

**Efficiency Maine Trust
Board Meeting Minutes
July 22, 2020**

BECAUSE OF LIMITATIONS ON TRAVEL AND GATHERINGS DUE TO THE CORONAVIRUS, THIS MEETING WAS NOT CONDUCTED AT A PHYSICAL LOCATION AND DID NOT INVOLVE ANYONE MEETING IN PERSON. INSTEAD, THE MEETING WAS CONDUCTED BY PHONE AND VIDEO CONFERENCING.

Trustees:

- James Boyle
- Dan Brennan
- Dan Burgess
- Ken Fletcher, Secretary
- Al Hodsdon, Chair
- Suzanne MacDonald, Vice Chair
- David Stapp
- Glen Poole, Treasurer
- Joan Welsh

Efficiency Maine Trust (EMT) Staff:

- Ian Burnes
- Emily Cushman
- Peter Eglinton
- Monte Haynes
- Anastasia Hediger
- Greg Leclair
- Andy Meyer
- Kate Rankin
- Michael Stoddard
- Satchel Toole

Other Attendees:

- Marty Grohman, Environmental & Energy Technology Council of Maine (E2Tech)
- Bob Adler
- Clifford Babkirk
- David Costello, Natural Resources Council of Maine (NRCM)
- Donald Louv
- Kelly Sauberlich
- Larry Simpson
- Nick Collins, Energy & Resource Solutions (ERS)
- Richard Doughty, ERS
- Russell Coulter, Hancock Lumber
- Sam Milton, Climate Resources Group
- Steve Ward
- Sue Ely, NRCM
- Michelle Marean, DNV GL

1. Welcome and Introductions

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

2. Approve Agenda and Minutes

ACTION: Upon a motion duly made (Mr. Poole) and seconded (Ms. MacDonald), the Board voted unanimously to approve the agenda and the June 24 Board Meeting Minutes.

3. Public Comment on Agenda Items

- Mr. Grohman presented a video produced by E2Tech to commemorate the Trust's 10-year anniversary. Members of the Board commended Mr. Stoddard for his leadership and thanked Staff, vendors, and supporters for their hard work over the years.
- Mr. Milton stated that he is looking forward to EMT's discussion about marijuana policy and to future deliberations about how Maine cannabis industry participants can benefit from energy efficiency programs.

4. Executive Director's Report

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

- Mr. Stoddard highlighted that commercial activity is picking up as contractors are resuming work in homes and businesses. Retail stores are also seeing an increase in sales with more incentives being processed. Staff will keep a close eye on this trend.
- Also indicative of an uptick, monthly website visits rose to nearly 31,000 compared to 9,000 in April. Call center activity was up 60% from the previous month as well.
- EMT has discontinued processing rebates for Summit Natural Gas conversion incentives after providing administrative support for the last several years. Mr. Stoddard reported that this change was proposed mutually by the Trust and Summit and was authorized by the Public Utilities Commission (PUC).
- The Commercial and Industrial Prescriptive Program (CIP) saw an increase of nearly \$1.2 million in pending projects over the past month, another indicator of growing commercial activity. The Funding Opportunity Notice (FON) initiative for school lighting is going well and has received positive press. The FON for outdoor lighting and pole lighting remains open and the packaged terminal heat pump projects are underway.
- The pipeline for the Small Business Initiatives (SBI) is stronger now than it was this time last year. EMT is finishing work in the Bangor region with work ongoing in four other regions including Augusta, Calais and Washington County, Dover-Foxcroft, Millinocket and Brewer.
- Distributor Initiatives reported that heat pump water heaters (HPWHs) now account for nearly 80% of top selling electric water heater sales in the distributor channel.
- Mr. Stoddard highlighted that Low-Income Initiatives has had a strong year with its HPWH direct install program, installing 782 units through June 30. This program is on track to install 1,000 units in FY2021. Weatherization efforts will require more support as in-person restrictions have caused a decline in activity.
- Mr. Stoddard noted that he plans to brief the Board in a future meeting on the Innovation Program's current activity, including pilot projects examining time-of-use rates, load management, and battery storage solutions.
- Mr. Stoddard reported that through June 30, the Trust spent just under \$55 million in FY2020 with \$29 million under contract.

5. Planned Business

(a) UPDATE on Monthly Financial Reports

Mr. Leclair reported that revenues are on track. He noted that two of the smaller consumer-owned utilities did not make their full procurement payments by the end of the fiscal year, adding that the \$200,000 owed will not disrupt EMT's cash flows. The PUC granted these

utilities an extension, recognizing their limited administrative capacity and smaller budgets. Mr. Leclair added that so far the audit is going smoothly as the Staff reconciles financials and effRT data.

(b) DISCUSS Trust’s Disposition of Renewable Energy Credits (RECs)

The Board decided to postpone this discussion until the next Board meeting due to time constraints, as this item is not urgent. The meeting moved on to item (c).

(c) UPDATE on Development of Maine Cannabis Markets and Rules

Mr. Stoddard explained that, back in 2017, the Board had a series of discussions about the energy efficiency opportunity in cannabis-growing facilities and whether these customers could participate in EMT programs. A delegation of EMT Staff and Board members met with the Maine Attorney General’s Office, which then provided EMT with an analysis of the legal implications of accepting or rejecting efficiency projects for participants in this sector. The Board ultimately decided to exclude these businesses from eligibility on the grounds that uncertainty about federal enforcement prevents EMT from determining that long-lived measures are reasonably likely to persist long enough to reach cost effectiveness. Mr. Stoddard noted that, since that time, the state has seen a rapid growth of the industry, changes in regulation, and the creation of a new Office of Marijuana Policy (OMP). Over the same period, there has been no evidence of federal government enforcement of businesses lawfully operating under state cannabis laws. EMT Staff felt that it was a good time to hear about these updates from OMP and bring new Board members up to speed on the issues, laying the groundwork for future discussions about whether EMT should revisit its policy.

OMP’s Director, Erik Gunderson, provided an update on the state of Maine’s cannabis industry. He touched upon various topics, including OMP’s agency structure and mandate, completed and ongoing rulemakings, new licensing processes, state tracking systems, stakeholder outreach efforts, and potential tax revenue benefits. Mr. Gunderson highlighted that nearly 800,000 square feet of canopy will soon be licensed by the state, which will require significant energy consumption through lighting, heating, and dehumidification demands.

Mr. Stoddard asked if he had seen any significant changes on the federal level. Mr. Gunderson said that the Cole Memo federal guidelines continue to be in effect. Congress is considering various pieces of legislation that are seeing bipartisan support, including a safe banking act, a safe testing act, and full legalization.

Mr. Stapp asked about OMP’s position is on the requirement that at least 51% ownership of a marijuana business be attributable to in-state residents, noting that one operation initiated a lawsuit challenging this rule. Mr. Gunderson stated that the policy had clear benefits to the state of Maine. He explained that the regulation is in place but is not currently being enforced due to pending constitutional challenges identified by the AG. Mr. Stapp expressed his concern that the lack of enforcement of residency requirements would negatively impact Maine’s economic development.

Mr. Stapp asked whether there are viable, high-efficiency grow light alternatives available in the marketplace, noting that the 2017 discussions identified some technical concerns on the

part of growers. Mr. Burnes explained that technical concerns regarding LEDs have been alleviated, but that barriers to adoption still exist, including upfront costs, aversion to long-term paybacks, and an urgency to enter the market.

Ms. MacDonald requested that Staff return to the Board with more information about how this issue intersects with the State's economic development plan and opportunities raised by the Maine Climate Council. She expressed interest in understanding the barriers from the AG's perspective and requested examples of how other states are addressing this issue.

Mr. Burgess agreed that it is a good time to evaluate opportunities for EMT to invest in energy efficiency in the cannabis sector, as the industry has progressed substantially since the Board's last decision.

(d) OVERVIEW of EMT Call Center

Mr. Meyer, Senior Program Manager, provided an overview of EMT's call center management protocols.

Ms. MacDonald asked if the call center can serve customers in languages other than English. Mr. Meyer said that there are no multilingual agents at this time. Mr. Brennan offered to share information about Maine State Housing Authority's experience with this.

6. New Business

No new business.

7. Next Meeting Agenda and Scheduling

The next Board meeting is scheduled for September 23, 2020.

8. Adjourn

ACTION: Upon a motion duly made (Mr. Poole) and seconded (Mr. Stapp), the Board voted unanimously to adjourn the Board Meeting at 11:50 a.m.