

**Efficiency Maine Trust
Board Meeting Minutes
February 24, 2021**

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 (left at 10 a.m)
- 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
- Jack Riordan
- Michael Stoddard
- Satchel Toole

Other Attendees:

- Barry Bernier, Mechanical Services
- Divita Bhandari, Synapse Energy Economics
- Kenneth Capron
- Max Chang, Synapse Energy Economics
- Kenneth Colburn, EMT Board Nominee
- Ryan Collins, ERS Inc.
- David Costello, NRCM
- Dana Fischer, Mitsubishi Electric
- Jon Gordon, Enervee
- Mark Isaacson, EMT Board Nominee
- Steve Kahl
- Dot Kelly
- Travis Mills
- Larry Simpson, Enervee
- Christie Whitcomb, Hometown Heat Pumps
- Paul Young, Juice Bar EV

1. Welcome and Introductions

Mr. Hodsdon called the meeting to order at 9:37 a.m.

2. Approve Agenda and Minutes

Mr. Stoddard requested the addition of an agenda item to “APPROVE Annual Update to the Triennial Plan Budget and Metrics.” He suggested that the Board address the Synapse-related items first, then the new agenda item, followed by the heat pump trajectory topic.

ACTION: Upon a motion duly made (Mr. Poole) and seconded (Ms. Welsh), the Board voted unanimously to approve the revised agenda and the January 20, 2021 Board Meeting Minutes.

3. Public Comment on Agenda Items

Mr. Fischer was recognized and offered greetings to the Board and Staff.

4. Executive Director's Report

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

- EMT has seen an elevated level of press lately, particularly around heat pump and electric vehicle (EV) activity and the nexus with Maine's new Climate Action Plan. The press has also covered the Commercial and Industrial (C&I) Prescriptive Program's (CIP's) various Funding Opportunity Notices (FONs), including its latest Small Municipality Retrofit FON – an initiative leveraging funds from EMT and The Nature Conservancy in Maine.
- Inbound phone calls for the EMT's call center were down slightly in January. The vast majority of all calls this year have been about heat pumps.
- Central Maine Power (CMP) has received press attention surrounding its challenges in accommodating Maine's booming solar energy development within its distribution system planning process. The utility has acknowledged that it struggled to keep up with new applications for interconnection agreements, and in some cases made cost calculation errors. The Maine Public Utilities Commission (PUC) has opened a proceeding to review these issues.
- CIP's Small Municipality Retrofit FON is its fourth special promotion designed to maintain program momentum during COVID-19. The program has received ten project applications so far. CIP is also experimenting with innovative technology to complete virtual project inspections, similar to that being deployed in the Home Energy Savings Program (HESP).
- Activity in the Small Business Initiative (SBI) has slowed during the pandemic, as smaller businesses seem to be holding off on investments amid economic uncertainty. Uptake on the program's new incentives for heat pump retrofits is so far minimal. However, it is standard to see a 6-month ramp-up period for new measures.
- HESP continues to see record numbers of heat pump installations. Weatherization has slowed down due to many factors, among them the fact that Maine is going through a building boom and there is competition for a similar workforce. Ms. MacDonald asked if low heating prices are also a factor, and Mr. Stoddard agreed that fuel prices make it harder to market EMT's programs. Mr. Brennan noted that EMT and MaineHousing are working together to brainstorm workforce development opportunities.
- Low-Income Initiatives is collaborating with MaineHousing and the Department of Health and Human Services (DHHS) to reach more homes. EMT has experienced challenges in identifying eligible households due to data confidentiality concerns, and is actively working through these roadblocks with the help of these agencies and the Governor's Energy Office.
- EV Initiatives launched a Request for Proposals to expand fast charging networks in Central Maine and along Route 1 between Rockland and Ellsworth. EMT is seeing a growing interest in EVs among municipalities looking to access rebates for fleet vehicles.

5. **Planned Business**

(a) **UPDATE on Monthly Financial Reports**

Mr. LeClair reported that revenues are mostly on track. The Trust has also begun to receive payments from the New England Clean Energy Connect (NECEC) settlement.

(b) **APPROVE FY2021 Budget Adjustments**

Mr. Eglinton reported that the Staff proposes to adjust the FY2021 budget to shift \$40,570 of natural gas procurement funding from CIP and Distributor Initiatives to the C&I Custom Program, to cover a recently awarded project in Summit territory. Mr. Isaacson asked if the process of administering natural gas funds by individual local distribution company could be simplified. Mr. Stoddard said the EMT will have the opportunity to make such a proposal through the upcoming Triennial Plan process.

ACTION: Upon a motion duly made (Ms. Welsh) and seconded (Mr. Poole) the Board voted unanimously to transfer \$32,000 of natural gas procurement funding from the C&I Prescriptive program and \$8,570 from Distributor Initiatives to the C&I Custom Program. Upon approval, the budget adjustment described in Mr. Leclair's February 24 memo will result in no net change to the total FY2021 source of funding (revenue) and expenditure budgets.

(c) **PRESENTATION on Statewide Avoided Transmission and Distribution Costs for Maine, Synapse Energy Economics, Inc. and EMT staff.**

In June 2019, EMT filed its first request for a significant change to Triennial Plan IV (Significant Change 1), seeking PUC approval to apply new methodologies and assumptions (M&As) consistent with the provisions of LD 1757. Among its provisions, LD 1757 states that the avoided energy costs must include the "Statewide average value of avoided marginal transmission and distribution costs."¹ In its request for Significant Change 1, EMT noted that it was providing a value only for the regional avoided costs for pooled transmission facilities (PTF) calculated in the Avoided Energy Supply (AES) 2018 Report that are used by program administrators across New England. At the time, EMT did not have sufficient evidence in the record to support a state-specific value for avoided T&D.

Subsequently, EMT engaged Synapse Energy Economics (Synapse) to calculate Maine's avoided T&D costs using the methodology included in the AES Report. Ms. Bhandari and Mr. Chang provided an overview of this methodology and the study results. They based the analysis on future load growth projections for budgeted projects in CMP territory.

Mr. Poole expressed some concern over the study's lack of data from Versant territory and asked about the magnitude of the impact on EMT's total avoided costs. Mr. Burnes suggested that it was better to use a conservative value than to employ no value at all. He said that the impact of the new avoided costs would be greater for measures that avoid peak energy use (by virtue of having a "high coincidence factor" with the system peak). Mr. Chang noted that it would result in an increase of roughly 20% in total avoided energy costs for such measures having a high coincidence factor. Mr. Boyle asked if the Board would have another

¹ 35-A MRSA §10110, sub-§4-A (B)

opportunity to update these figures in the future. Mr. Stoddard explained that EMT can always propose changes to the PUC through the Triennial Plan Annual Update process. Mr. Boyle asked why Versant was not part of the analysis. Mr. Burnes explained that EMT gave them the opportunity to participate but they did not. EMT will re-attempt to include Versant data in the next update.

(d) APPROVE Inclusion of New Statewide Avoided T&D Costs in Annual Update to Triennial Plan IV

ACTION: Upon a motion duly made (Mr. Poole) and seconded (Mr. Fletcher) the Board voted unanimously to approve a significant change to Triennial Plan IV to incorporate statewide avoided transmission and distribution cost values in its methodologies and assumptions, consistent with Mr. Stoddard's February 24, 2021 memo. Mr. Burgess abstained from the vote.

(e) APPROVE Annual Update to the Triennial Plan IV Budget and Metrics

Mr. Stoddard explained that EMT can submit updates to the Triennial Plan at any time during the year when approval for a significant change is being requested, but must also file an Annual Update every year on March 1 (even if no significant change is being proposed). This year, in addition to the significant change associated with the new avoided T&D costs, there are a few discrete, sizeable budgetary changes for FY2022 that EMT seeks to report to the PUC. Two of these changes include items that have been discussed previously by the Board, namely the acceptance of NECEC and VW settlement funds. Staff is also proposing allocating \$3,263,227 of new (FY 2022) RGGI revenues for HESP Unregulated Fuels Measures. This change is intended to signal to the marketplace that HESP will provide continuity in the weatherization market.

ACTION: Upon a motion duly made (Mr. Poole) and seconded (Ms. Welsh) the Board voted unanimously to authorize the Executive Director to file the amended Appendix B Budget and Performance Metrics, 2021 Annual Update, as described in Mr. Stoddard's February 23 memo, with the PUC.

(f) PRESENTATION on Heat Pump Targets and Trajectory, EMT Staff

This item was discussed after item G.

Mr. Burnes provided an overview of EMT's progress towards meeting the statewide goal of installing 100,000 heat pumps in Maine between FY2020 and FY2025. Given EMT's current forecasted funding streams, Staff is confident that it is on track to meet this target. Mr. Burnes then addressed the longer-term MCC Climate Action Plan goal of installing the equivalent of roughly 650,000 heat pumps by FY2030. Meeting this target will require a comprehensive approach beyond just financial incentives from EMT; the state will need to consider codes and standards, as well as significant education and training. Mr. Burnes noted that the technology is also evolving, and EMT will continue to support market transformation. For example, when boilers burn out there is no simple heat pump replacement solution. EMT's Innovation Program will be monitoring this closely.

Mr. Eglinton added that there are heat pumps being installed that meet EMT's program eligibility requirements but are not rebated, and therefore not counted in its forecasts. An

action item for the organization is to survey past customers and installers to quantify this “spillover.”

Ms. MacDonald commented that she appreciated seeing numbers and graphs and asked if the Board could be updated on heat pump targets and results in the ED Report.

(g) APPROVE Membership Renewal for Consortium for Energy Efficiency (CEE)

Mr. Eglinton explained that the Staff requests authorization to renew EMT’s CEE membership for 2021 at a cost of \$23,159. This membership is valuable because it allows EMT to share its work broadly while granting insight into other states’ approaches to problem-solving, marketing, and emerging opportunities as well as networking opportunities.

ACTION: Upon a motion duly made (Mr. Burgess) and seconded (Mr. Fletcher) the Board voted unanimously to authorize the Executive Director to renew EMT’s membership in the Consortium for Energy Efficiency for 2021 in the amount of \$23,159.

6. New Business

Mr. Stoddard used the end of the meeting to give a heartfelt thanks to Mr. Stapp and Mr. Fletcher for their time and effort as board members. Mr. Isaacson and Mr. Colburn will take over their seats and are expected to be confirmed before the next Board Meeting.

7. Next Meeting Agenda and Scheduling

The next Board Meeting is scheduled for March 24, 2021.

8. Adjourn

ACTION: Upon a motion duly made (Mr. Poole) and seconded (Mr. Fletcher), the Board voted unanimously to adjourn the Board Meeting at 12:07 p.m.