

**Efficiency Maine Trust
Board Meeting Minutes
February 28, 2024**

The February 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
- Glen Poole, Vice Chair
- Joan Welsh, Secretary

Efficiency Maine Trust (EMT) Staff

- Ian Burnes
- Emily Cushman
- Hogan Dwyer
- Peter Eglinton
- Nat Haslett
- Monte Haynes
- Hope Kohtala

- Greg Leclair
- Sheldon Perkins
- Lauren Scott
- Anne Stephenson
- Michael Stoddard

Other Attendees:

- Ross Anthony, Governor's Energy Office (GEO)
- Elayna Bennett, Pan Atlantic Foundation
- Phillip Borges, Emerson Swan
- Richard Burbank, Evergreen Home Performance
- Peter Evans, New Power Tech
- Jianing Fan, Voltus, Inc.
- Andrew Hickok, Solect Energy

- Nichoal Hood, Hometown Heat Pumps
- David Littell, Bernstein Shur Law Firm
- Christopher Robbins, Excel Mechanical and Construction
- Timothy Seymour, Darlings Auto
- Christie Whitcomb, Hometown Heat Pumps

1. Welcome and Introductions

Mr. Poole called the meeting to order at 9:01 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 agenda and the January 24, 2024, Board Meeting Minutes.

3. Public Comment on Agenda Items

- None.

4. Executive Director's Report

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

- In the Commercial and Industrial (C&I) Custom Program, around 70% of the funds from the Maine Jobs and Recovery Plan earmarked for hospitality related projects have been committed. EMT staff plan to continue to market these funding opportunities at upcoming trade shows.
- There has been a slowdown in customer participation in the Home Energy Savings Program (HESP). Several factors are at play, including high interest rates, inflation, the usual winter season slowdown, and consumer uncertainty about the economy.
- In the Low-and-Moderate Income (LMI) programs, there has been a significant uptake in heat pumps, heat pump water heaters and EV sales. One factor for this increase in activity is EMT's use of enhanced rebate amounts for the LMI sub-sector of the market.
- The Load Shifting Initiative (LSI) has relaunched for another year and vendors throughout Maine have expressed strong interest. Mr. Colburn asked why the program launch was delayed and Mr. Stoddard noted that this was due to a key market player declining to participate last year.
- In the past month, EMT successfully reviewed applications for 27 new high-speed EV charger locations that meet federal NEVI requirements. EMT will be ramping up public outreach on the availability of public charging stations to address mixed public sentiment.
- Mr. Burgess summarized yesterday's announcement from the Department of Energy (DOE) about the \$10 million that the state of Maine was awarded for the installation of heat pumps in manufactured homes. This grant will aid EMT in installing these heat pump systems in an estimated 675 mobile homes in rural parts of Maine alongside helping with workforce development. Governor Mills, Senator Chellie Pingree, MaineHousing, representatives from DOE, EMT staff and the Governor's office were all in attendance.

5. Planned Business

a) Monthly Financial Report

Mr. Leclair reported that EMT has two negative expenditures in loan programs because of repayments made by customers whose debt had previously been written off. Funding from the latest RGGI auction will arrive soon.

b) Chapter 3 Rule Amendment (Beneficial Electrification Policy Act) – Approve

Mr. Stoddard explained that EMT has drafted amendments to the existing rule and shared them with stakeholders for feedback. Staff is now seeking the Board's approval for these amendments. Mr. Burns explained that EMT took the opportunity in the rulemaking to incorporate language, where applicable, from multiple recently enacted bills. Mr. Colburn asked if the proposed Chapter 3 language would restrict future residential storage initiatives. Both Mr. Burns and Mr. Stoddard assured Mr. Colburn that it would not. Mr. Burgess asked about the nature of the public comments. Mr. Stoddard explained that the comments, and

Staff's responses, were summarized in the memo in the Board Packet, and noted that the comments were generally positive. Where the comments contained substantive recommendations, Staff found that the more appropriate forum to consider and incorporate those recommendations would be found in the triennial planning process. Mr. Stoddard noted that he is confident that the stakeholders who provided comments on Chapter 3 will also be involved in the Triennial Plan VI process.

ACTION: Upon a motion duly made (Mr. Colburn) and seconded (Mr. Brennan), the Board voted unanimously to approve the following decision and directions:

1. That Chapter 3, Electric Efficiency and Conservation Programs, amended as described in the memorandum [provided in the Board Packet] is hereby adopted;
2. That the Executive Director shall submit the adopted rule and related materials to the Attorney General for review and authorization;
3. That the Executive Director shall notify the following of the adoption of the rule:
 - a. All transmission and distribution utilities in the State;
 - b. All persons who attended the public hearing and commented in this Rulemaking.

c) 2024 Annual Update to Triennial Plan – Approve

Mr. Burnes provided an overview of the Interim Beneficial Electrification Plan. He highlighted that the analysis indicates that the proposed beneficial electrification measures will significantly suppress electricity prices. Mr. Burgess inquired about the threshold for electric vehicles to meet the test for reliably reducing rates as it applies to different customer segments. Mr. Colburn raised the potential demand management benefits of certain measures and whether they could contribute to qualifying for rate reduction reliability. Further, Mr. Burgess questioned whether EV chargers could be considered as a standalone measure. In response, Mr. Stoddard noted that EV chargers are typically bundled with other measures since chargers themselves do not conserve energy and thus do not have an obvious pathway to demonstrate that they meet the pre-requisite of cost-effectiveness. Mr. Burnes added that, for the purposes of this analysis, chargers do not substantially impact the benefits of an EV measure.

Addressing the uncertain market conditions of FY2025, Mr. Burnes highlighted the necessity of adjusting preliminary beneficial electrification budgets. Mr. Isaacson inquired about ongoing funding sources, to which both Mr. Burnes and Mr. Stoddard clarified that all sources of revenues identified for offsetting the beneficial electrification budgets are ongoing, at least for the next several years, with the lone exception of the EV rebate funds. (The currently available EV rebate funds derive from a one-time state appropriation approved in 2023.) Mr. Stoddard reiterated that the interim plan is being formulated to utilize this funding for FY2025 before full integration of beneficial electrification into Triennial Plan VI.

Mr. Burnes then shifted the focus to the consideration of Staff's recommendation to temporarily suspend natural gas measures. The administrative burden associated with providing these incentives has reached a point where it outweighs the economic benefits being achieved by the program. Also of note, an important distributor of natural gas equipment has ceased participation in EMT's natural gas programs. The distributor claims

that the natural gas measure(s) being incentivized by the EMT programs are becoming the “industry standard.” If these models are indeed the “baseline” of what a consumer would have purchases regardless of the EMT program, then there is technically no energy savings being achieved with our incentives. Without any energy savings, the measures cannot survive the cost-effectiveness requirement, and are no longer eligible measures to be funded through the natural gas utilities’ procurement of the maximum achievable cost-effective” (MACE) gas savings.

ACTION: Upon a motion duly made (Mr. Brennan) and seconded (Mr. Colburn), the Board voted unanimously to adjust the Triennial Plan V budgets for fiscal year 2025:

- Resulting in a total increase in the budget for MACE electric efficiency procurement of \$10,990,115 in FY2025 as determined in the Interim Beneficial Electrification Plan’s assessment of beneficial electrification measures that are cost-effective and that reliably reduce rates over the life of the measures, subject to further refinement in the Trust’s forthcoming Request for Procurement: and
- Resulting in a reduction in the total budget for natural gas efficiency procurement of \$1,717,943 for FY 2025 associated with the suspension of the Trust’s Natural Gas Programs and the return all unspent, uncommitted funds to the LDCs following the conclusion of the Trust’s audit for FY 2024.

[And] Further ... that the Trust shall return all unspent, uncommitted carryforward of Natural Gas Efficiency procurement from FY 2024 following the completion of the Trust’s audit for FY 2024.

d) Records Retention Policy – Approve

Mr. Eglinton highlighted the current EMT policy of retaining all digital and physical paperwork. He emphasized Dr. Stephenson’s significant involvement in records retention and her newly assigned role as the records retention manager, in addition to her responsibilities as the assistant deputy director. Dr. Stephenson has been diligently reviewing EMT’s policies, and the motion presented to the Board seeks approval for the removal of records that are longer pertinent to EMT’s operations. Mr. Brennan underscored the importance of adhering to established policies by promptly discarding documents that have ceased to be relevant. He pointed out that MaineHousing has a policy in place for the automatic removal of digital documents.

ACTION: Upon a motion duly made (Ms. Furth) and seconded (Ms. Welsh), the Board voted unanimously to adopt the attached Records Retention Policy and authorize the Executive Director to implement the policy and make technical and minor changes to the policy and schedule, in particular changes necessary to stay in alignment with state policies, without further authorization of the Board.

e) Federal IRA Rebates: Authorizing Acceptance of IRA Funds & Strategic Plan – Approve

Mr. Stoddard outlined the Staff request for authorization for EMT to accept funds in the event the State receives anticipated awards from the US DOE IRA to administer the Home Energy Rebate (HER) Programs. He reviewed the proposed program design developed by

EMT, the GEO and MaineHousing for the HER Programs, targeting low-income and market-rate multifamily buildings. He briefly addressed some of the public comments that were submitted on an initial draft of the plan. Mr. Isaacson requested that appliances be included in the discussion for Triennial Plan VI. Mr. Burgess extended appreciation to EMT Staff for its efforts developing the proposal, a sentiment echoed by Mr. Brennan.

ACTION: Upon a motion duly made (Mr. Brennan) and seconded (Mr. Burgess), the Board voted unanimously to “find that the receipt of the federal IRA Home Energy Rebate Program funds is consistent with the purposes of the EMT Act and authorize accepting up to \$72 million in these funds to administer the Home Efficiency Rebate (HER) and Home Electrification Appliance Rebate (HEAR) programs consistent with the Plan for Use of the Federal IRA Home Energy Rebate Programs as described at the EMT Board Meeting on February 28, 2024.”

f) Contractor Support and Engagement -- Presentation

Ms. Gifford outlined EMT's efforts in supporting and engaging trade allies. EMT provides assistance to residential trade allies, also known as Residential Registered Vendors (RRVs), through rebates, financing options, lead generation via the RRV locator, marketing funding, and materials. The residential team conducts outbound calls, site visits, and distributes a monthly newsletter to engage RRVs. Similar support is extended to commercial trade allies, referred to as Qualified Partners (QPs). A significant portion of EMT's public outreach is conducted through "trusted messengers" such as realtors, municipalities, and other organizations. Mr. Stoddard shared an anecdote illustrating how contractors have enhanced their knowledge of constructing energy-efficient buildings, in part gained through experience implementing projects incentivized by EMT's programs. In response to Mr. Isaacson's inquiry regarding addressing low customer satisfaction survey responses, Ms. Gifford explained that EMT identifies patterns to address consistent issues causing dissatisfaction. Additionally, Mr. Eglinton highlighted the vendor locator tools' ability to filter by the number of rebates, thereby directing customers to experienced vendors who typically yield positive customer experiences.

6. New Business

Mr. Colburn inquired about any updates regarding the hydronics pilot. Mr. Stoddard acknowledged that the winter season has been relatively mild so far. He reported that a more robust dataset for the pilot results will be available in the coming months after the winter heating season is complete. Mr. Stoddard also reported anecdotally that the hydronics systems demonstrated strong performance on several recent days when temperatures sank as low as 5 degrees F.

7. Next Meeting Agenda and Scheduling

The next Board meeting is scheduled for March 27, 2024. A special workshop to review Triennial Plan VI is scheduled for March 15, 2024.

8. Adjourn

ACTION: Without objection, the meeting was adjourned at 12:00 p.m.

Efficiency Maine Board of Trustees – Roll Call Sheet

Board Meeting Date: 1/24/2024

| Trustee | Vote 1 | Vote 2 | Vote 3 | Vote 4 | Vote 5 |
|-----------------------|-------------------------------|---|---|---|--|
| <i>Agenda Item</i> | 2. Approve Agenda and Minutes | 5.b. Approve Chapter 3 Rule Amendment (Beneficial Electrification Policy Act) | 5.c. Approve 2024 Annual Update to Triennial Plan | 5.d. Approve Records and Retention Policy | 5.e. Approve Federal IRA Rebates: Authorizing Acceptance of IRA Funds & Strategic Plan |
| <i>Motion, Second</i> | Mr. Colburn, Mr. Brennan | Mr. Colburn, Mr. Brennan | Mr. Brennan, Mr. Colburn | Ms. Furth, Ms. Welsh | Mr. Brennan, Mr. Burgess |
| Brennan, Daniel | Y | Y | Y | Y | Y |
| Burgess, Dan | Y | Y | Y | Y | Y |
| Colburn, Kenneth | Y | Y | Y | Y | Y |
| Furth, Heather | Y | Y | Y | Y | Y |
| Isaacson, Mark | Y | Y | Y | Y | Y |
| MacDonald, Suzanne | A | A | A | A | A |
| Poole, Glenn | Y | Y | Y | Y | Y |
| Rauscher, Christopher | A | A | A | A | A |
| Welsh, Joan | Y | Y | Y | Y | Y |

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