

**Efficiency Maine Trust
Board Meeting Minutes
January 24, 2024**

The January 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
- Glen Poole, Vice Chair
- Chris Rauscher
- Joan Welsh, Secretary

Efficiency Maine Trust (EMT) Staff

- Ian Burnes
- Emily Cushman
- Hogan Dwyer
- Peter Eglinton
- Steve Genovese
- Monte Haynes
- Hope Kohtala
- Greg LeClair
- Lily McVetty
- Sheldon Perkins
- Kate Rankin
- Lauren Scott
- Michael Stoddard

Other Attendees:

- Ross Anthony, Governor's Energy Office (GEO)
- Phillip Borges, Emerson Swan
- Richard Burbank, Evergreen Home Performance
- Steve Fennell, LaPlante Electric
- Nichoal Hood, Hometown Heat Pumps
- Justin Lamore, Gammon's Heating & Cooling
- David Littell, Bernstein Shur
- Kristen Millar, Virtual Peaker
- Timothy Seymour, Darling's Auto Group
- Kiki Tidwell, York's Climate Action Committee
- Christie Whitcomb, Hometown Heat Pumps

1. Welcome and Introductions

Ms. MacDonald called the meeting to order at 9:09 a.m.

2. APPROVE Agenda and Minutes

ACTION: Upon a motion duly made (Mr. Poole) and seconded (Mr. Colburn), the Board voted unanimously to approve the agenda and the December 20, 2023, Board Meeting Minutes.

3. **Public Comment on Agenda Items**

- Ms. Tidwell expressed concerns about the proposed 25% budget allocation for administrative functions in the draft Inflation Reduction Act (IRA) plan. She suggested redirecting funds to incentivize installers rather than bureaucracy, noting that contractors are facing considerable challenges navigating expanded program requirements.
- Ms. Whitcomb acknowledged the administrative burden to contractors for whole-home heat pump rebates. She agreed that some kind of incentive to contractors would help recover the associated added costs.
- Mr. Stoddard clarified that the proposed 25% budget allocation in the draft IRA plan reflects a combination of administrative costs and “program delivery” costs. EMT’s administrative costs are typically 3-5%; the remainder will go to things like marketing, training, rebate processing, contractor support, etc.

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 approved eight projects in December, with incentives surpassing \$3 million.
- Low-Income Initiatives processed more than \$450,000 in whole-home heat pump incentives last week. Mr. Stoddard noted that uptake of the supplemental (single-unit) heat pump offering for low-income households has been extremely limited so far.
- Mr. Stoddard referenced the slowdown in rebate uptake for weatherization, heat pumps, and heat pump water heaters compared to the previous year. Contributing factors include high interest rates, inflation, decreased consumer confidence, digesting the new heat pump rebate design, and waiting to see if there will be better incentives in the future.. Mr. Stoddard noted that, although the number of heat pump rebates is down, EMT still expects similar year-end expenditures compared to last year because the focus on whole-home heat pumps means larger rebate values per project.
- Mr. Rauscher asked if EMT has a sense of whether installers are avoiding pitching whole-home heat pump solutions in replace-on-burnout situations, knowing that the cost of a new boiler or furnace is significantly less expensive. Mr. Stoddard acknowledged that this challenge is more pronounced this time of year because people need immediate solutions to heating system failures. Scoping out a whole-home heat pump project and scheduling an installation can take considerably more time than a simple boiler/furnace swap-out. Nevertheless, the price differential can be competitive in most situations. Vendors are reporting that the bigger rebate is making for easier sales of small- and medium-sized projects. Mr. Burnes noted that EMT’s program is encouraging action on the more cost-effective opportunities. He highlighted the fact that 40% of homes in Maine have only one or two bedrooms. He also noted that recent data shows that for projects involving ductless mini-split heat pumps, there are an average of 1.7 indoor heads per home across recent whole-home heat pump projects. Mr. Stoddard noted that EMT also is working to get data on heat pump projects that are proceeding without an EMT rebate in order to track progress towards the Climate Action Plan goals and the Governor’s targets.
- On January 19, the Director of Strategic Initiatives and Mr. Colburn helped to organize and lead two panels in a special workshop on Demand Management among representatives of several work groups of the Maine Climate Council. The panelists included Mr. Rauscher and

other national experts on the technology, business, policies and programs associated with Demand Management.

- EMT, GEO, and MaineHousing co-hosted a public meeting on the state’s draft proposal for the use of IRA Home Energy Rebate funds on January 23, and will accept further written comments through February 6. Staff will then seek Board approval for the final plan in February. Maine will likely be one of the first states to submit an application for a full program.
- Mr. Colburn commended the robust EV rebate activity among low-and-moderate income customers, but raised concerns about decreased activity among any-income customers. He suggested indexing the MSRP cap. Mr. Stoddard explained that the \$50,000 MSRP cap is currently fixed in statute, but there is a pending bill that would increase the cap. He also highlighted the fact that EMT recently doubled EV rebates for the any-income category on January 1.

5. Planned Business

a) Monthly Financial Report

Mr. LeClair reported that revenues are generally on-track, with the exception of a delayed second quarter payment from the New England Clean Energy Connect settlement.

b) Mid-Year Program/Budget – Update and Forecast

Mr. Eglinton presented a comprehensive mid-year update on EMT activity, reviewing highlights, challenges, and plans for each major program and key initiatives (e.g., Efficiency Maine Green Bank, the whole-home heat pump initiative, and the Maine Jobs and Recovery Plan [MJRP] initiatives). Mr. Isaacson suggested that Staff tap into opportunities with buildings that have mandatory water heater replacement schedules. Ms. MacDonald asked about ongoing outreach to past heat pump program participants; she noted that they are an important part of the marketing effort, and it is important to make sure they have a positive story to tell in their networks. Mr. Eglinton explained that they receive annual user tip reminders and were recently sent whole-home heat pump rebate collateral. Staff is also exploring the possibility of instituting referral incentives. Mr. Rauscher suggested EMT send email reminders about cleaning filters and targeted offerings to customers with units nearing the end of their useful lives.

c) Budget Adjustments for FY2024 – Approve

Mr. Eglinton provided an overview of the proposed budget adjustments. Staff seeks approval to add MJRP funds to the C&I Prescriptive Initiatives and Low-Income Initiatives budgets to support ongoing programs’ where they are incentivizing heat pumps. Staff is also requesting a shift of Regional Greenhouse Gas Initiative (RGGI) funds from the Home Energy Savings Program (HESP) to Low-Income Initiatives (LII) to reflect the fact that more of the heat pump incentives are now being claimed by low-income and moderate-income households

under the new program design; under the old program design, most of the heat pump incentives were claimed through the HESP program. .

ACTION: Upon a motion duly made (Mr. Poole) and seconded (Mr. Colburn), the Board voted unanimously to adjust the FY2024 source of funding (revenue) and expenditure budgets as described in Mr. Eglinton’s January 24 memo, resulting in a total FY2024 source of funding (revenue) and expenditure budgets of \$191,168,882 and \$187,830,739, respectively.

d) Beneficial Electrification Plan – Update

Mr. Burnes provided an update on the Interim Beneficial Electrification Plan for FY2025, presenting the results of Staff’s measure screening analysis. Measures that pass this two-step test are eligible for funding through the Electric Efficiency Procurement. Of EMT’s existing fuel-switching measures, most whole-home heat pumps, commercial whole-zone heat pumps, and any-income EVs pass the two-step screening test. Notably, whole-home heat pumps in manufactured homes, variable refrigerant flow (VRF) systems, and income-eligible EVs do not. Mr. Burnes explained that Staff would present an estimated budget for the suite of eligible measures as part of the Annual Update in February. Staff will ultimately seek the Board’s guidance on what portion of the associated potential procurement request should be offset with other available or forecasted sources of funding.

e) Triennial Plan VI

i. Financing Initiatives: Recent Activities; Issues for Triennial Plan VI

Mr. Neal presented an overview of recent Efficiency Maine Green Bank (EMGB) activity and plans for expansion. He explained that the EMGB stands to receive as much as \$40M in new funding from the Greenhouse Gas Reduction Fund (GGRF), which would effectively triple the size of its current portfolio. EMT launched two requests for proposals to enhance EMGB’s lending, fund management, and trade ally support capabilities in preparation for this expansion – one for a lending platform, and one for lending services. Mr. Colburn expressed an interest in future discussions about the tariffed on-bill financing as part of Triennial Plan VI development.

ii. Scheduling

Mr. Eglinton explained that Staff suggests two ways to accommodate Triennial Plan VI discussions with the Board over the next few months: (1) extend existing board meetings from 9 a.m. to 1 p.m., and (2) schedule 2-3 separate “workshops” in the spring. Trustees were generally supportive of longer meetings to avoid multiple trips to Augusta. Several Trustees expressed greater flexibility in their calendars, and thus greater availability, on Fridays. Mr. Eglinton said he would follow up with a more definitive proposed schedule. Ms. MacDonald suggested that Staff include external presenters in these sessions as appropriate.

6. New Business

None.

7. **Next Meeting Agenda and Scheduling**
The next Board meeting is scheduled for February 28, 2024.

8. **Adjourn**

ACTION: Upon a motion duly made (Mr. Poole) and seconded (Mr. Rauscher), the Board voted unanimously to adjourn the Board Meeting at 12:52 p.m.

Efficiency Maine Board of Trustees – Roll Call Sheet
Board Meeting Date: 1/24/2024

Trustee	Vote 1	Vote 2	Vote 3
<i>Agenda Item</i>	2. Approve Agenda and Minutes	5.b. Budget Amendments for FY2024	8. Adjourn
<i>Motion, Second</i>	Mr. Poole, Mr. Colburn	Mr. Poole, Mr. Colburn	Mr. Poole, Mr. Rauscher
Brennan, Daniel	A	Y	A
Burgess, Dan	Y	Y	Y
Colburn, Kenneth	Y	Y	Y
Furth, Heather	Y	Y	A
Isaacson, Mark	A	Y	Y
MacDonald, Suzanne	Y	Y	Y
Poole, Glenn	Y	Y	Y
Rauscher, Christopher	Y	Y	Y
Welsh, Joan	Y	Y	Y

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