

**Efficiency Maine Trust
Board Meeting Minutes
October 7, 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:

- Dan Brennan
- Dan Burgess
- Al Hodsdon, Chair
- Suzanne MacDonald, Vice Chair
- David Stapp
- Glen Poole, Treasurer
- Joan Welsh

Efficiency Maine Trust (EMT) Staff:

- Joy Adamson
- Ian Burnes
- Emily Cushman
- Peter Eglinton
- Monte Haynes
- Anastasia Hediger
- Greg Leclair
- Kate Rankin
- Tim Reed
- Michael Stoddard
- Satchel Toole

Other Attendees:

- Sam Belknap, Island Institute
- Nick Collins, ERS
- Jennifer Connors, Runyon, Kersteen & Ouellette (RKO)
- David Costello, Natural Resources Council of Maine (NRCM)
- Heather Deese, Beech Hill Consulting Group
- Bruce Gammon
- Bruce Haines
- Donald Louv
- Michelle Marean, DNV GL
- Sam Milton, Climate Resources Group
- Sean Nunes, CLEAResult
- Penelope Overton, Portland Press Herald
- Jesse Remillard, Energy & Resource Solutions (ERS)
- Suzanne Sayer
- Christie Whitcomb, Hometown Heat Pumps

1. Welcome and Introductions

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

2. Approve Agenda and Minutes

ACTION: Upon a motion duly made (Ms. Welsh) and seconded (Mr. Stapp), the Board voted unanimously to approve the agenda and the July 22 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:

- Mr. Stoddard noted that changes in the national auditing standards led to a slight delay in this year's audit preparation. The filing is due to the State on October 15th.
- EMT saw increased press coverage this fall. Mr. Stoddard thanked Kate Rankin, the new Senior Communications Manager, for ensuring more systematic communications with the press.
- The first quarter of digital advertisements is on track with one quarter of the budget expended. Overall website activity has increased during this time.
- The Call Center's inbound call volume is up 50% from a year ago. This could indicate increased interest in the EMT's programs, despite the economic slowdown from the COVID-19 pandemic.
- The C&I Prescriptive (CIP) Program has invested over \$6,000,000 through targeted promotions.
- 620 individuals (representing 505 firms) completed the annual contractor (Qualified Partner) certification process this year. Additionally, the CIP Program has resumed on-site project inspections after suspending them in March.
- The Small Business Initiative (SBI) launched Region 20 (Bucksport area), Region 21 (Belfast area), and Region 22 (Belgrade Lakes area) at the end of August. Mr. Burgess asked about the process for winding down SBI Regions. Mr. Stoddard explained that each step in the roughly six-month timeline (assessment, sign-up, installation) has a deadline to incentivize customers to move on the limited time offer.
- The Home Energy Savings Program (HESP) saw a 100% increase in the number of heat pump rebates over this time last year. Weatherization rebates, however, are down. EMT Staff (Staff) speculates this is due to the fact that, with the ongoing pandemic, homeowners have been less comfortable having contractors in their homes for the longer period associated with a weatherization project.
- Retail Initiatives' new instant discount on heat pump water heaters (HPWHs) is driving so much demand that Home Depot stores are out of stock. This approach helps overcome the upfront-cost barrier associated with the mail-in rebate, which takes up to up to six weeks to process.
- Though Low-Income Initiatives (LII) saw a slowdown in HWPB installations with the pandemic, Staff has accumulated a long list of reservations for future installations. Staff is forecasting that the program will install close to 700 units this year, short of its original 1,000-unit target (set before the pandemic) for FY2021. The Arrearage Management Program has seen an increase in enrollment coinciding with the pandemic and higher statewide unemployment. LII will launch a direct-install weatherization initiative in October, using Regional Greenhouse Gas Initiative (RGGI) funds to cover 100% of project costs in qualifying homes.
- Electric Vehicle (EV) Initiatives completed the first year of its rebate program, issuing more than 600 rebates. Roughly half of the units were battery EVs and the other half

- plug-in hybrid EVs (PHEVs). Mr. Stoddard noted that PHEVs have lower price point, making them a more economical option for some lower-income and middle-income customers. EV Initiatives also issued a new RFP for Level 2 chargers in September.
- The Isle au Haut load management innovation pilot project experienced delays due to the pandemic. Equipment that has been held up at the border with Canada will be shipped and installed this fall.

5. Planned Business

(a) UPDATE on Monthly Financial Reports

Mr. LeClair reported that the RGGI revenues from the September auction were \$500,000 above what Staff anticipated. The natural gas assessment revenues are ahead of schedule, as one utility remitted its full annual amount in the first quarter.

(b) PRESENTATION of the 2020 Annual Audit Results by RKO

Ms. Connors provided an overview of the 2020 audit timeline and findings. She stated that RKO delivered an “unmodified opinion” and found “no material weaknesses” related to the EMT’s internal controls. She noted that RKO did not require any adjusting journal entries, nor did it have any recommendations. She thanked Mr. Leclair and the Staff for their preparedness and cooperation while conducting the audit process remotely, noting that an audit this clean is rare.

Mr. Hodsdon asked about the implications of accumulating a large fund balance. Mr. Stoddard explained that COVID-19 impacted nearly a quarter of the fiscal year, leaving some programs about well short of fully investing the budgets from FY2020. Reflecting this, EMT revised its budget forecasts in the spring and recommended that the Public Utilities Commission “net” the unspent surplus out of the electricity utility assessments from the new fiscal year (FY2021). The fund balance will be used to cover parts of the FY2021 budget in lieu of the utility assessments that EMT opted to forego.

(c) APPROVE FY2020 Annual Audit

ACTION: Upon a motion duly made (Mr. Stapp) and seconded (Mr. Burgess) the Board voted unanimously to approve the FY2020 annual audit.

(d) APPROVE Adjustments to the FY2021 Budget

Mr. Eglinton explained that the Staff proposes adjusting the FY2021 budget to shift \$5,315,000 of Forward Capacity Market (FCM) revenue currently in fund balance to HESP to support a forecasted increase in rebates this fiscal year for high-performance heat pumps. HESP has seen robust growth in heat pump sales in the last four months and is on pace to exhaust its current budget by January 2021. Mr. Eglinton also said Staff does not believe that increasing the FCM Heat Pump Initiative (section 10119) expenditure budget constitutes a Significant Change to Triennial Plan IV, but acknowledged that this change in use of FCM funds falls into a grey area regarding what requires further PUC approval. Out of an abundance of caution, Staff therefore

recommended that the Board authorize EMT to seek a Significant Change if the PUC should determine that one is needed.

ACTION: Upon a motion duly made (Mr. Poole) and seconded (Ms. Welsh) the Board voted unanimously to adjust the FY2021 source of funding (revenue) and expenditure budgets as described in Mr. Leclair's October 7, 2020 memo, resulting in a total FY2021 source of funding (revenue) and expenditure budgets of \$84,341,050 and \$83,889,530, respectively; and to authorize a Significant Change to the Triennial Plan should the PUC deem such a change necessary.

Without objection, the Board decided to move to Agenda item G, Motion to Make Businesses Lawfully Engaged in Cannabis Industry in Maine Eligible for Efficiency Maine Programs, before moving on to item E.

(e) APPROVE Northeast Energy Efficiency Partnerships (NEEP) Allies Membership Renewal

Mr. Eglinton explained EMT has participated in Northeast Energy Efficiency Partnerships (NEEP) initiatives in the past where there is a value-added opportunity to EMT, its mission, and programs. The NEEP Allies Program allows Staff to keep informed about regional efficiency trends and important topics, and to participate in events with a regional network of efficiency leaders and stakeholders. Staff is requesting authorization to renew its subscription to the NEEP Allies Program.

ACTION: Upon a motion duly made (Mr. Poole) and seconded (Ms. MacDonald) the Board voted unanimously to authorize the Executive Director to pursue a sole source contract and subscription to the NEEP Allies Program at a cost of \$2,500.

(f) APPROVE Motion to Expand Circumstances in which Remote EMT Board Voting is Allowed.

Mr. Stoddard explained that Staff intends to propose an adjustment to the EMT bylaws to expand the ability for remote Board voting beyond active states of emergency. In order to accommodate this agenda item at next Board Meeting (October 28 – 21 days away), Staff is asking that the Board waive the requirement of a 30-day notice for amending EMT's bylaws.

ACTION: Upon a motion duly made (Mr. Brennan) and seconded (Ms. MacDonald) the Board voted unanimously to waive the requirement of a 30-day notice to amend EMT's bylaws.

(g) APPROVE Motion to Make Businesses Lawfully Engaged in Cannabis Industry in Maine Eligible for Efficiency Maine Programs

Mr. Stoddard explained that the Board voted on December 13, 2017 to exclude from eligibility for EMT programs any project located at a marijuana-related business. He reminded the Board that the 2017 decision was made on the grounds that uncertainty about federal enforcement undermined EMT's ability to determine that long-lived project measures would be reasonably likely to persist long enough to reach cost-effectiveness. He then provided a summary of what has changed in the years since that decision, highlighting the state adult use referendum, the creation of the Office of Marijuana Policy (OMP) in state government, and various rulemakings. There are now multiple state agencies and other entities engaged with directly

with this industry. Additionally, he noted that the federal government has not changed enforcement policies or prosecutorial discretion, continuing to abide by the Rohrabacher–Blumenauer Amendment and the Cole Memo (which defers enforcement of marijuana laws to state law enforcements). Mr. Stoddard said that this lowers the chance of marijuana businesses closing due to federal intervention. He reminded the Board that this is an extremely energy-intensive industry, with considerable lighting and HVAC system demands. State law directs EMT to pursue all cost-effective electric efficiency opportunities and does not specify an exemption for this industry. EMT has continued to receive inquiries from businesses building out marijuana facilities. At this time, Staff recommends that the Board update the existing policy to prohibit denial of eligibility for EMT programs on the basis of involvement in marijuana-related business. One important exception is that no marijuana-related businesses should receive federal funds through EMT’s programs.

Mr. Stapp expressed deep concern for the conflict between state and federal marijuana laws. He noted that marijuana remains illegal at the federal level. He also pointed to a continued criminal element of the industry in Maine, highlighting an enforcement action against a facility in Farmington. He observed that had this facility approached EMT for an incentive, Staff would not have had the tools to determine whether it was conducting illegal business. Mr. Stapp expressed concern about whether the state law requiring 51% in-state ownership of a marijuana business is being fully enforced. Mr. Stapp also expressed his discomfort with the fact that this issue required legal counsel from the AG. He stated that while he recognizes these concerns do not directly relate to EMT’s statutory mission, they should still be important considerations for the Board.

Mr. Hodsdon commented that EMT’s primary concern lies with the energy consumption, not the finished product.

Mr. Poole stated that he does not support the proposed policy change, echoing Mr. Stapp’s concerns.

Mr. Brennan commented that it is not uncommon for Maine agencies to turn to the AG for advice, noting that he perceives this as due diligence.

Mr. Burgess stated that it makes sense to reverse this policy given EMT’s statutory directive to capture all cost-effective energy efficiency. He encouraged the Staff to monitor policy developments and keep the Board informed.

Ms. Welsh added that federal marijuana laws are evolving and seem likely to change soon. She called on EMT to focus on the energy perspective.

Ms. MacDonald thanked the Staff for its thoughtful approach to a complex issue. She stated she felt that federal guidance documents (the Cole Memo) should be the prevailing consideration, and indicated her support for the proposed motion.

ACTION: Upon a motion duly made (Mr. Brennan) and seconded (Mr. Burgess) the Board voted 5 (Mr. Hodsdon, Mr. Brennan, Mr. Burgess, Ms. Welsh, and Ms. MacDonald) to 2 (Mr. Poole, Mr. Stapp) to make it the policy of EMT that eligibility for EMT programs may not be

denied solely on the basis of involvement in marijuana-related business, provided that no marijuana-related businesses should receive federal funds through the EMT's programs.

6. New Business

None.

7. Next Meeting Agenda and Scheduling

The next Board meeting is scheduled for October 28, 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 11:32 a.m.