

**Efficiency Maine Trust
Board Meeting Minutes
July 26, 2023**

The July meeting of the Board was conducted in person at the Trust's office at 168 Capitol Street in Augusta, Maine. The option to participate by phone and online video conferencing was also available.

Trustees

- Dan Brennan
- Dan Burgess
- Kenneth Colburn, Treasurer
- Heather Furth
- Mark Isaacson
- Suzanne MacDonald, Chair
- Glenn Poole, Vice Chair
- Chris Rauscher
- Joan Welsh, Secretary

Efficiency Maine Trust (EMT) Staff:

- Ian Burnes
- Emily Cushman
- Hogan Dwyer
- Peter Eglinton
- Hope Kohtala
- Greg Leclair
- Sheldon Perkins
- Kate Rankin
- Jesse Remillard
- Lauren Scott
- Michael Stoddard
- Joanna Vollrath

Other Attendees:

- Ross Anthony, Governor's Energy Office (GEO)
- Richard Burbank, Evergreen Home Performance
- Matthew Boucher, International Flavors and Fragrances (IFF)

1. Welcome and Introductions

Ms. MacDonald called the meeting to order at 9:31 a.m.

2. APPROVE Agenda and Minutes

There were two suggested corrections to the June minutes. Mr. Poole noted that the officer labels need to be updated. Ms. Cushman noted that section 5(b) should state that Staff proposed shifting a portion of the budget from the C&I Prescriptive Program to the C&I Custom Program, not the reverse.

ACTION: Upon a motion duly made (Mr. Poole) and seconded (Mr. Colburn), the Board voted unanimously to approve the agenda and the corrected June 28, 2023, Board Meeting Minutes.

3. Public Comment on Agenda Items

Mr. Burbank commented that he would appreciate it if the Executive Director's (ED) Report were published further in advance of the Board meeting.

4. **Executive Director's Report**

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

- On July 21, Staff attended a press conference at Kennebec Valley Community College where the Governor announced that Maine has met the goal of installing 100,000 heat pumps (since July 1, 2019) two years ahead of schedule. Other attendees at the event included the White House senior climate advisor, Governor's Office staff, community college representatives, and heat pump installers. Mr. Stoddard expressed appreciation for the opportunity at the event to thank EMT staff and participating installers for the roles they played in achieving this goal. The Governor expressed a desire to sustain momentum, committing to a new goal of installing an additional 175,000 heat pumps by 2027. Ms. MacDonald inquired about how this new target was developed and what the implications were for the Triennial Plan and its budget. Mr. Stoddard explained that EMT and the governor's team developed a trajectory linking the current pace of installations to the ultimate heat pump targets set in Maine's Climate Action Plan. He noted that, while the budget to achieve this goal is not entirely solidified, EMT sees a pathway with the combination of current funds, new federal funds, and new electric procurement funds arising out of LD 1724 – the Beneficial Electrification Policy Act. He also noted that the goals are for the state as a whole, including EMT-rebated units, Maine State Housing Authority (MSHA) installations, and projects completed using only private investments. Staff is working on ways to quantify the non-rebated figures to assist with this statewide tracking.
- EMT is currently applying for and considering a number of federal grant opportunities. For example, Staff recently submitted one full proposal and another concept-level proposal, both of which aim to expand the whole-home heat pump pilot for stick-built and manufactured homes owned by low-income Mainers in rural areas. It also submitted a proposal in May to capitalize a revolving loan fund to support energy audits and project implementation in congregate housing. Mr. Stoddard noted that he has been providing updates on these activities through the ED Report, but wondered if there should be more upfront involvement from the Board with respect to proposal direction. He noted that the Board must ultimately vote on whether to accept federal funding. Ms. MacDonald suggested that EMT's higher level goals in the Triennial Plan should guide the Staff's thinking and planning for these grant opportunities. She added that future versions of the Triennial Plan should detail priorities within known funding constraints, and then add a "nice to have" list that EMT can return to when new funding opportunities arise. Given that the Board provides input on and approves the Triennial Plan, Staff does not need to consult the Board on more granular decisions. Mr. Stoddard confirmed that the Staff is focused on leveraging these grants to advance the significant heat pump goals in Maine's Climate Action Plan (as also reflected in the Triennial Plan). Mr. Brennan agreed with Ms. MacDonald; if an opportunity arises that is time sensitive and consistent with the Triennial Plan, he suggested the Staff should have the latitude to determine the specifics.
- EMT has started to shift focus toward promoting the heat pumps to serve as a whole-building solution rather than as merely a partial or supplemental heating system. This transition has already occurred for the C&I programs. On the residential side, Staff is doing considerable outreach to the vendor community (installers, manufacturers,

distributors) to formulate a workable program design. Ms. MacDonald asked about multifamily units and how these fit in with the whole-home transition. Mr. Stoddard clarified that for multifamily buildings, EMT considers each apartment unit a “zone.” Mr. Eglinton added that the goal is to eliminate competition between the heat pump and the central fossil fuel-fired heating system. He also noted that the \$2,000 federal tax credit represents a significant new incentive development for heat pumps. Installers looking to market partial solutions can point to the federal tax credit as a significant financial incentive. Mr. Burnes commented that Staff plans to conduct ongoing monitoring of heat pump systems in the C&I program to incorporate any learnings early (rather than wait three years for the next formal evaluation).

- In Low Income Initiatives, Staff has been working with the Pasamaquoddy tribe to install 45 heat pumps in the coming weeks.
- In Electric Vehicle (EV) Initiatives, Staff reviewed 36 separate bids in response to two RFPs leveraging federal funds for public Level 3 chargers throughout the state. Mr. Colburn asked about the installation timeline. Mr. Stoddard stated that the chargers must be installed within 12 months of when the bid is accepted. He noted that EMT has the latitude to issue extensions, particularly when supply chain issues cause unavoidable delays.
- Mr. Colburn asked about EMT’s participant acquisition process for the Innovation Program’s hydronic heat pump pilot. Mr. Burnes clarified that EMT is looking for five average homes around Millinocket; this will allow for proof of concept in an area where significant wind power drives negative electricity prices in the winter months. Mr. Colburn also asked if the Load Shifting Initiative (LSI) is open to everyone. Mr. Burnes clarified that LSI is currently only open to for EV charging, but that EMT plans to add battery owners in the near future.

5. Planned Business

a) UPDATE on Monthly Financial Reports

Mr. Leclair reported that revenues are generally on target. He noted that FY2023 figures are interim as Staff continues to work through some year-end tasks. He also noted that Staff expects the auditors to visit the office in the next few weeks.

b) APPROVE Memberships for FY2024

Mr. Eglinton explained that EMT is renewing membership to several associations: the Consortium for Energy Efficiency (CEE), Association of Energy Service Professionals (AESP), Northeast Energy Efficiency Partnership (NEEP), and the Maine Real Estate & Development Association (MEREDA). CEE membership allows access to workshops and reports with valuable information from programs in other states. AESP membership allows for professional development opportunities and interaction with a variety of different entities. Membership with NEEP allows EMT to participate in working groups; Lastly, membership with MEREDA allows EMT to participate in their events. EMT has

also included \$4,500 of unallocated funds to this motion to join relevant non-partisan groups without additional Board approval.

ACTION: Upon a motion duly made (Mr. Colburn) and seconded (Ms. Welsh) the Board voted to authorize the Executive Director to renew Efficiency Maine’s group memberships in FY2024 in the amount of \$38,000 or less.

c) APPROVE Confidentiality Designation for Commercial and Industrial (C&I) Custom Program Applicant

Mr. Eglinton explained that EMT’s authorizing statute and Confidential Information Management Systems (CIMS) Policy allows for information to be designated as a “confidential record” if an entity expressly requests that it be designated as such, and if the Board then determines that the record contains information that might give someone an opportunity to obtain business or competitive advantage. He noted that this is particularly relevant for applicants to the C&I Custom Program, in which EMT requires access to detailed information about facilities and their energy systems in order to assess project applications. Mr. Remillard explained that the International Flavors and Fragrances (IFF) facility, which produces carrageenan, has requested a confidentiality designation for information relevant to a proposed heat recovery project. EMT’s review of the proposal will require details of their production process and capacity, which contains sensitive business information that has the potential to impact the company’s competitive position in the global carrageenan market.

ACTION: Upon a motion duly made (Mr. Poole) and seconded (Mr. Rauscher) the Board voted to approve the “confidential record” designation request for the categories of information set forth in Mr. Boucher’s letter, dated July 18, 2023.

d) UPDATE on Board Governance Planning

Ms. MacDonald provided an overview of the proposed table of contents for the Board background information packet. Staff plans to have most of these documents compiled by September. She noted that item #2 – “Board Roles and Responsibilities” is a placeholder for a document reflecting broader discussion among all the Trustees in the coming months. The Board governance subgroup (Ms. MacDonald, Ms. Furth, Ms. Welsh, Mr. Stoddard, Mr. Eglinton, and Ms. Cushman) will meet in August to flesh out next steps in that development process, aiming to tee-up a focused conversation among all Trustees at the September or October Board meeting. Mr. Poole asked about how the background documents might reflect legislative outcomes that do not change the statute but nevertheless impact EMT programs. Mr. Stoddard suggested that Staff include the annual legislative session summary presentations in the packet.

e) PRESENTATION on Advanced Metering Infrastructure (AMI) Analysis of Heat Pump Performance

Ms. Scott presented the results of Demand Side Analytics’ AMI study of residential heat pump performance. The study used a pre/post analysis of EMT’s residential (non-multifamily) rebate recipients to estimate the impact of heat pump installation on annual

electricity consumption. The results show that average electricity use increases significantly in the winter but not in the summer. Ms. Scott explained that drops in summer usage could be attributed to participants shifting from inefficient window AC units to heat pumps in some cases, but noted that many participants did not have prior cooling capacity at all. With respect to the distribution of heating impacts, Ms. Scott noted that there are a significant number of homes using their heat pumps less than assumed in EMT's Technical Reference Manual (TRM), and some using it more than assumed. She stated that Staff plans to follow up with a participant survey. Mr. Rauscher asked how many solar customers were excluded from the study due to their participation in net energy billing. Ms. Scott said she would get back to the Board with the exact value, but it was a relatively insignificant number. Mr. Rauscher suggested that EMT leverage customers with applications that disaggregate data (e.g., SENSE) to isolate heat pump usage from other electricity demands in the home. He also suggested that EMT pilot integrated thermostats (e.g., Sensibo). Mr. Burnes noted that EMT did conduct such a pilot a few years ago.

f) UPDATE on Planning for Inflation Reduction Act (IRA) Funds

Mr. Stoddard provided a summary of Staff's initial brainstorming and discussions with GEO regarding how to incorporate IRA funds into the state's existing programs and meet the state's goals for carbon reductions through weatherization and electrification. Maine is expected to receive \$36 million for the Home Efficiency Rebates (HOMES) program and an additional \$36 million for the Home Electrification Rebates (HEEHRA) program.

HOMES provides rebates for home efficiency retrofits that achieve prescribed minimum energy saving thresholds (e.g., 20% savings and 35% savings). Higher energy savings (as demonstrated through modeling or measuring) may receive a higher rebate. HEEHRA provides point-of-sale, prescriptive rebates for electrification measures for the low- and moderate-income sector.

Federal guidance on these programs was initially scheduled to come out earlier in July, but is expected now to come out in mid-to-late August. The US Department of Energy will require all states to provide a plan on how they will use the funds according to the federal requirements. Mr. Stoddard stated that Staff is focused on pathways to prioritize program designs that advance the heat pump and weatherization goals in the Maine Climate Action Plan through existing or new channels. Among other objectives, Staff is hoping to leverage the funds to jump-start the transition to whole-building heat pump systems.

g) UPDATE On First Session of the 131st State Legislature

Tabled for August Board meeting.

6. New Business

7. Next Meeting Agenda and Scheduling

The next Board meeting is scheduled for August 23, 2023.

8. Adjourn

ACTION: Upon a motion duly made (Mr. Colburn) and seconded (Mr. Poole), the Board voted unanimously to adjourn the Board Meeting at 12:06 p.m.