

**Efficiency Maine Trust  
Board Meeting Minutes  
September 27, 2023**

*The September 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 Burgess
- Kenneth Colburn, Treasurer
- Heather Furth
- Mark Isaacson
- Suzanne MacDonald, Chair
- Glen Poole, Vice 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
- Kate Rankin
- 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
- Steven Fennell, LaPlante Electric
- Mark Hervey, CLEAResult
- Nichoal Hood, Hometown Heat Pumps
- David Korn, Ridgeline Analytics
- Rebecca Schultz, Natural Resources Council of Maine
- Kiki Tidwell, York Climate Action Community
- William Weber, Portland Climate Action Team
- Christie Whitcomb, Hometown Heat Pumps

**1. Welcome and Introductions**

Ms. MacDonald called the meeting to order at 9:03 a.m.

**2. APPROVE Agenda and Minutes**

**ACTION:** Upon a motion duly made (Mr. Poole) and seconded (Ms. Welsh), the Board voted unanimously (with Mr. Isaacson abstaining) to approve the agenda and the August 23, 2023 Board Meeting Minutes.

### **3. Public Comment on Agenda Items**

- Ms. Tidwell expressed her enthusiasm for the Commercial Property Assessed Clean Energy (C-PACE) Program and expressed her gratitude for Staff member James Neal's recent presentation to the York select board. She suggested that EMT reach out to the Maine State Chamber of Commerce to arrange a C-PACE presentation.
- Mr. Burbank thanked EMT for hosting a stakeholder engagement session about the Inflation Reduction Act (IRA) rebate programs and other issues with the Building Performance Association.
- Mr. Weber expressed disappointment that Maine is falling short on its Climate Action Plan goal to install 15,000 heat pumps in low-income homes by 2025. He urged EMT to focus IRA rebate funds on low-income multi-family housing.

### **4. Executive Director's Report**

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

- EMT has been participating in the American Green Bank Consortium discussions in preparation for partnering with or otherwise supporting national organizations as they apply for federal Greenhouse Gas Reduction Fund (GGRF) funding.
- Virtual Customer Consultations continue to drive activity in the Commercial and Industrial (C&I) Prescriptive Initiatives. This offering emerged as a necessity during the height of the COVID-19 pandemic, and continues today as a key process improvement for recruiting program participation.
- On September 19, the Home Energy Savings Program (HESP) launched a change in program design which limits eligibility for rebates to whole-home heat pump systems. This change coincided with a number of developments, including a new federal tax credit for heat pumps (30% up to \$2,000), a need to accelerate activity to meet the Maine Climate Council's (MCC's) whole-home heat pump goals, and the release of EMT's residential heat pump evaluation results showing underusage when heat pumps are used as supplemental systems. Mr. Rauscher asked how EMT is preparing for adverse experiences (e.g., frozen pipes) among residents who disconnect their central heating systems. Mr. Stoddard commented that proper system sizing is key. He noted that the program allows for supplementation with electric space heaters and wood stoves, as well as emergency generator hookups for the old central heating system. Mr. Rauscher asked if the responsibility for a failed system would fall to the contractor. Ms. Martel confirmed that yes, it would fall to the contractors, noting that EMT has stressed to them the importance of stepping up as the primary service provider. Mr. Rausher commented that those who can provide that level of support will participate, and those who cannot will not.
- In the High-Performance Affordable Housing Pilot, Avesta anticipates receiving its Certificate of Occupancy in October, which will trigger a payment from EMT in support of the Porter Station affordable housing development in Portland that has been built, with the help of the EMT incentive, to Passive House standards.
- Staff and contractors have kicked off the Variable Refrigerant Flow (VRF) Advanced Metering Infrastructure (AMI) and Metering Study to review performance of VRF heat pump systems.

- In Finance and Administration, the independent annual audit is fully drafted and will receive a final Quality Control review by the auditor in the coming days.
- EMT held its Annual Event on September 14<sup>th</sup> where it recognized top-performing trade allies and contractors. The Industrial Energy Consumer Group (IECG) received the Phillip C. Hastings Award in recognition of its extraordinary commitment to energy efficiency in Maine. Mr. Stoddard commended Ms. MacDonald for her opening remarks. Mr. Colburn suggested that EMT record its annual event presentations in the future. Mr. Rauscher suggested that E2Tech might be a helpful resource for recording and putting out material from the Annual Event in future years. Ms. Welsh also suggested reaching out to Maine Public Radio about future events.
- Mr. Colburn commented that he spoke with the Bicycle Coalition of Maine about EMT's e-bike program, and hopes that EMT follows their guidance. Mr. Stoddard commented that EMT is leaning towards partnering with local organizations rather than creating a rebate program for individuals.

## 5. Planned Business

### a) UPDATE on Monthly Financial Report

Mr. LeClair commented that the financial reports do not reflect recently received or pending revenues from the September RGGI auction and Forward Capacity Market payments. Mr. Eglinton noted that a draft audit report and associated PowerPoint would be distributed to Board members before the next meeting.

### b) REPORT on Home Energy Savings Program (HESP) Evaluation Results

Ms. Martel provided an overview of the Residential Heat Pump Evaluation conducted by Ridgeline Energy Analytics. This evaluation looked at heat pumps installed through EMT's HESP and Low-Income Initiatives between December 2019 and June 2021. After encountering meter connectivity issues during the first winter season, EMT extended the study to a second winter to ensure the sufficiency of quality data.

The study found that EMT's initial assumptions about the type and distribution of decision type ("retrofit" vs. "lost opportunity") were inaccurate. In one regard, EMT's initial energy savings projections were overly conservative. EMT had assumed that 100% of the purchasing decisions for all-income customers were "lost opportunity," in which EMT would only count electric savings (i.e., EMT initially assumed that the customer had already decided to install a heat pump, and the impact of the program was to encourage the consumer to purchase a more efficient model than they otherwise would have). Evaluators ultimately found that 79% of all installations across both the HESP and Low Income Initiatives installations were "retrofits." In another regard, however, evaluators found that the heat pumps are not being used as much as EMT had initially assumed. Taken together, the net result showed slightly higher energy savings than EMT had originally estimated.

Also notable is the fact that multi-zone heat pump systems were deemed not cost-effective. In addition to slightly higher equipment costs in a multi-zone setup, Ms. Martel identified possible drivers to be "short cycling" and system imbalances resulting in lower efficiency.

This finding is reflected in the exclusion of multi-zone heat pumps from the recently announced whole-home heat pump rebate offering.

Ms. Martel then discussed some limitations of using AMI data to determine site-specific energy savings. She and Mr. Burnes noted that AMI analysis can be useful in determining directionality at a population level, but that on-site metering is essential for monitoring an individual location.

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

Mr. Stoddard explained that EMT is working with GEO, MaineHousing and others to create a draft proposal for implementing the Home Efficiency (HOMES) and Home Electrification (HEEHRA) IRA Rebate Programs so that EMT can share the proposals with stakeholders and get feedback.

For HOMES, Staff's initial concept is to focus on whole-home heat pump retrofits in multifamily buildings (both low-income and market-rate units) where the benefits (energy and cost savings) are most likely to outweigh the costs and administrative challenges of the extensive federal requirements (e.g., energy audits, modeling of savings, data reporting). This approach will provide a necessary boost in advancing the whole-home heat pump and low-income investment goals expressed in the State's climate action plan. Mr. Stoddard noted that EMT and MaineHousing's existing programs for single-family weatherization are robust and on track to meet the associated goals of the climate action plan; Staff is seeking to avoid disruption to these existing programs.

The federal instructions and requirements for the HEEHRA program are less onerous than HOMES. The program is restricted to low-and moderate-income participants and has specific allocation requirements for multifamily. Given these parameters, Staff's initial concept is to focus on whole-home heat pump retrofits in single-family *moderate*-income homes and multifamily *low*-income buildings. By targeting single-family moderate-income homes with a portion of the budget, EMT can stretch the funds (leveraging private dollars using a larger customer contribution to the project cost), thereby completing more projects and accelerating market transformation. Mr. Stoddard noted that single-family *low*-income homes are being served with complementary funding through other channels. As with HOMES, the initial concept is to focus the low-income HEEHRA investment on renters in multifamily buildings.

Mr. Poole asked how heat pump installations that do not receive rebates get counted towards the state's goals. Mr. Stoddard noted that EMT is actively working on a way to capture that information, but it is not readily accessible today. Mr. Isaacson asked whether staff had considered using IRA funds for heat pump water heaters. Mr. Stoddard noted that Staff had

considered it, but feels that it already has a separate funding stream for that measure and continues to lead the nation in per capita installations.

**d) UPDATE on Beneficial Electrification Rulemaking**

The Board agreed to delay this item to the November Board meeting.

**e) REVIEW Board Roles and Responsibilities Document**

Ms. MacDonald thanked Staff for launching the new Board Background webpage, which includes a series of orientation documents as well as monthly meeting materials. Mr. Stoddard then provided a brief overview of the draft Board Roles and Responsibilities document. He noted that the governance subgroup based some elements of this document on the Maine Technology Institute's (MTI's) Board guidance. He explained that the document also reflects the fact that EMT's Board is unlike typical nonprofit boards; as a quasi-state agency, a significant number of directives about the organization's purpose and duties derive directly from statute. Mr. Stoddard noted that Exhibit B: Conflict of Interest Policy was copied directly from MTI simply to provide a placeholder and illustration of one way to clarify guidance on this topic. It requires further refinement if the Board wishes to use it in this document. Mr. Rauscher stated that the Board should have a clear and robust Conflict of Interest Policy. Ms. MacDonald said the Board would revisit this topic in subsequent discussions.

**6. New Business**

**7. Next Meeting Agenda and Scheduling**

A special Board meeting will be held on October 4, 2023, at 3:00pm. The next regular Board meeting is scheduled for October 25, 2023.

**8. Adjourn**

**ACTION:** Upon a motion duly made (Mr. Isaacson) and seconded (Mr. Rauscher), the Board voted unanimously to adjourn the Board Meeting at 12:01 p.m.

**Efficiency Maine Board of Trustees – Roll Call Sheet**  
**Board Meeting Date: 9/27/2023**

Trustee	<b>Vote 1 (Y/N/A/R)</b>
<i>Agenda Item</i>	2. Approve Agenda and Minutes
<i>Motion, Second</i>	Mr. Poole, Ms. Welsh
Brennan, Daniel	A
Burgess, Dan	A
Colburn, Kenneth	Y
Furth, Heather	Y
Isaacson, Mark	R
MacDonald, Suzanne	Y
Poole, Glenn	Y
Rauscher, Christopher	Y
Welsh, Joan	Y

Y= Yes, N = No, A = Absent, R = Recused