

**Efficiency Maine Trust
Board Meeting Minutes
December 9, 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
- Glenn Poole, Treasurer
- David Stapp
- Joan Welsh

Efficiency Maine Trust (EMT) Staff:

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

Other Attendees:

- Sue Ely, Natural Resources Council of Maine (NRCM)
- Larry Simpson, Enervee
- Dylan Vorhees, Vermont Energy Investment Group (VEIC)
- Christie Whitcomb, Hometown Heat Pumps

1. Welcome and Introductions

Mr. Hodsdon called the meeting to order at 9:40 a.m.

2. Approve Agenda and Minutes

Mr. Brennan noted a typo in the October Board Meeting Minutes, where the year in the MaineHousing presentation was 2020 instead of 2021.

ACTION: Upon a motion duly made (Mr. Fletcher) and seconded (Mr. Burgess), the Board voted unanimously to approve the agenda and the amended October 28, 2020 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:

- Press coverage in the past month included coverage of EMT's heating programs, weatherization offerings, and electric vehicle (EV) initiatives, as well as its role in the Maine Climate Council's (MCC) Climate Action Plan (released on December 1).
- EMT staff moderated a panel discussion about variable refrigerant flow (VRF) solutions in commercial buildings at the Maine Indoor Air Quality (IAQ) Energy Conference in October.
- The Commercial and Industrial (C&I) Prescriptive (CIP) Program activity is picking up after a COVID-19-related slowdown in the spring and summer. VRF projects are becoming more popular while commercial lighting projects have been slowing down.
- The Small Business Initiative (SBI) has worked to reach more businesses throughout the last few quarters, but small businesses are struggling through the COVID-19 pandemic. The program is continuing to launch new regions while closing out others from previous quarters.
- After record-setting heat pump activity in the summer and fall, the Home Energy Savings Program (HESP) experienced a slowdown in November. Staff expect this has more to do with holidays and paperwork submission delays than a reduction in interest. Nevertheless, it continues to watch the market and rebate demand closely. Mr. Boyle asked if EMT is on track to meet the state's 100,000 heat pump goal. Mr. Stoddard confirmed that EMT is ramping up and on pace, but noted that there are so many unusual influences on the market this year that it is difficult to make forecasts of the future based on this year's results.
- Retail Initiatives budget is ahead of schedule due to the popularity of heat pump water heaters, driven primarily by the instant discount at Home Depot.
- The pandemic-induced economic disruption has driven a 20% increase in Low-Income Heating Assistance Program (LIHEAP) applications in Maine. EMT's Low-Income Initiatives team is actively reaching out to these new participants with EMT program offerings. The program also increased the assessed property value eligibility threshold for counties with low program activity in an effort to drive demand. Mr. Brennan said that the increase in LIHEAP participants is similarly driving demand for MaineHousing's programs. He added that, for the year ahead, the agency intends to invest \$3 million per year in approximately 1,000 heat pump installations.
- EV Initiatives plans to review applications for its Level 2 charging request for proposals (RFP) in the next two weeks. It will issue another RFP in January for projects to develop Level 3 chargers in Central and Eastern Maine. Mr. Stapp asked about the average electricity demand charges for EV chargers. Mr. Stoddard explained that a host site with two 50 kW chargers typically pays \$10,000-\$15,000 per year in demand charges. EMT's view is that this is a short-term problem caused for the next several years by a low number of EVs on the road, which makes it is hard for the charger operator to recover their costs. EMT's program is addressing this in its next round of solicitation for Level 3 chargers by offering a declining subsidy of demand chargers over the first 5 years of operation.

5. Planned Business

(a) UPDATE on Monthly Financial Reports

Mr. LeClair reported that revenues on track. The most recent Regional Greenhouse Gas Initiative (RGGI) auction came in a little higher than anticipated for the second time this year. Mr. Stoddard reminded the Board that, in light of the state's decarbonization goals and the various recommendations coming out of the MCC, it may be time to reconsider whether EMT continues to deploy finite RGGI funds for incentives on fossil-fuel equipment.

(b) APPROVE FY2021 Budget Adjustments

Mr. Eglinton reported that the Staff proposes to adjust the FY2021 budget to shift \$850,000 of electric procurement funding from Distributor Initiatives to Retail Initiatives to reflect the relative levels of heat pump water heater sales between the two channels. In particular, the pilot promotion currently underway at Home Depot locations to test instant discounts is proving to be more popular than initially anticipated.

ACTION: Upon a motion duly made (Ms. Welsh) and seconded (Mr. Burgess) the Board voted unanimously to move to transfer \$850,000 of electric procurement funding from Distributor Initiatives to Retail Initiatives. Upon approval, the budget adjustment will result in no net change to the total FY2021 source of funding (revenue) and expenditure budgets.

(c) APPROVE Acceptance of Certain Funds from the Settlement of the New England Clean Energy Connect (NECEC) to fund Heat Pumps, EV Initiatives, and Low Income Initiatives.

Mr. Stoddard explained that the Staff is recommending Board approval of accepting certain funds, to be paid in the future, from the settlement of the NECEC project. The funds would be used to promote heat pump programs and EV initiatives, both of which are consistent with the scope and purpose of the Efficiency Maine Trust Act. Each fund consists of \$15 million to be paid in quarterly installments over five years.

Mr. Stoddard added that there are \$50 million in additional settlement funds set aside for initiatives to reduce energy costs for low-income customers. These funds are to be used at the discretion of the Office of the Public Advocate (OPA) and allocated on an annual basis over 40 years. Given the nexus with EMT programs, some of these funds may ultimately come to EMT. Mr. Burgess and the Governor's Energy Office have therefore requested that the Board also move to accept the annual payments (\$1.25 million) from this subset of funds for up to, but not to exceed, the first two years of the payments.

Ms. MacDonald asked if the OPA or any other group would be revisiting the low-income funds annually to see how they can best be used. Mr. Burgess explained that stakeholders are looking into whether the funds can be securitized to provide a larger upfront sum. He noted that the funds are flexible and may be administered by EMT, MaineHousing, or other groups moving forward. Mr. Brennan requested that MaineHousing be kept informed of these

discussions. Mr. Boyle asked how the funds will be tracked; Mr. Leclair explained that EMT would create individual accounts for each funding stream and track them separately.

ACTION: Upon a motion duly made (Mr. Burgess) and seconded (Ms. MacDonald) the Board voted (Mr. Boyle abstaining) to approve the acceptance of payments made to establish the Heat Pump Fund, the EV Funds, and the Low-Income Fund described in the settlement of Public Utilities Commission (PUC) Docket No. 2017-00232, and authorize the Executive Director to enter into agreements governing the administration and accounting for those funds consistent with the purpose and provisions of the Efficiency Maine Trust Act. The Board also approved amending the Triennial Plan, as necessary, to reflect the addition of these funds.

(d) PRESENTATION on the Triennial Plan V – Legal Framework & Process Overview

Mr. Stoddard presented an overview of the legal basis for the Triennial Plan, a three-year strategic framework for EMT operations. The plan must be approved by the Board and the PUC. Staff has initiated the planning process; EMT will conduct research and analysis over the next few months, solicit input from stakeholders and the Board through July, and present a draft plan for Board approval in August. The plan will be ready for PUC submission in the fall.

Mr. Hodsdon asked if EMT has met its statutory goals. Mr. Stoddard replied that many of them were met and exceeded, including lowering energy costs, reducing peak demand, and reducing heating fuel use. Other targets, such as weatherizing a certain number of homes, are not on track. Some of these goals will be updated for the next plan, both to reflect a new time period (many of them sunset in 2020), and to account for new initiatives, like EVs and heat pumps, that have been introduced by the Legislature.

Ms. MacDonald asked if stakeholder engagement is adaptable to COVID-19 precautions and restrictions. Mr. Stoddard noted that the past nine months have been good practice for the Staff, and more stakeholders than ever may have access to engagement through virtual means. He pointed to the MCC as a good example of how important and substantive exchanges of ideas can happen on virtual platforms.

(e) UPDATE on Maine Climate Council's Climate Action Plan.

Mr. Stoddard began his update of the MCC's Climate Action Plan by sharing the implementation chart from the Governor's Office. This chart outlines actions suggested by the MCC, and identifies the relevant implementing agency. EMT is mentioned many times. Mr. Stoddard added that meeting the ambitious goals of the plan would require more than rebate and incentive programs, stressing the importance of regulation, codes and standards, and education and awareness campaigns.

Ms. MacDonald noted that it would be helpful for Staff to keep the Board informed of any additional resources or other organizational changes required for EMT to fulfill its role in accomplishing the state's goals. Mr. Stoddard replied that more conversations need to take place to figure out the full implications of the Climate Action Plan before anything more is known. As more information comes to light, the Staff will keep the Board informed of what

will be expected of EMT.

6. New Business

None.

7. Next Meeting Agenda and Scheduling

The next Board meeting is scheduled for January 20, 2020.

8. Adjourn

ACTION: Upon a motion duly made (Mr. Stapp) and seconded (Mr. Brennan), the Board voted unanimously to adjourn the Board Meeting at 11:59 a.m.