

**Efficiency Maine Trust  
Board Meeting Minutes  
August 23, 2023**

*The August 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

- Suzanne MacDonald, Chair
- Chris Rauscher
- Joan Welsh, Secretary

**Efficiency Maine Trust (EMT) Staff:**

- Ian Burnes
- Emily Cushman
- Greg LeClair
- Hogan Dwyer
- Peter Eglinton
- Monte Haynes
- Hope Kohtala

- Laura Martel
- Nat Haslett
- Sheldon Perkins
- Lauren Scott
- Michael Stoddard
- Joanna Vollrath

**Other Attendees:**

- Ross Anthony, Governor's Energy Office (GEO)
- Phillip Borges, Emerson Swan, Inc.
- Richard Burbank, Evergreen Home Performance
- Matt Cannon, Sierra Club
- Joshua Henry, Timber HP
- Nichoal Hood, Hometown Heat Pumps
- Irene Flynn, Evergreen Home Performance
- Kristen Millar, Virtual Peaker

- Molly Siegel, Governor's Office of Policy Innovation and the Future
- Matt Sooy, Mitsubishi Electric Trane US HVAC
- Kiki Tidwell, York Climate Action Community
- Steve Ward, Tidewater Mortgage Services
- Christie Whitcomb, Hometown Heat Pumps

**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. Colburn) and seconded (Mr. Brennan), the Board voted unanimously to approve the revised agenda and the July 26, 2023, Board Meeting Minutes.

### 3. Public Comment on Agenda Items

- Ms. Flynn, an employee of the contractor Evergreen Home Performance, introduced herself as a resident of Rockland and shared her experience transitioning from a furnace to heat pumps in her home. After later getting her attic air sealed and insulated, she realized her heat pump system was oversized. She urged EMT to adopt the U.S. Department of Energy's (DOE's) best practices for weatherization and heat pump installations.
- Ms. Tidwell, a member of the York Energy Steering Committee and Climate Action Committee, encouraged EMT to get involved in the municipality's "community vision" development process for its green enterprise overlay district. She suggested that EMT provide rebates on electric commercial lawncare equipment.
- Mr. Burbank thanked EMT and GEO for agreeing to meet with the Maine Building Performance Association (BPA). Regarding the Inflation Reduction Act (IRA) rebates, Mr. Burbank encouraged EMT not to dismiss the "measured" savings pathway; while the administrative requirements may be more onerous, DOE does cover some of the associated costs. He acknowledged that the pay-for-performance model may put EMT in an uncomfortable "enforcement" position, but said this will help keep contractors accountable. Lastly, Mr. Burbank encouraged EMT to heed DOE's advice to encourage weatherization prior to heat pump installations.
- Mr. Henry, the co-founder of Timber HP in Madison, Maine, explained that his company has converted an old paper mill into an insulation manufacturing plant. They are one of the first in the country to make insulation products using softwood residuals from the lumber industry. Mr. Henry echoed Mr. Burbank's call to address the building envelope prior to a heat pump installation.

### 4. Executive Director's Report

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

- Efficiency Maine's Green Bank Staff have been actively participating in the American Green Bank Consortium (AGBC). This work has included developing a common vision for the state green banks for the use of federal Greenhouse Gas Reduction Funds (GGRF) funds, developing a strategy to maximize the funding to be allocated to the state green banks, and interviewing potential national bidders to forge strategic partnerships.
- Staff continues to review the new rules issued by the US DOE for allowable uses of the IRA Rebate funds and is developing plans for the use of those funds to advance the targets for weatherization and heat pumps enumerated in the EMT Act (and the State's climate action plan) and ways to incorporate the funding (and rules) into existing programs. Staff is doing outreach with various groups and individuals (including affordable housing developers and property managers) to gather their perspective regarding different consumer segments and/or building types that would be a good fit for the IRA rebates, and also with contractors, vendors, and GEO. More discussions are planned.
- The Commercial and Industrial (C&I) Prescriptive Initiatives shifted its heat pump measure to whole building (or whole zone) applications July 1. Ms. MacDonald said that it would be helpful to hear a report of how this change is being received by contractors.

- The Home Energy Savings Program (HESP) is preparing to launch a significant new initiative to encourage homeowners to replace their central heating systems with heat pumps as a whole-home solution. Mr. Stoddard commented that the new \$2,000 per year tax credit for heat pumps dwarfs EMT's current rebates. Where this federal incentive can continue to support the supplemental heat pump market, EMT is looking to direct its rebate dollars to advancing the whole-home solution market.
- In Electric Vehicle (EV) Initiatives, EMT announced seven awards for federally funded Level 3 charging stations throughout the state. Mr. Burgess asked for more detail on the Request for Proposals (RFP) for EV support services. Mr. Stoddard explained that the EV rebate program has grown to the point where in-house EMT staff need assistance fielding customer inquiries and processing transactions. Mr. Burgess suggested that a delivery team might help create an online dashboard for EV rebates. Mr. Colburn asked for more detail on the ChargePoint issues cited in the Load Shifting Initiative section of the ED Report. Mr. Burnes said he would reach out directly to Mr. Colburn to discuss.
- EMT has received a draft of the Residential Heat Pump Impact Evaluation and Board members should expect a full presentation in the coming months. Mr. Burnes explained that the results from this evaluation are similar to the commercial evaluation: there is a blended baseline comprising a mix of “retrofit” and “lost opportunity” purchasing scenarios; actual usage of heat pumps is lower than the program originally assumed; the actual energy savings is higher (due to fuel switching) than the program originally assumed; and there is a high level of customer satisfaction. Overall, the evaluators found that single-zone heat pumps rebated between FY2019 and FY2021 are cost-effective under Triennial Plan V methodologies and assumptions. Mr. Burnes added that these findings are factoring into EMT's shift towards whole-home solutions.
- In the Demand Management Program, Curtailment Service Providers (CSPs) made the first demand response calls of the season. Mr. Colburn asked about the results of that intervention. Mr. Burnes explained that the program compensates CSPs based on actual performance at the end of the summer capacity period.

## 5. Planned Business

### a) APPROVE Authorizing Executive Director to Amend Memorandum of Understanding to Modify Scope and Budget of the “Lead by Example” Initiative

Per a Memorandum of Understanding (MOU) dated December 29, 2020, between the EMT and the Office of the Attorney General (AG) for the State of Maine, EMT received approximately \$3.7 million in Volkswagen settlement funds to support a Lead by Example Initiative to promote the increased installation and use of clean, cost-effective energy measures at state properties. Though EMT has a few completed projects and several others in the pipeline, it has found that all projects are moving slower than expected. Mr. Stoddard also noted that the current MOU requires the projects to have a positive return on investment, which precludes EMT from supporting certain project proposals of interest to the Department of Administrative and Financial Services (DAFS) Bureau of General Services (BGS). After conferring with BGS and the Governor's office and the AG, EMT proposes revising the MOU to shift a portion of the uncommitted

budget to BGS, where they can deploy funds for various projects, including ones without a positive savings-to-investment ratio.

**ACTION:** Upon a motion duly made (Mr. Burgess) and seconded (Ms. Furth) the Board voted to authorize the Executive Director to amend the MOU with the Office of the AG and DAFS so the scope of work and budget enables DAFS to directly develop and fund clean energy projects in an amount up to \$1,807,777.

**b) UPDATE on First Session of the 131<sup>st</sup> State Legislature**

Mr. Stoddard provided an overview of the First Session of the 131<sup>st</sup> State Legislature. Key bills highlighted in his presentation included:

- LD 1724 - An Act to Enact the Beneficial Electrification Policy Act of 2023. This bill enables EMT to leverage electric procurement funds for fuel switching measures in certain limited circumstances: where those measures are cost-effective and would, over the life of the measures, reduce rates. It would direct the PUC to incorporate beneficial electrification measures into the calculation of electric MACE – the maximum achievable cost-effective efficiency – even if the majority of the cost savings were derived from reduced fossil fuel costs. EMT will conduct a rulemaking and anticipates incorporating the associated changes in FY2025.
- LD 187 - An Act to Eliminate the Energy Efficiency and Renewable Resource Fund (EERRF) to Provide Needs-based Low-Income Assistance. This bill discontinues the EERRF voluntary contributions and directs alternative compliance payments to the utilities' Low Income Assistance Program, effectively eliminating this funding stream and the associated demonstration grant program for EMT.
- LD 1887 - An Act to Clarify the Review and Procurement Process for Non-Wires Alternatives (NWAs). This bill ensures that future utility plans to invest in substations (and any associated equipment) are subject to the same NWA treatment as investments in any other part of the transmission and distribution system. (The statute previously excluded substations from review in the NWA process.)
- LD 258 – Governor's Budget “Change Package”. This bill amended the EMT Act by replacing “shall” with “may” in the current statutory language (35-A, Sec 10115) that directs EMT administer certain federal funds.
- In LD 256 – An Act to Add E-Bikes to the EV Rebate Program. The bill adds e-bikes to EMT’s program, limiting eligibility to low- and moderate-income (LMI) customers using bikes for commuting. Staff expects to launch the offering by the end of 2023.
- LD 815 – An Act to Provide Energy Efficiency Program Outreach and Assistance to Manufactured Housing Residents. This bill requires EMT to report on activities and results of its efforts with manufactured housing residents in FY2024-FY2026 Annual Reports.
- LD 1101- An Act to Support Lower Home Energy Costs by Establishing a Home Energy Scoring System. This bill details that EMT must establish the US DOE’s

“Home Energy Scoring System” in Maine. EMT will launch an online reporting platform/repository by June 30, 2024.

- LD 519 – Resolve, to Conduct a Vehicle-to-grid Pilot Project Using Electric School Buses. This bill calls on EMT to “assess the feasibility of implementing a vehicle-to-grid pilot project” and make recommendations to the Legislature.

**b) UPDATE on Board Governance Initiative**

Ms. MacDonald explained that the governance subgroup is developing a draft Board Roles and Responsibilities document to help memorialize some key statutory directives and general expectations to guide the work of the trustees. This document will be ready for trustees to review after Labor Day. The subgroup will seek written feedback to help guide a discussion of the document at the September meeting. Mr. Colburn wanted to thank the group for their efforts in creating this document.

**c) PRESENTATION on Elements of Triennial Plan VI**

**i. Legal Framework and Process Overview**

Mr. Stoddard presented an overview of the legal basis for the Triennial Plan, a three-year strategic framework for EMT operations. The plan must be approved by the Board and the PUC. Staff has initiated the planning process; EMT will conduct research and analysis over the next few months, solicit input from stakeholders and the Board through July, and present a draft plan for Board approval in August. The plan will be ready for PUC submission in the fall.

Mr. Burgess requested that EMT brief GEO on the scope of any background studies. Mr. Burnes highlighted an update to the residential baseline study (last updated in 2015) to include multifamily and manufactured homes. Mr. Colburn commented that GEO is charged with future-oriented thinking while EMT is often compelled to focus on the present because of MACE. He encouraged close coordination on studies. Ms. MacDonald encouraged Staff to look for synergies with other statewide, energy-related stakeholder processes underway.

**ii. Cost Effectiveness Analysis**

The Board agreed to table this agenda item for a later meeting given time constraints.

**d) UPDATE on Planning for Inflation Reduction Act Rebate Programs**

Mr. Stoddard initiated an overview of Staff’s implementation proposals for the IRA Rebate Programs. Given time constraints, the Board agreed to revisit this item at the September meeting.

**6. New Business**

Mr. Colburn shared that EMT continues to get positive Twitter coverage for its heat pump programs.

**7. Next Meeting Agenda and Scheduling**

The next board meeting is scheduled for September 27, 2023.

**8. Adjourn**

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

DRAFT