

**Efficiency Maine Trust
Board Meeting Minutes
October 3, 2024**

The first October 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, Vice Chair
- Suzanne MacDonald
- Glenn Poole, Chair
- Joan Welsh, Secretary

Efficiency Maine Trust (EMT) Staff

- Ian Burnes
- Hogan Dwyer
- Marie Caspard
- Peter Eglinton
- Becca Ferguson
- Greg Leclair
- Laura Martel
- Lily McVetty
- Sheldon Perkins
- Kate Rankin
- Lauren Scott
- Michael Stoddard

Other Attendees:

- Ross Anthony, Governor's Energy Office (GEO)
- Bill Bell, Maine Pellet Fuels Association
- Phillip Borges, Emerson Swan, Inc.
- Richard Burbank, Evergreen Home Performance
- Jennifer Connors, Runyon, Kersteen, and Ouelette (RKO)
- Yiran He, Northeast Energy Efficiency Partnerships
- Theo Laughner, Lifescale Analytics
- Marcus Pratt, RKO
- Jack Shapiro, Natural Resources Council of Maine
- Kiki Tidwell, York Climate Action Committee

1. Welcome and Introductions

Mr. Poole called the meeting to order at 9:32 a.m.

2. APPROVE Agenda and Minutes

ACTION: Upon a motion duly made (Ms. Welsh) and seconded (Mr. Colburn), the Board voted unanimously to approve the agenda and the July 24, 2024, Board Meeting Minutes.

3. Public Comment on Agenda Items

- Ms. Tidwell shared her appreciation for the extension of the Schools Retrofit initiative application deadline. She also encouraged EMT to reconsider the income eligibility

thresholds for low- and moderate-income programs to account for geographic variation across the state.

4. Executive Director's Report

Mr. Stoddard summarized the ED Report. Following are several items highlighted during his presentation:

- EMT participated in the launch of Maine's Inflation Reduction Act (IRA) Home Electrification and Appliance Rebate (HEAR) program with several stakeholders, including the Governor and the Secretary of Energy. The plan supports electrification in new construction of affordable multifamily housing and manufactured housing electrification retrofits.
- EMT's Annual Event on September 12 had more than 160 attendees.
- EMT presented at an summit for developers to learn about incentives for heat pumps in new construction and retrofits in affordable, multifamily buildings.
- Mr. Poole asked if workforce capacity has been a limiting factor in the Manufactured (Mobile) Home Initiative. Mr. Stoddard responded that it has not, but noted that the program has not yet been opened to the entire state.
- The Commercial and Industrial (C&I) Prescriptive Initiatives are continuing to analyze new technologies and recently launched a Qualified Products List for heat pump measures.
- There was robust participation in the whole home heat pump program in August, particularly among low-income and moderate-income households.
- Ms. Welsh asked about whether EMT might consider changing eligibility rules for low-income to account for geographical variation. Mr. Stoddard responded that the Trust has been expanding eligibility pathways over the years and is continuing to look for additional ways to verify income-eligibility. The Manufactured (Mobile) Home Initiative already allows households to qualify based on area median income for the local community in which the home is located.
- Electric Vehicle (EV) Initiatives issued 206 rebates in August, compared to 80 in August 2023. The Ford F-150 Lightning was one of the top-rebated vehicles, suggesting growing interest in EVs from pickup truck drivers.

5. Planned Business

a) Monthly Financial Report

Mr. Leclair reported that all revenues are on track.

b) FY2024 Annual Audit Report by Runyon, Kersteen, and Ouellette

The RKO audit team's Mr. Pratt thanked the EMT administrative team for its work in making the audit go smoothly. He reported that the audit was not yet finalized, but noted that only minor outstanding tasks remain and he did not anticipate any material additional changes. He reported that the auditors will be issuing an "unmodified" opinion on financial statements. They did not identify any material weaknesses or significant deficiencies in meeting Government Auditing Standards. Because EMT issued more than \$750,000 of federal funds in FY2024, the auditors also tested for Uniform Guidance requirements. EMT's total fund balance decreased by 1% in FY2024 as compared to FY2023. EMT's overall expenditures increased by about \$15 million, but revenues from various sources also

increased. RGGI revenues made up 40% of EMT's revenues in FY2024, up from 26.6% in FY2023. The prior year's audit had identified an issue with payroll documentation for ARPA funds. The FY2024 audit confirmed that this issue has been successfully addressed.

ACTION: Upon a motion duly made (Mr. Colburn) and seconded (Ms. Welsh), the Board voted unanimously to accept the audited Financial Reports of EMT issued by RKO for the fiscal year ending June 30, 2024.

c) FY2025 Budget Adjustments

Mr. Eglinton explained that, with the FY2024 financial audit complete, Staff now can use the final accounting of the revenues and expenditures from FY2024 to update the budgets. Staff proposes incorporating \$42.5 million of FY2024 unbudgeted fund balance revenue into the FY2025 budgets. Mr. Eglinton noted that about half of these funds will cover projects that were previously approved and committed in FY2024 but have not yet been expended. For the uncommitted prior year fund balance, Staff generally proposes "rolling forward" those amounts, i.e., allocating each program's remaining balance to the same program in FY2025. For Regional Greenhouse Gas Initiative (RGGI) funds, it proposes allocations among the programs based on our forecasted levels of market demand in each program. Staff also seeks to return all uncommitted natural gas procurement funds to the utilities, given that EMT is not offering natural gas measures in FY2025. Similarly, it proposes returning the small amount of remaining, uncommitted Energy Efficiency and Renewable Resource Fund dollars, given that the Legislature repealed the associated section of the EMT Act. The adjustment also includes incorporating into the appropriate program budgets for FY2025 the IRA funding that has been awarded to Maine and the grant funding for the Manufactured (Mobile) Home Initiative, both coming from the U.S. Department of Energy. The budget update also shifts \$2.5 million from Distributor Initiatives to Retail Initiatives to account for actual rates of uptake between the two programs for heat pump water heaters. Finally, Staff proposes incorporating nearly \$1 million in new alternative compliance payments (for thermal renewable energy credits) received from the Public Utilities Commission.

Mr. Isaacson noted that these adjustments are not due to mistakes by the Staff but rather the emergence of new information since the FY2025 budget was created. Mr. Eglinton confirmed that these adjustments accord with the Staff's presentation in January on expected budget adjustments, except the whole home heat pump budget, which had to be adjusted due to significantly higher participation than projected. Mr. Burgess asked about the Agricultural Fair Assistance Program; Mr. Eglinton noted that the program is no longer accepting applications and has just \$27,000 remaining in the budget.

ACTION: Upon a motion duly made (Ms. Furth) and seconded (Mr. Burgess), the Board voted unanimously to adjust the FY2025 source of funding (revenue) and expenditure budgets as described in Mr. Leclair's October 3 memorandum and in Attachment A, resulting in a total FY2025 source of funding (revenue) and expenditure budgets of \$249,599,471 and \$249,279,266, as shown in Attachments B and C, respectively.

d) Triennial Plan VI (TPVI)

Mr. Stoddard began discussion of TPVI with a review of his memorandum to the Board dated October 3, 2024. He reviewed the proposed motion, which had two parts, the first

comprising findings that the proposed Plan satisfies the statutory requirements and the second accepting certain discrete technical modifications, corrections and updates to the draft of the Plan that was published for review in August, as noted in the memo. He then summarized the Plan's anticipated benefits, including a \$492 million suppression of electricity rates due to Beneficial Electrification programs, and benefit-to-cost ratio of 3.7:1 across all programs. The total budget of TPVI, across a three-year period, is \$529.3 million, including significant funding from federal grants, RGGI revenues, electric and natural gas utilities (the "procurements"), Forward Capacity Market revenues, and the New England Clean Energy Connect Settlement. The budget necessary to capture the maximum achievable cost-effective (MACE) electric efficiency potential is \$336 million if fully funded, but budgets may be reduced if constrained by the statutory cap on the Electric Procurement.

Mr. Stoddard noted that Staff has made four updates to *Appendix O: Demand Management Program Analysis and Considerations* since publishing the final draft in August, including: a) a change in the value of the incentive for the renewable reliability measure, b) a distribution of the expected expenditures over multiple years, c) a clarification that plug-in hybrid EVs would be eligible to participate in the smart charger initiative, and d) additional details on the cost effectiveness screening calculations.

Staff anticipates filing the Plan with the PUC in early November. The statute requires that two-thirds of EMT Trustees approve the plan before filing. In past years, the Plan has reached a settlement, or final adjudication and approval, by the spring preceding the start of the Plan's three-year period. Mr. Stoddard reviewed the requirements in the EMT Act for the Triennial Plan.

Mr. Stoddard suggested that the Board further modify the TPVI motion to include certain edits proposed by the GEO and enumerated in a memo that was presented to the Board. Mr. Burgess summarized this memo, highlighting six discrete additions to the Plan to emphasize working with schools and subsidized housing, and performing certain data collection and analysis. Mr. Brennan asked about the memo's emphasis on new construction rather than rehabilitation of public housing. Mr. Stoddard responded that the Plan does indeed cover retrofits; this new language is intended to add mention of new construction. The Board members incorporated reference to inclusion of these GEO edits in the ultimate motion to approve the Plan.

Ms. Welsh asked if the data in TPVI will be applicable to future federal grant applications. Mr. Stoddard responded that yes, EMT has calculations prepared that are applicable for future federal grant application. Ms. MacDonald pointed out that an important value of public reporting is a positive signal to other stakeholders. She also expressed support and excitement for the Plan. Mr. Colburn indicated that we would be voting against approval of the Plan. He acknowledged that it is the best it has ever been, but still is nowhere near good enough to meet the demands of the future and also expressed frustration that the Plan does not sufficiently reflect suggestions he has offered. He noted that the industry is changing rapidly and that he felt this Plan was not keeping up with that evolution. Mr. Isaacson shared some of the sentiments of Mr. Colburn, but indicated he would nonetheless vote in favor of the Plan. In response to earlier comments by Ms. Tidwell, Mr. Isaacson also noted that EMT does not have complete discretion in setting income eligibility. Mr. Stoddard noted that the

verification options are evolving and EMT will continue to consider new options as they emerge. Mr. Stoddard thanked the Trustees for their work in shaping TPVI.

ACTION: Upon a motion duly made (Ms. Welsh) and seconded (Ms. MacDonald), the Board voted (seven in favor, one opposed, one absent), to approve the following motion:

The Board finds the Triennial Plan VI to be consistent with the statutory authority for each source of funds that will be used to implement the plan, with the state energy efficiency targets codified in the Efficiency Maine Trust Act, including the requirement to identify and pursue the maximum achievable cost-effective electricity savings, and with the best practices of program administration; and,

The Board approves the Plan as it was presented to the Board on October 3, 2024, including certain updates referenced in the memorandum to approve Triennial Plan VI of the same date and certain edits from the Governor's Energy Office enumerated in a separate memorandum of the same date, and authorizes the Staff to incorporate non-substantive typographical or stylistic edits or computational corrections as may be required prior to submission to the Public Utilities Commission.

6. New Business

None.

7. Next Meeting Agenda and Scheduling

The next Board meeting is scheduled for October 30, 2024.

8. Adjourn

ACTION: Without objection, the Board adjourned the Board Meeting at 11:25 a.m.

Efficiency Maine Board of Trustees – Roll Call Sheet
Board Meeting Date: 10/3/2024

Trustee	Vote 1	Vote 2	Vote 3	Vote 4	Vote 5
<i>Agenda Item</i>	2. Approve Agenda and Minutes	5b. Approve FY2024 Annual Audit Report	5c. Approve FY2025 Budget Adjustments	5d. Approve Triennial Plan VI	8. Adjourn
<i>Motion, Second</i>	Ms. Furth, Ms. Welsh	Mr. Colburn, Ms. Welsh	Ms. Furth, Mr. Burgess	Ms. Welsh, Ms. MacDonald	No Objections
Brennan, Daniel	A	Y	Y	Y	
Burgess, Dan	Y	Y	Y	Y	
Colburn, Kenneth	Y	Y	Y	N	
Furth, Heather	Y	Y	Y	Y	
Isaacson, Mark	Y	Y	Y	Y	
MacDonald, Suzanne	Y	Y	Y	Y	
Poole, Glenn	Y	Y	Y	Y	
Rauscher, Christopher	A	A	A	A	
Welsh, Joan	Y	Y	Y	Y	

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