

**Efficiency Maine Trust
Board Meeting Minutes
April 28, 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, Secretary
- Dan Brennan
- Dan Burgess
- Kenneth Colburn
- Al Hodsdon
- Mark Isaacson
- Suzanne MacDonald, Chair
- Glenn Poole, Treasurer
- Joan Welsh, Vice Chair

Efficiency Maine Trust (EMT) Staff:

- Ian Burnes
- Emily Cushman
- Peter Eglinton
- Monte Haynes
- Greg Leclair
- Laura Martel
- Kate Rankin
- Tim Reed
- Michael Stoddard
- Satchel Toole

Other Attendees:

- Clifford Babkirk, WindowDressers
- Josh Caldwell, Natural Resource Council of Maine
- Jon Gordon, Enervee
- Linda Guthrie
- Michelle Marean, DNV
- Kyle Moran, Central Maine Power
- Kenneth Capron, MicroRail Inc.
- Matthew Jones, TRC

1. Welcome and Introductions

Ms. MacDonald called the meeting to order at 9:32 a.m.

2. Approve Agenda and Minutes

ACTION: Upon a motion duly made (Mr. Poole) and seconded (Mr. Colburn), the Board voted unanimously to approve the agenda and the March 24, 2021 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:

- The Commercial and Industrial (C&I) Prescriptive Program (CIP) has increased its pipeline and launched a Funding Opportunity Notice (FON) for Hospitality Retrofits on April 1, 2021. The program is looking for assistance in spreading information about this FON to interested parties.
- The Small Business Initiative (SBI) has seen increased uptake in incentives for high-performance heat pumps. As the Board moves into budget allocations, Mr. Stoddard said it will be important to remember that this measure was new this year and has experienced a gradual ramp up in demand due to the time it takes to inform vendors and customers in the marketplace. A full year at the current rate of demand would likely invest the whole budget.
- The Home Energy Savings Program (HESP) continues to see high demand for heat pump rebates. Weatherization rebate activity remains low.
- Distributor Initiatives reports that heat pump water heaters comprised approximately 80% of electric water heaters sold in the state.
- Low-Income Initiatives are on track to rebate 600 heat pump water heaters by the end of the year. The program has also started to deploy New England Clean Energy Connect (NECEC) settlement funds for heat pump water heaters, weatherization, and heat pumps.
- The Innovation Program's Phase Change Material (PCM) pilot program now has three commercial customers signed up. The program's team is also working on the Electric Vehicle (EV) Smart Charge pilot, which programs car chargers to charge during off-peak hours. The Staff will give the Board a presentation on this pilot's load shifting data once it is available.
- EMT's management team is beginning planning to reopen both offices.
- Mr. Burgess offered support with marketing CIP's Hospitality FON. He also asked if there are demand management and controls for smart thermostats. Mr. Eglinton pointed Mr. Burgess to the hospitality webpage for information on the FON and explained that EMT does not currently offer a demand management program for smart thermostats.

5. Planned Business

(a) UPDATE on Monthly Financial Reports

Mr. LeClair reported that revenues are on target and that he is monitoring when the NECEC Dirigo Funds will be made available. The funds are expected to be transferred in a one-time payment. Mr. Stoddard added that the timing of this payment is important to EV Initiatives as

the program moves towards fully investing the EV Rebate budget.

(b) APPROVE FY2021 Budget Adjustments

Mr. Eglinton explained that the staff proposes to make the following budget shifts:

- \$2,067,000 in Volkswagen (VW) Settlement Funds from fund balance into the budget to support anticipated, growing demand for incentives for EVs and charging equipment in this fiscal year;
- \$700,000 in electric procurement from the CIP to Distributor Initiatives to support anticipated demand for incentives for heat pump water heaters; and
- \$100,000 from Interagency Transfers (electric procurement funding), originally allocated for the Maine Public Utilities Commission (PUC) but now not needed, to support the Efficiency Maine Reporting & Tracking System (effRT) Database.

Mr. Isaacson asked if the effRT database is a custom program or an openly available program. Mr. Eglinton explained that effRT is a custom database that was created for EMT many years ago. It is customizable for EMT's programs, but changes are made by both the Staff and an outside contractor.

ACTION: Upon a motion duly made (Mr. Hodsdon) and seconded (Mr. Colburn) the Board voted unanimously to adjust the FY2021 source of funding (revenue) and expenditure budgets as described above, resulting in a total FY2021 source of funding (revenue) and expenditure budgets of \$114,318,203 and \$ 106,864,526, respectively.

(c) APPROVE Triennial Plan FY022 Procurement Request

Mr. Stoddard explained Staff's recommendation for electric and natural gas procurements for Fiscal Year 2022 (FY2022). Using the most recent accounting of processed invoices and its best estimates of program activity through the end of this fiscal year, Staff has estimated the year-end carryforward of unspent, uncommitted electric procurement and natural gas procurement funds for FY2021. Staff proposes applying uncommitted carryforward in the amount of \$3,010,000 from the electric procurement and \$960,000 from the natural gas procurement to offset utility assessments in the next fiscal year (FY2022).

Mr. Isaacson asked if the provisions regarding this netting appear in a statute or some other directive. Mr. Stoddard explained that a PUC order contains the directives regarding the practice of netting out funds from the following year's procurement(s). (There is a provision in statute governing the use of carryforward funds from natural gas utilities, but there is no such provision in statute governing the use of carryforward funds from electric utilities.)

Mr. Eglinton added that this memo does not seek to change the total budget amount for next year.

ACTION: Upon a motion duly made (Mr. Hodsdon) and seconded (Mr. Isaacson) the Board voted unanimously to adjust the requested Electric Efficiency Procurement to \$48,647,484 after applying a good faith estimate of \$3,010,000 in carryforward funding toward the FY 2022 Electric Efficiency Procurement; and adjust the requested Natural Gas Procurements to \$169,412 after applying a good faith estimate of the following carryforward funding toward

the FY2022 Natural Gas Procurement: \$620,000 for Unitil, \$60,000 for Maine Natural Gas, \$220,000 for Bangor Natural Gas, and \$60,000 for Summit Natural Gas. Mr. Poole was absent from the vote.

(d) APPROVE Bidder Request to Treat Certain Elements of Proposal as Confidential Information

Mr. Eglinton explained that Energy & Resource Solutions (ERS) recently submitted a proposal in response to EMT's recent Request for Proposals (RFP) for Residential Heat Pump Impact Evaluation (EM-009-2021) and indicated its desire that certain elements of the proposal remain confidential. Mr. Eglinton added that the Staff recommends approving the "confidential" designation on the information specified in the letter from ERS.

The Board discussed the fact that the statute does not allow it to delegate these decisions to EMT Staff and the authority and rationale for designating certain records as confidential.

ACTION: Upon a motion duly made (Ms. Welsh) and seconded (Mr. Hodsdon) the Board voted 8-1 to approve the "confidential record" designation request for the draft evaluation report described in the letter from Gary Epstein dated April 9, 2021.

(e) PRESENTATIONS on Triennial Plan V Topics

i. Small Business Initiative (SBI) Program Evaluation (continued)

Ms. Martel completed the second half of her presentation of the SBI program evaluation (initiated at the March 24, 2021 Board Meeting). This evaluation estimated the program's gross energy savings, the summer and winter demand reductions, and fossil fuel impacts by conducting detailed measurement and verification on a sample of projects (all lighting measures). It calculated a "realization rate" equal to the ratio of evaluated savings to claimed savings. Based on the results, it recommended changes to the Technical Reference Manual (TRM) and factor schedule in EMT's effRT project tracking database.

ii. Avoided Energy Supply Cost (AESC) 2021 Study (Synapse Energy Economics, Inc.)

Mr. Knight explained that the study found generally lower avoided costs than the previous 2018 study. The two major drivers that his team investigated are the lower cost projections for natural gas and the lower cost projections for the Regional Greenhouse Gas Initiative (RGGI). Additionally, capacity has a lower and shallower supply curve, leading to decreased costs. These decreased values were partially offset by the increasing Renewable Portfolio Standard (RPS).

The Board asked questions about differences from state to state, the impact of the new RPS, how RGGI factored into the clearing price, and the causes for changes in the winter peak.

Mr. Stoddard asked if the supply costs and RPS costs assume construction of the NECEC line in Maine, and if they factored in assumptions about beneficial electrification in Maine. Mr. Knight explained that they did factor in the NECEC line.

Ms. MacDonald asked if AESC addresses other values related to social factors for use in avoided cost calculations. Mr. Knight explained that the study does address values related to social factors that states may consider for inclusion in their benefit-cost analysis.

Mr. Poole asked if the cost of carbon is included in the models, noting that RGGI captures it to some extent. Mr. Knight answered that the analysis includes embedded carbon costs and non-embedded carbon costs. Non-embedded carbon costs take the social cost of carbon and subtract the RGGI cost.

6. New Business

None.

7. Next Meeting Agenda and Scheduling

The next Board meeting is scheduled for May 26, 2021. There will also be a workshop on May 12, 2021 covering Triennial Plan V lighting topics.

8. Adjourn

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