

**Efficiency Maine Trust
Board Meeting Minutes
January 26, 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
- Kenneth Colburn
- Heather Furth
- Mark Isaacson
- Suzanne MacDonald, Chair
- 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
- Sheldon Perkins
- Kate Rankin
- Michael Stoddard
- Satchel Toole
- Lauren Trapani
- Joanna Vollrath

Other Attendees:

- Ross Anthony, Governor's Energy Office
- Clifford Babkirk, WindowDressers
- Katherine Birnie, Ecosystem Investment Partners
- Richard Burbank, Evergreen Home Performance
- Peter Fromuth
- Chris Healey, Enervee
- Cliff Krolick
- Joel McManus, TRC Companies
- Marina Melo de Miranda, Sierra Club
- Rebecca Schultz, Natural Resource Council of Maine
- Jack Shapiro, Natural Resource Council of Maine
- Rob Wood, The Nature Conservancy
- Steve Ward, Tide Water

1. Welcome and Introductions

Ms. MacDonald called the meeting to order at 9:42 a.m.

2. Approve Agenda and Minutes

ACTION: Upon a motion duly made (Ms. Furth) and seconded (Ms. Welsh), the Board voted unanimously to approve the revised agenda and the November 17, 2021 Board Meeting Minutes.

3. Public Comment on Agenda Items

- Mr. Burbank asked EMT to provide clear communication regarding its budgets for weatherization to help the contractor community plan for the significant scaling up of

activity that will be needed to meet the demand driven by program activities. Mr. Stoddard noted that the proposed budgets are reflected in the Triennial Plan V that was approved by the Board in September and committed EMT to continue communicating updates regarding the budget through its regular newsletters to contractors and other channels.

- Ms. Melo de Miranda asked for detail on the Electric Vehicle (EV) Initiatives plan for 2022, specifically with respect to expanding the state's EV charging network. Mr. Stoddard replied that the Staff are planning to launch a request for proposals for charging sites along Interstate 95 and Route 1 from Orono to Fort Kent, and in Washington County from Bangor to Ellsworth and Calais/Eastport. He noted that more information can be found in the Triennial Plan on the Efficiency Maine website.
- Mr. Krolick requested more resources for residential EV charging, especially in rural areas.

4. Executive Director's Report

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

- EMT has seen active press coverage in Maine Public's climate change series, providing interviews on green building, high-efficiency snowmaking, EVs, and weatherization.
- The Efficiency Maine website and Call Center have been significantly busier than usual with engagements and incoming calls.
- The Staff presented the Triennial Plan V in a workshop at the Public Utilities Commission (PUC). Staff is now preparing responses to written questions from PUC staff and other intervenors.
- The Commercial and Industrial (C&I) Prescriptive Program (CIP) is still experiencing marketplace hesitation due to COVID-19, but the pipeline of pending projects is increasing. A new horticultural lighting measure has launched, and the Variable Refrigerant Flow (VRF) measure has been updated to require controls in some circumstances.
- The C&I Custom Program has budgeted \$150,000 to support technical assistance for school decarbonization studies, per Title 35-A §10123 – School Decarbonization Program.
- The Small Business Initiative (SBI) raised the labor rate paid to contractors to remain competitive with the rate that contractors currently charge outside of EMT projects.
- The Home Energy Savings Program (HESP) has ramped up marketing for its increased rebates for air sealing and insulation and is seeing increased customer activity and interest.
- Low-Income Initiatives (LII) suffered a temporary setback when a leading distributor of heat pump water heaters announced its intent to increase pricing, which would have rendered the measure non-cost-effective through that channel. Ultimately the distributor decided not to institute the price increase.
- In EV Initiatives, Staff collaborated with the Governor's Office of Policy, Innovation, and the Future and the Governor's Energy Office to finalize a clean transportation roadmap, which was requested by the Maine Climate Council's Climate Action Plan. Additionally, supply chain issues continue to limit the number of available EVs in the state. Mr. Isaacson suggested that the Staff consider changing the eligibility price cap for EV rebates due to inflation. Mr. Stoddard explained that this can raise equity and

free ridership concerns, but that the program continues to analyze all aspects of the rebate requirements.

- Mr. Stoddard introduced three new staff members to the Board.

5. **Planned Business**

a) **UPDATE on Monthly Financial Reports**

Mr. LeClair reported that most revenues are on track except funds from the New England Clean Energy Connect (NECEC) settlement. Mr. Stoddard also mentioned that it will be important to remember that some revenues, such as American Rescue Plan Act (ARPA) funds, are administered for a 2–4-year time period and are not meant to be spent over one fiscal year. As a result, it is to be expected that EMT will carry significant budget balances from FY2022 and 23 into FY24 and 25.

b) **APPROVE FY2022 Budget Adjustments**

Mr. Eglinton explained that Staff proposes adjusting the FY2022 budget to remove pending payments from the NECEC settlement; as reported in the media, NECEC is not planning to make further payments on the settlement, including to EMT, while the corridor project is suspended. Staff proposes adding Regional Greenhouse Gas Initiative (RGGI) revenue from fund balance to replace a portion of reduced NECEC funding and to provide additional weatherization funds to meet the aggressive new goals in Maine’s Climate Action Plan. Finally, Staff proposed shifting Volkswagen (VW) Settlement funds from EV rebates to charging infrastructure to reverse a FY2021 stopgap budget shift.

Ms. MacDonald commented that the loss of the NECEC settlement revenues is significant to EMT’s budget.

Mr. Colburn asked whether there are policy guidelines with respect to allocating RGGI funds, and whether EV Initiatives are eligible. Mr. Stoddard provided a brief history of the different statutory requirements, noting that the current law leaves the decision at the discretion of the EMT Board. Traditionally, EMT has allocated RGGI funds to programs serving various economic sectors (e.g., residential, commercial, industrial) according to each sector’s relative share of load. However, Staff has recently shifted focus somewhat toward funding priorities set forth in the Maine Climate Action Plan. He also noted that the Staff’s reading of the statute is that RGGI funds are not eligible for EV uses.

ACTION: Upon a motion duly made (Mr. Isaacson) and seconded (Mr. Colburn) the Board voted unanimously to adjust the FY2022 source of funding (revenue) and expenditure budgets as described above, resulting in a total FY2022 source of funding (revenue) and expenditure budgets of \$147,652,108 and \$136,557,280, respectively.

c) **UPDATE on EMT Loan Portfolio and Financing Initiatives**

Mr. Stoddard provided an overview of EMT’s loan programs and new offerings that the Staff may pursue with the new “Green Bank” authority. He covered the eligible uses for residential loans and small business loans, EMT’s terms and conditions for financing, the process of applying over the phone or internet, and the number of loans by term length and FICO credit

score.

Mr. Colburn noted that loans are an insufficient tool for spurring activity among customers with FICO scores under 580. He reiterated his past support for tariffed on-bill financing, and encouraged EMT staff to reach out the utilities to discuss the idea further. Mr. Brennan noted that it would be interesting to see the FICO scores for EMT's past delinquencies.

d) APPROVE Use of Financing Leases as an Approved Financial Product for Offer to Government Entities by the Clean Energy & Sustainability Accelerator

Mr. Stoddard explained that EMT intends to direct \$15 million in ARPA funds to support projects at schools, municipalities, and county governments. Typically, where government entities cannot commit to long-term debt beyond their current budget periods, the concept of a "financing lease" can serve as a useful solution. The Staff would therefore like Board approval to use financing leases, such as a municipal lease product, as a complement for other financing offerings where appropriate. Mr. Stoddard noted that this is allowable under EMT's statute.

ACTION: Upon a motion duly made (Mr. Brennan) and seconded (Mr. Colburn) the Board voted unanimously to approve the use of financing leases, including but not limited to a municipal lease, a lease-purchase agreement, an installment sale contract, and an installment purchase agreement by the Trust's Clean Energy and Sustainability Accelerator.

6. New Business

Trustee James Boyle has been elected to the State Legislature and has submitted his resignation to the EMT Board. Confirmation of another board member is scheduled for February.

7. Next Meeting Agenda and Scheduling

The next Board meeting will be scheduled for February 23, 2022 at 9:30 a.m.

8. Adjourn

ACTION: Upon a motion duly made (Mr. Isaacson) and seconded (Mr. Colburn), the Board voted unanimously to adjourn the Board Meeting at 12:02 a.m.