

**Efficiency Maine Trust
Board Meeting Minutes
February 23, 2022**

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
- Kenneth Colburn
- Heather Furth
- 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
- Hope Kohtala
- Greg Leclair
- Laura Martel
- Lily McVetty
- Dan Mistro
- Sheldon Perkins
- Kate Rankin
- Jesse Remillard
- Jack Riordan
- Michael Stoddard
- Lauren Trapani
- Joanna Vollrath

Other Attendees:

- Tom Atwood, Northern Energy Services
- Katherine Birnie, Ecosystem Investment Partners
- Elise Brown, Evergreen Home Performance
- Richard Burbank, Evergreen Home Performance
- Mark Burnett, New England Spray Foam Insulation
- Nancy Dickson
- Beverly Fournier, Sealed Envelope
- Peter Fromuth
- Dot Kelly
- Clifford Krolick
- Michelle Marean
- Joel McManus, TRC Companies
- Marina Melo de Miranda, Sierra Club
- Rebecca Schultz, Natural Resources Council of Maine
- Amy Vieira
- Steve Ward

1. Welcome and Introductions

Ms. MacDonald called the meeting to order at 9:33 a.m.

2. APPROVE Agenda and Minutes

ACTION: Upon a motion duly made (Mr. Colburn) and seconded (Ms. Welsh), the Board voted unanimously to approve the agenda and the February 23, 2022 Board Meeting Minutes.

3. **Public Comment on Agenda Items**

- Ms. Brown expressed gratitude for EMT and the new Residential Registered Vendor (RRV) Liaison model. She shared that weatherization contractors are experiencing challenges related to COVID-19 and workforce development. To scale up and meet Maine Climate Council goals, Ms. Brown suggested EMT consider allocating expertise and organizational resources to assist the private sector. She identified the upcoming RRV stakeholder meeting as an important first step.
- Mr. Burnett expressed appreciation for EMT’s marketing efforts and the upcoming RRV stakeholder meeting. He explained that many weatherization businesses plan to expand, but they have concerns that EMT funds may run out.
- Ms. Melo de Miranda shared that she is thankful for EMT’s efforts to bring electric vehicle (EV) charging stations to rural parts of Maine.
- Ms. Furth asked for details about the RRV stakeholder meeting. Mr. Eglinton explained that it is intended to be a listening session in which the residential program staff listen to feedback from RRVs on how EMT can more effectively collaborate with the contractor community to weatherize more homes.
- Mr. Atwood reported a significant increase in inbound weatherization sales calls and attributed it to EMT marketing efforts. He explained that he does not have enough staff to maintain pace. Mr. Atwood asked about Triennial Plan funding for weatherization programs, and Mr. Stoddard responded that budgets for next three years are significantly larger than recent years and that the reliability of the revenues for Low- and Moderate-Income weatherization is rock solid from federal funds, and the reliability for RGGI revenues looks excellent but remains subject to the market fluctuations. Mr. Burgess added that through the Maine Jobs and Recovery Plan, the Governor’s Energy Office will start a Clean Energy Workforce Partnership for workforce training and development.

4. **Executive Director’s Report**

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

- The Association of Energy Services Professionals (AESP) awarded EMT the 2022 “Groundbreaking Program Design and Implementation Award for Residential Programs” during the annual AESP conference.
- EMT released four new videos on its EV resources webpage.
- Call Center inbound calls, emails, and mail are up significantly, driven primarily by EMT’s new marketing campaigns and increased rebate levels, leading to inquiries about insulation, heat pumps, and heat pump water heater offerings.
- The Small Business Initiative has experienced a relative slowdown, which is partly due to seasonality and the pandemic.
- The Home Energy Savings Program experienced a relatively slow summer and fall compared to one year ago, but is now forecasting to end the year with more activity than last year.
- The Retail Initiatives Program is working with retailers to drive price parity between heat pump water heaters and electric resistance water heaters.
- The Distributor Initiatives Program has seen considerable interest in its smart thermostat program for natural gas customers.

- Low Income Initiatives is preparing to ramp up activity with a \$25 million influx of federal funding from American Rescue Plan Act (ARPA), allocated to EMT through the Maine Jobs and Recovery Plan, for weatherization initiatives.
- EMT’s EV Initiatives staff is working with the Maine Department of Transportation to develop a proposal for ARPA funding for EV chargers.
- Ms. Welsh noted a misconception about increases in electricity prices and heat pump savings that she observed in a recently published letter to the editor. Mr. Stoddard explained that EMT staff is continuously working to educate Maine consumers about the performance of heat pumps, even at extreme cold temperatures, that heat pumps are the most efficient way to make heat, and that while they slightly increase electricity costs, they more than make up for it by reducing oil or propane costs. Mr. Isaacson believes that people may be comparing prices from different years. Mr. Poole cautioned the group that we shouldn’t underestimate these concerns. Mr. Burnes directed people to EMT’s online heating system cost calculator and other resources on the EMT website.

5. **Planned Business**

a) **UPDATE on Monthly Financial Reports**

Mr. LeClair reported that one utility is behind on payments and that the ARPA funding transfer logistics are still being sorted.

b) **APPROVE Budget Adjustment**

Mr. Eglinton proposed adjusting the FY2022 budget to shift \$1,000,000 of electric procurement funding from the Distributor Initiatives Program to the Retail Initiatives Program, to reflect staff’s revised forecasts of the allocation of heat pump water heater sales between the two channels. The total funding for heat pump water heaters is unchanged, it is merely being shifted to a different channel.

ACTION: Upon a motion duly made (Mr. Isaacson) and seconded (Ms. Furth) the Board voted unanimously to transfer \$1,000,000 of electric procurement funding from the Distributor Initiatives Program to the Retail Initiatives Program. Upon approval, the budget adjustment will result in no net change to the total FY2022 source of funding (revenue) and expenditure budgets.

Mr. Colburn noted a concern about the potential impact of heat pump water heaters on the grid. Ms. MacDonald said she appreciated the instant discount from an equity perspective. Mr. Stoddard and Mr. Eglinton commented that Low Income Initiatives is collaborating with the Department of Health and Human Services (DHHS) to identify more low-income households and expand heat pump water heater reach through the direct install channel.

c) **APPROVE Write-Offs of Bad Debt**

Mr. Haynes provided an overview of the staff’s request for approval to write-off 43 loans in the amount of \$198,510.82 for uncollectable, or “bad”, debt. Mr. Stoddard explained that this is phase two of a housekeeping effort. Mr. Colburn suggested that this be a standard operating procedure going forward, and Mr. Stoddard confirmed that it would be. Ms. MacDonald asked how a loan was deemed uncollectable. Mr. Stoddard replied that it is determined by a combination of the length of delinquency (at least 90 days), information gathered through

communications with the borrower about the likelihood of collecting the debt, and/or having exhausted reasonable efforts to reach the borrower and failing to do so. Mr. Poole commented that it could take over 120 days to settle the account of someone deceased. Mr. Isaacson asked if there is a consequence for write-offs. Mr. Haynes confirmed that the delinquencies are reported, affecting the borrower's credit. Mr. Brennan requested that the Board discuss the possibility of extending the collection timeframe (from 90 to 120 days) at a later date.

ACTION: Upon a motion duly made (Mr. Brennan) and seconded (Mr. Colburn) the Board voted unanimously to move to authorize the Trust to write-off as bad debt a total of \$198,510.82 in accounts receivable, as described in Mr. Haynes' February 23, 2022 memorandum and detailed in its Appendix A.

d) APPROVE Discount Rate for Calculating Net Present Value

Mr. Burnes proposed establishing a discount rate of 1% for present value calculations in the first year of Triennial Plan V (Fiscal year 2023), and establishing a process for updating the rate each subsequent year of the plan period.

Mr. Poole asked about the inflation index used in the calculation. Mr. Burnes directed Mr. Poole to the St. Louis Fed resource cited in a footnote of his February 22, 2022 memo. EMT used that number, averaged, plus 200 basis points. Mr. Poole emphasized that a higher number would make some measures look not good and vice versa. Mr. Burnes noted that only a small portion of EMT's measure portfolio is actually affected by the shift from 2.8% to 1%.

ACTION: Upon a motion duly made (Ms. Furth) and seconded (Mr. Colburn) the Board voted unanimously to use 1% for the discount rate for present value calculations in fiscal year 2023, and in each of the subsequent years it will use the average of inflation-indexed market yield on U.S. Treasury Securities at 10-year constant maturity over the previous calendar year, plus 200 basis points.

e) UPDATE on Research and Planning for Commercial Property Assessed Clean Energy (CPACE) and Green Bank Activity

Mr. Stoddard provided an overview of EMT's preliminary analysis of financing options and priorities for non-residential customers. He identified EMT's work on CPACE as the top priority; staff is actively preparing for a rulemaking and creating draft program documents, and will soon begin recruiting lender and municipality participation, and updating the website.

Ms. Welsh asked if EMT would need to hire new staff. Mr. Stoddard shared that staff anticipate the programs will start slowly and slot into existing capacity, but that EMT will continue to monitor needs as they grow. Mr. Isaacson asked what the incentive is for the mortgage holder to relinquish first position in a CPACE arrangement. Mr. Stoddard said it could make the mortgagee more fiscally sound and improve property value. Mr. Colburn asked about deadlines. Mr. Stoddard answered that there were no specific deadlines.

f) UPDATE on Innovation Program Pilots

The Board decided to table this update until next the Board meeting.

g) ELECTION of New Board Officer for the Position of Secretary

Ms. MacDonald asked those interested in the role to contact her.

6. New Business

Mr. Poole asked who he should contact questions about the Innovation Program. Mr. Stoddard said that Mr. Burnes and Mr. Riordan could answer his questions.

Mr. Stoddard shared that EMT was asked by the Department of Energy (DOE) to participate in their Cold Climate Heat Pump Challenge.

7. Next Meeting Agenda and Scheduling

The next Board meeting is scheduled for March 23 from 9:30 a.m. to 12:00 p.m.

8. Adjourn

ACTION: Upon a motion duly made (Mr. Colburn) and seconded (Mr. Brennan), the Board voted unanimously to adjourn the Board Meeting at 11:54 a.m.