise the bar on efficiency.

4. Executive Director's Report

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

- EMT hosted an event with the Governor at a heat pump distributor to announce the doubling of heat pump rebates.
- Mr. Stoddard reported that Staff has been tracking the Central Maine Power (CMP) billing and rate cases at the Public Utilities Commission (PUC), as their staff recommendations may be relevant to EMT. He promised to keep the Board apprised of any updates.
- The last meeting of the Maine Climate Council's Buildings, Infrastructure, and Housing Working Group included a tutorial about distributed energy resources (DERs). Mr. Stoddard noted that stakeholders are arriving at the conclusion that meeting emissions targets will involve a massive shift from fossil fuels to electricity, requiring more renewables and a higher-capacity grid. He noted that, in addition to continuing its work minimizing demand on the grid through efficiency, EMT is interested in continuing to expand its involvement in DERs such as distributed generation, storage and load management.
- Staff is attending periodic meetings with the Governor's team to discuss the Lead by Example initiative for state buildings. Mr. Stoddard said he would keep the Board updated, reminding Trustees that they recently approved receipt of the associated potential funding.

- Mr. Stoddard reported that the Legislature enacted several bills last spring to update the Maine Building Energy Codes (MUBEC). Technical Advisory Group (TAG) meetings about specific codes within MUBEC were held last week. He urged members of the public and the Board to submit letters of support for the newest energy code, as Maine's current energy code is out of date and leaves significant energy savings behind.
- Increased Efficiency Maine branding in distributor stores and a higher incentive have lifted Electronically Commutated Motor (ECM) Circulator Pump sales. Mr. Stoddard added that Staff estimates 20,000 pumps are sold in the state per year. A similar incentive program in Vermont resulted in 80-90% of the sales being high-efficiency units. There is significant room for improvement in Maine.
- The Electric Vehicle (EV) rebate program is driving up new EV registrations. Since the rebate program commenced, Battery Electric Vehicle (BEV) registrations have increased from 1/3 of EV sales to 2/3 of EV sales (the balance being plug-in hybrids). The total number of EV sales are also increasing.
- Mr. Stoddard reported that as a result of the EMT's awarded grants for Level 2 EV charger host sites, the State will have about 100 new chargers from Fort Kent to Kittery. EMT is planning to expand its body of educational materials around charging, pending PUC funding for pilot projects proposed by EMT.
- Mr. Stoddard reported that the potential customer service pilot project with CMP is on hold pending resolution of a docket at the PUC. Ms. Welsh advised that Staff remain cautious about the politicized discourse on CMP's customer service and billing issues. Mr. Boyle added that he sees value in remaining open to the possibility of conducting an in-home assessment pilot project.

5. Planned Business

(a) UPDATE on Monthly Financial Reports

Mr. Leclair reported on revenues and expenditures. He also reported that the PUC agreed that smaller utilities could remit their procurement payments to fund this year's electricity conservation budgets through a lump sum by June 30, 2020. This accommodation was made to account for the short notice since the PUC's approval of the Trust's budget increases driven by Significant Change 2 (in compliance with LD 1757 and 1766). This sum accounts for one twelfth of the total funding, so the Staff did not object to the delayed remittance.

(b) APPROVE FY2020 Budget Adjustments

Mr. Eglinton explained that Staff seeks Board approval to shift \$222,442 in natural gas funds from the Commercial and Industrial (C&I) Prescriptive Program (CIP) and from unallocated fund balance to support anticipated projects in the C&I Custom Program.

ACTION: Upon a motion duly made (Mr. Fletcher) and seconded (Ms. Welsh) the Board voted unanimously to transfer \$80,000 from CIP to the C&I Custom Program, transfer \$45,735 unallocated Maine Natural Gas funds and \$96,707 unallocated Bangor Natural Gas funds to the C&I Custom Program, and request a significant change to Triennial Plan IV at the PUC to implement these changes. Upon approval, the budget adjustment as described in

Mr. Leclair's January 14 memo will result in a total FY2020 source of funding (revenue) and expenditure budgets of \$99,522,434 and \$94,370,851 respectively.

(c) PRESENTATION on Non-Wires Alternative (NWA) Coordinator Process

Mr. Collins, Associate Director at ERS, provided an overview of the NWA Support Team services and process to the Board. He explained that ERS will be the primary contractor, supported by Synapse and Energy Futures Group (EFG). ERS plans to leverage its existing relationships with local customers and facilities built by its work for EMT's C&I Custom program. This NWA team will focus on the reliability and cost-effectiveness of potential NWA projects, recommending the implementation of the most viable behind-the-meter NWA solutions. Mr. Fletcher asked how EMT will account for these projects' financial costs. Mr. Stoddard explained that EMT will bill the work and financial incentives that are incremental to EMT's baseline work. Mr. Burnes noted that EMT followed this approach when it conducted the Boothbay Harbor NWA pilot project. Maine utilities are working with EMT and OPA to establish procedures and criteria for this new model.

(d) UPDATE on 2020 Legislative Session

This presentation was postponed to the next Board meeting in order to prioritize review and discussion of the Beneficial Electrification Study Report.

(e) PRESENTATION on Draft Beneficial Electrification Study Report

Mr. Stoddard began by reviewing the statutory mandate of LD 1464 – An Act to Support Electrification of Certain Technologies for the Benefit of Maine Consumers, Utility Systems and the Environment, signed into law in the First Regular Session of the 129th Legislature. One section of the law required EMT to produce a report on the barriers and opportunities for beneficial electrification in Maine.

Mr. Stoddard reported on the process that Staff undertook in preparing the report. EMT held multiple one-on-one meetings with key stakeholders. In December, the Trust released a Draft Report and requested written comments from the public. The final report is due to the Legislature on February 1, 2020.

Mr. Stoddard summarized the content of the report, focusing on the "key technologies" of air source heat pumps, heat pump water heaters, and electric vehicles.

6. New Business

None.

7. Next Meeting Agenda and Scheduling

The next Board meeting will be held on February 26, 2020.

8. Adjourn

ACTION: Upon a motion duly made (Mr. Brennan) and seconded (Ms. Welsh), the Board voted unanimously to adjourn the Board Meeting at 12:16 p.m.