

**Efficiency Maine Trust
Board Meeting Minutes
November 15, 2023**

The November 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
- Dan Brennan
- Kenneth Colburn, Treasurer
- Heather Furth
- Mark Isaacson
- Suzanne MacDonald, Chair
- Glen Poole, Vice Chair
- Chris Rauscher

Efficiency Maine Trust (EMT) Staff

- Emily Cushman
- Hogan Dwyer
- Peter Eglinton
- Bridget Gifford
- Steve Genovese
- Nat Haslett
- Monte Haynes
- Hope Kohtala
- Greg LeClair
- Laura Martel
- Andy Meyer
- Dan Mistro
- Sheldon Perkins
- Lauren Scott
- Michael Stoddard
- Joanna Vollrath

Other Attendees:

- Ross Anthony, Governor's Energy Office (GEO)
- David Batchelder, Rivertree Productions
- Phillip Borges, Emerson Swan Inc.
- Richard Burbank, Evergreen Home Performance
- Peter Evans, New Power Technologies
- Steven Fennell, LaPlante Electric
- J.R Girroir, Hometown Heat Pumps
- Nichoal Hood, Hometown Heat Pumps
- David Littell, Bernstein Shur
- Kristen Millar, Virtual Peaker
- Stephen Moriarty, Maine Legislature
- William Weber, Portland Climate Action Team

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. Poole) and seconded (Mr. Isaacson), the Board voted unanimously to approve the agenda and the Board meeting minutes from October 4 (Mr. Brennan, Mr. Colburn, Ms. MacDonald, Mr. Rauscher, abstaining) and October 25,

2023.

3. Public Comment on Agenda Items

- Mr. Burbank thanked EMT Staff for providing valuable data in response to his recent information request. He also recognized two EMT weatherization inspectors for their contributions, wishing them well in their next professional endeavors. Finally, Mr. Burbank shared that Evergreen Home Performance is expanding its Portland team with a number of new Mainers on staff.

4. Executive Director's Report

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

- The Commercial and Industrial (C&I) Custom Program is seeing increased uptake thanks in large part to the efforts of a full-time, dedicated program manager. Mr. Stoddard acknowledged Mr. Remillard for his continued efforts managing the program.
- EMT is seeing an uptick in the number of heat pump water heater installers. Maine continues to lead the nation in heat pump water heater adoption; 60% of new electric water heater purchases in Maine are heat pump water heaters, compared to 3% nationally. EMT rebates nearly 10,000 units annually, which translates to around one installation in Maine every 15 minutes.
- EMT has faced some criticism for its requirement that contractors disable the existing fossil-fuel-fired central heating system when installing a whole home heat pump system. A recent article in the Bangor Daily News was prompted by a letter from the Maine Energy Marketers Association (MEMA) to the Governor stating that this practice creates safety risks and code violations. Mr. Stoddard stated that Staff stands by its analysis that the practice is safe and complies with code. For customers who choose to keep their central systems, EMT continues to support standard recommendations regarding annual servicing. He noted that some of the reaction is rooted in the assumption that heat pumps stop working or lose performance at low temperatures, suggesting that a homeowner needs backup. EMT's analysis shows program-eligible systems, if properly sized and installed, can deliver heat on the coldest days of the year in Maine. Also, he noted that EMT's evaluations show a persistent conflict between heat pumps and central systems when operated concurrently, where the central systems win out and shut down the heat pumps. The requirement to disable the central system is intended to ensure that homeowners get the full value of their investment in heat pumps. Mr. Stoddard acknowledged that EMT is reviewing and considering modifications to current program guidelines to alleviate some concerns. He indicated this may include clarifying relevant definitions and procedures for complying with the program requirements.
- Several Trustees expressed concerns about public perception and negative press, regardless of the merits of the program design. Mr. Poole supported continued clarification of the meaning of the definitions and procedures. Mr. Colburn suggested posting a robust FAQ on the website, complete with backup materials, sources, and relevant links. Mr. Rauscher suggested pausing certain requirements for some period of time. Mr. Isaacson asked staff to consider instituting an enhanced incentive for consumers who elect to fully disable their old systems. Mr. Stoddard said staff would prepare a summary of its education and outreach strategy and potential program design changes and share that with the Board.

- Mr. Stoddard also acknowledged prior concerns brought to EMT from the Board and other stakeholders about continued access to supplemental heat pump incentives for those customers who are ineligible for federal tax credits and unable to take advantage of MaineHousing’s program. To address this gap, EMT will reopen its supplemental heat pump offering to low-income customers. It will increase incentives from \$2,000 to \$3,500, leveraging federal Maine Jobs and Recovery Plan (MJRP) funds. Mr. Burgess commented that he hopes that there is sustained funding for this program beyond MJRP. Mr. Stoddard said that Staff intends to assess the program after some period of time, first and foremost to ensure that customers are seeing savings; as shown in the program evaluation, customers that underutilize their heat pumps are at risk of spending *more* on energy costs overall.
- Mr. Burgess encouraged Staff to think further about weatherization prerequisites for heat pump installations, as are commonly used in other jurisdictions. Mr. Stoddard asked that the Board table that discussion to a future meeting.

5. Planned Business

a) UPDATE on Monthly Financial Report

Mr. LeClair noted that a tranche of MJRP revenue came in mid-November and will appear in next month’s financial reports. He also noted that Staff expects to see New England Clean Energy Connect (NECEC) payments resume in the next few weeks. Mr. Stoddard expressed some frustration over the delay in the remittance of those payments to EMT, noting that the funds were paid to an escrow account in July. Mr. Burgess said he would follow up with the stipulating parties.

b) REVIEW and APPROVE Annual Report for FY2023

Mr. Eglinton provided an overview of the FY2023 Annual Report, highlighting the organization’s achievements, program investments, and notable milestones. For example, EMT reached the goal of installing 100,000 heat pumps over five years two years ahead of schedule. It also significantly expanded weatherization projects for low-and moderate-income households and grew the portfolio of offerings under the Efficiency Maine Green Bank. It discontinued incentives for screw-in LED bulbs given market transformation. Overall, FY2023 jumpstarted a period of substantial investment of federal funds and continued to lay the groundwork for a significant shift towards beneficial electrification in the years ahead.

ACTION: Upon a motion duly made (Mr. Poole) and seconded (Mr. Isaacson), the Board voted unanimously to approve the FY2023 Annual Report, with any changes discussed and adopted at the November 15, 2023, Board meeting, as well as any non-substantive typographical edits or computation corrections as may be required prior to submission to the Public Utilities Commission and Legislature.

c) UPDATE on Beneficial Electrification Rulemaking

Mr. Stoddard provided an overview of Staff’s proposed amendments to its Electric Efficiency and Conservation Programs rule (Chapter 3) to reflect provisions of the new

Beneficial Electrification Policy Act. Generally, Staff incorporated definitions and other language directly from the new statute. In subsection D, Staff spells out how EMT would make the determination of whether a beneficial electrification measure would reliably reduce electricity delivery rates over the life of the measure. Staff's proposal is to compare the net present value of only those revenues and costs collected through transmission and distribution rates. Mr. Stoddard provided an overview of the rulemaking timeline. Staff hopes the rule will go into effect by March 1, 2024 so that it can reflect the necessary changes in the Triennial Plan V Annual Update.

d) PRESENTATION on the Trust's Natural Gas Programs

Mr. Stoddard highlighted the results of cost-effectiveness analysis for the natural gas programs as presented in the FY2023 Annual Report, noting that some measures are not cost-effective, while others are extremely cost-effective. The results raise the question of whether EMT should continue offering incentives for these measures. As discussed at the June Board Meeting, EMT previously discontinued offering incentives on numerous natural gas measures through Distributor Initiatives in FY2023 based on analysis showing that the efficient models being purchased constitute the "baseline" equipment (what consumers would have bought anyway). In this environment of diminished opportunity and substantially lower budgets, EMT Staff is asking if it is worth the administrative expense to continue running natural gas programs. Mr. Burnes also pointed out that EMT is unable to provide incentive offerings to all sectors since there are limited cost-effective opportunities that may not be available in all sectors; this creates additional tension where some sectors that are paying natural gas assessments are not seeing any associated benefits. Mr. Stoddard said that Staff will seek Board approval for a Significant Change request to discontinue natural gas programs as part of the Annual Update.

6. New Business

None.

7. Next Meeting Agenda and Scheduling

The next Board meeting is scheduled for December 20, 2023.

8. Adjourn

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

Efficiency Maine Board of Trustees – Roll Call Sheet
Board Meeting Date: 11/15/2023

Trustee	Vote 1	Vote 2	Vote 2
<i>Agenda Item</i>	2. Approve Agenda and Minutes	5.b. Approve Annual Report for FY2023	8. Adjourn
<i>Motion, Second</i>	Mr. Poole, Mr. Isaacson	Mr. Poole, Mr. Isaacson	Mr. Poole, Mr. Isaacson
Brennan, Daniel	Y*	A	A
Burgess, Dan	Y	Y	Y
Colburn, Kenneth	Y*	Y	Y
Furth, Heather	Y	Y	A
Isaacson, Mark	Y	Y	Y
MacDonald, Suzanne	Y*	Y	Y
Poole, Glenn	Y	Y	Y
Rauscher, Christopher	Y*	A	A
Welsh, Joan	A	A	A

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

**Recused from vote on approving October 4, 2023 Board Meeting minutes as they were not in attendance.*