

**Efficiency Maine Trust
Board Meeting Minutes
June 26, 2024**

The June 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
- Chris Rauscher
- Joan Welsh, Secretary

Efficiency Maine Trust (EMT) Staff

- Ian Burnes
- Emily Cushman
- Hogan Dwyer
- Peter Eglinton
- Becca Ferguson
- Monte Haynes
- Hope Kohtala

- Greg Leclair
- Lily McVetty
- Sheldon Perkins
- Jack Riordan
- Lauren Scott
- Anne Stephenson
- Michael Stoddard

Other Attendees:

- David Batchelder, Lowe's Corporate
- Phillip Borges, Emerson Swan, Inc.
- Richard Burbank, Evergreen Home Performance
- Emma Cost, Governor's Energy Office
- David Gibson, College of the Atlantic
- Yiran He, Northeast Energy Efficiency Partnerships
- Dave Korn, Ridgeline Analytics
- David Littell, Bernstein Shur (Versant)
- Kristen Millar, Virtual Peaker

- David Milliken, Horizon Homes
- Buffy Rousselle, Keegan Construction
- Suzanne Sayer, Portsmouth Naval Shipyard
- Rebecca Schultz, Natural Resources Council of Maine
- Kiki Tidwell, York Climate Action Committee
- Lindsay Wiginton, Dunskey Energy and Climate Advisors

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. Isaacson) and seconded (Ms. Furth), the Board voted unanimously to approve the agenda and the May 22, 2024, Board Meeting Minutes.

3. Public Comment on Agenda Items

- Mr. Gibson reiterated comments that COA had previously provided on the Staff's draft outline for Triennial Plan VI (TPVI) in response to the Request for Information (RFI). Mr. Stoddard noted that the draft issued by the Staff represented a high-level overview and that additional detail will be provided in the narrative document to be issued later in the summer. He added that EMT will continue to accept written comments through July 5, after which Staff will issue a memorandum summarizing all public comments and Staff's responses.
- Mr. Burbank highlighted the information in the Executive Director's (ED) Report regarding a considerable slowdown in weatherization activity in Maine and reported that this is consistent with national trends and with other home improvement measures besides insulation. He urged EMT to reinstate all-income loan offerings through the Efficiency Maine Green Bank to spur customer interest.
- Mr. Milliken echoed Mr. Burbank's comments, noting that he is only scheduled 5 days out (vs. the average 39-day backlog for top insulation installers reported in the ED Report). He also called on EMT to reinstate all-income loans and increase its marketing reimbursement for contractors.
- Mr. Stoddard emphasized that EMT is eager to reinstate financing options for all residential customers as soon as it is financially and logistically possible. He reminded the Board that the Trust recently hired new vendors to develop an online loan processing portal and provide loan services.
- Ms. Schultz asked if there would be an additional opportunity to comment on the TPVI narrative. Mr. Stoddard responded that Staff expects to publish a draft in late July/early August, and also noted that there will be a full adjudicatory docket at the Public Utilities Commission which will allow stakeholders to provide additional comments on the Plan.
- Ms. Tidwell suggested that EMT ramp up marketing for its targeted initiative for K-12 schools, noting that the York superintendent was unaware of it. She also suggested that EMT explore solar project bridge loans for non-profits and towns, and urged Staff to consider rebating electric lawn equipment.
- Mr. Gibson noted that COA now has five interns trained as Building Performance Institute (BPI) analysts, conducting energy audits in certain communities and serving as "energy navigators" to help homeowners with next steps. He suggested that EMT consider funding a similar program.

4. Executive Director's Report

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

- The Public Utilities Commission (PUC) approved EMT's FY2025 budget for the Interim Beneficial Electrification Plan as well as the suspension of natural gas programs for FY25.
- EMT is continuing to see growth in the whole-home heat pump program, particularly among low- and moderate-income (LMI) homes. LMI projects continue to account for roughly half of the whole-home heat pump installations in residential properties.
- Electric vehicle (EV) rebate activity among LMI customers has roughly doubled since this time last year.
- There has been a significant increase in interest in the Demand Management Program, with small battery enrollments exceeding program targets for both FY24 and FY25. Mr. Stoddard

highlighted a graph in the ED Report showing the impact of demand response during New England's first heat wave of the summer.

- Staff is working through its partner organization to reach agreements with the U.S. Environmental Protection Agency (EPA) on terms and compliance plans for use of the GGRF. Mr. Stoddard reiterated his concern that Davis Bacon reporting, if applied to small projects serving single-family homes, could be very disruptive to the existing market in Maine. Guidance on how the EPA will apply Davis Bacon to the GGRF-funded loans has not been finalized.
- In the Triennial Plan process, EMT recently hosted two public meetings (one in-person, one online) providing an overview of the draft TPVI and taking comments and questions from the public. The most notable representation came from the pellet manufacturing and pellet boiler sector. Representatives of that sector presented comments regarding the carbon footprint of their products and the economic costs and benefits of switching to pellets from fossil fuels and encouraged EMT to retain eligibility of residential pellet boilers in the Home Energy Savings Program and associated budgets. Separately, EMT also held a Demand Management Program workshop.
- Mr. Colburn asked whether EMT plans to adjust the qualifying manufacturer suggested retail price (MSRP) limits for the EV rebate program. Mr. Stoddard noted that at Staff's request, the Legislature increased the statutory MSRP limit from \$50,000 to \$55,000 this past session; the law goes into effect in August.
- Mr. Colburn asked whether the Load Shifting Initiative could accommodate more enrollment given that interest is so high. Mr. Burnes noted that Staff will propose an increase ahead of the next curtailment season.
- Mr. Colburn asked about when EMT expects to receive GGRF funds to capitalize the Efficiency Maine Green Bank. Mr. Stoddard noted that the negotiation process between lead applicants and the EPA, and in turn, between lead applicants and subawardees, is taking longer than expected. Staff is eager to reinstate loans for all-income borrowers in the interim using existing funds.

5. Planned Business

a) Monthly Financial Report

Mr. Leclair noted that the closing price at the most recent Regional Greenhouse Gas Initiative (RGGI) auction reached a record high. He also mentioned that EMT is still awaiting the transfer of New England Clean Energy Connect (NECEC) funds for heat pumps. Mr. Stoddard clarified that the EMT is on track to spend all American Rescue Plan Act (ARPA) funds before the December 31, 2026 deadline.

b) FY24 Budget Adjustment – Approve

Mr. Leclair provided an overview of the three proposed FY24 budget adjustments: 1) incorporate new revenue from the June RGGI auction, 2) right-size the ARPA budget, and 3)

shift administrative funds to support the effRT database, which saw higher than anticipated activity this fiscal year.

ACTION: Upon a motion duly made (Mr. Isaacson) and seconded (Ms. Welsh), the Board voted unanimously to adjust the FY2024 source of funding (revenue) and expenditure budgets as described in Mr. Leclair's June 26, 2024 memorandum, resulting in a total FY2024 source of funding (revenue) and expenditure budgets of \$201,236,171 and \$190,330,739, as shown in the tables therein, respectively.

c) FY25 Budget Adjustment – Approve

Mr. Stoddard provided a brief overview of Staff's proposed FY25 budget adjustments, including a suggestion to retain approximately \$5 million of excess RGGI funds in the fund balance to be allocated as needed in the future. Mr. Isaacson asked if some of the \$5 million could be allocated to the Efficiency Maine Green Bank to assist EMT in reinstating all-income loans as it awaits closure on GGRF funds. Mr. Burnes noted that there are external factors creating considerable uncertainty in the RGGI market and expressed hesitation about reallocating funds under the assumption that high revenues will persist.

ACTION: Upon a motion duly made (Mr. Isaacson) 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 June 26, 2024 memorandum, resulting in a total FY2025 source of funding (revenue) and expenditure budgets of \$188,572,664 and \$189,952,632, as shown in the tables therein, respectively.

ACTION: Upon a motion duly made (Mr. Isaacson) and seconded (Mr. Burgess), the Board voted 6-1 to move \$1 million in RGGI fund balance to capitalize the Efficiency Maine Green Bank.

d) Receipt of Federal Funds – Approve

Mr. Stoddard explained that Staff seeks to ensure that it has formally requested and received authorization to receive and implement funds for all of the federal grants that have previously been announced and/or that have been proposed (and are pending a decision from the granting agency).

ACTION: Upon a motion duly made (Mr. Burgess) and seconded (Ms. Furth), the Board voted unanimously to find that the receipt of certain federal funds, as described in Mr. Stoddard's June 26, 2024 memorandum, is consistent with the purposes of the Efficiency Maine Trust Act and to authorize the Executive Director to accept grant amounts as awarded.

e) Sole Source Contract for Rented Office Space Improvements – Approve

EMT has identified an office space that will accommodate the organization's needs as it continues to grow. At the time it approved Staff's initial request to pursue new office space, the Board authorized Staff to pay up to \$25 per square foot for up to 7,000 square feet of space. However, additional funds will be required to ensure the space is properly outfitted with meeting rooms, individual workspaces, and other necessary facilities. Mr. Isaacson

commented that EMT should raise the sole-source contract dollar threshold needed for Board approval. He noted that this has not been changed in the last 10 years.

ACTION: Upon a motion duly made (Mr. Isaacson) and seconded (Mr. Colburn), the Board voted unanimously to authorize the Executive Director to spend \$32,525 on costs to configure office space, at 701 Forest Avenue in Portland, to meet EMT's specifications through a sole source agreement with the landlord.

f) Triennial Plan VI

i. Market Study Results for Light-Duty Electric Vehicles – Update

Mr. Burnes noted that, to date, EMT's EV rebates have been generously funded by dedicated funding sources, including legal settlements and appropriations from the State. As EMT looks toward funding EVs as a "beneficial electrification" measure through the Electric Efficiency Procurement during TPVI, Staff has sought to analyze recent market activity and the program's influence. This will inform Staff's recommendations about where to prioritize ratepayer funding.

Ms. Wiginton provided an overview of Dunsky Consulting's study on light-duty EV adoption in Maine. The study found that battery electric vehicles (BEVs) are nearing price parity with internal combustion engine vehicles, especially for models priced below the rebate program's MSRP cap. BEVs are expected to achieve price parity sooner for low-range models than for long-range ones, while plug-in hybrid electric vehicles (PHEVs) are seen to be unlikely to reach price parity. Dunsky's analysis also suggests that EMT's rebate had the potential to influence about half of all EV buyers (for vehicles priced under Maine's MSRP eligibility limit). According to a survey, about half of rebate recipients believe their purchase decision was highly influenced by the rebate; the majority of the remaining half indicated that it had "medium" influence. The rebate influenced LMI households more than any-income households. Finally, Dunsky found that demand associated with unmanaged EV charging coincides with peak grid load.

i. Maximum Achievable Cost-Effective Energy Conservation (MACE) and Budgets – Update

Mr. Stoddard provided a brief overview of the draft TPVI highlights and budgets. He explained that the Electric Efficiency Procurement budget is considerably larger than in previous years due to the impact of the Beneficial Electrification Act and the Trust's corresponding push to ramp up whole-home heat pump activity to meet Maine's Climate Action Plan goals. These draft budgets exceed the 4% Electric Efficiency Procurement cap in FY27 and FY28. EMT intends to work with stakeholders and the Board to develop strategies to address this funding gap. One option is to secure additional offsetting funds. As it happens, two pending federal Climate Pollution Reduction Grant program applications would largely resolve the issue if they were both to be awarded. Other options include scaling back incentives and/or program activity, or working with policymakers to revise the level of the cap. At present, however, Staff is seeking Board guidance on what to present to the PUC given all this uncertainty, and Board feedback about messaging this significant investment from ratepayers.

Mr. Burnes elaborated on funding EVs, explaining Staff's proposed adjustments to the EV rebate program to address free ridership and peak demand issues. Based on the results of the Dunsky study, for purposes of developing budgets that would be eligible for funding by the Electric Efficiency Procurement, Staff suggested requiring that all rebate recipients enroll in the "managed EV charging" initiative of the Demand Management Program's to mitigate peak load impacts. Staff also suggested setting rebate amounts of \$2,000 for BEVs and \$1,000 for PHEVs, and limiting eligibility to LMI and commercial customers only. This would mitigate freeridership and help ensure that the measures would reliably reduce rates over the life of the measure. (It should be noted that these eligibility criteria and rebate amounts would not necessarily need to be applied to other funding sources, should any be secured).

ii. Demand Management Program – Update

Mr. Riordan provided a brief overview of the TPVI workshop on the Demand Management Program. He described Staff's draft proposal to introduce an initiative to promote home energy storage, deploying and managing new residential battery systems through partnerships with pre-approved providers. As envisioned, EMT will enter into five-year "capacity contracts" with these pre-approved providers to bring specific devices to the program, issuing performance incentives for verified reductions during ISO-NE and Regional Network Service (RNS) peaks. EMT will also expand the budget for its open-access initiative for management of existing small batteries through its DERMS platform, adding program rules to cater to larger systems and offering enhanced incentives to participants on priority circuits. It will also offer a pathway for aggregators to manage portfolios of batteries and EVs (EV charging) through this open-access initiative. Additionally, staff has been developing an initiative similar to Green Mountain Power's (GMP's) In-Home Level 2 Charger program. This initiative provides incentives covering the incremental cost of smart, networked home Level 2 chargers that passively shift charging daily. By offering this upfront incentive alongside new EV purchases, EMT expects to capture more of the market opportunity. Mr. Riordan noted that GMP has an 80% capture rate for all new EV sales in the state, whereas the best open-access EV charging management programs are capturing no more than 25%.

Mr. Colburn noted that EMT should be going beyond demand management focused on just peak-shaving and curtailment. He noted that demand management as an industry will continue to focus on load flexibility and ultimately load-shaping, not just legacy peak-shaving. Ms. Schultz asked about EMT's plans to share additional data on the impact of EMT's programs during peak events. Mr. Burnes said it would be available in the fall. Ms. Schultz also recommended strong oversight and quality control for small battery deployments, emphasizing the importance of implementing consumer protections to maintain positive relationships with initial adopters. Lastly, she echoed Mr. Colburn's comments about aiming to design programs toward load shaping rather than solely focusing on peak shaving.

6. New Business

None.

7. Next Meeting Agenda and Scheduling

The next Board meeting is scheduled for July 24, 2024, from 9am-1pm.

8. Adjourn

ACTION: Without objection, the board adjourned the Board Meeting at 1:01 p.m.

Efficiency Maine Board of Trustees – Roll Call Sheet

Board Meeting Date: 6/26/2024

Trustee	Vote 1	Vote 2	Vote 3	Vote 4	Vote 5	Vote 6	Vote 7
<i>Agenda Item</i>	2. Approve Agenda and Minutes	5.b. Approve FY24 Budget Adjustment	5.c. Approve FY25 Budget Adjustment	5.c. Approve \$1 million to Green Bank initiatives	5.d. Approve Receipt of Federal Funds	5.e. Approve Sole Source Contract for Rented Office Space Improvements	8. Adjourn
<i>Motion, Second</i>	Mr. Isaacson, Ms. Furth	Mr. Isaacson, Ms. Welsh	Ms. Welsh, Mr. Burgess	Mr. Isaacson, Mr. Burgess	Mr. Burgess, Ms. Furth	Mr. Isaacson, Mr. Colburn	No Objections
Brennan, Daniel	Y	Y	Y	N	Y	Y	
Burgess, Dan	Y	Y	Y	Y	Y	Y	
Colburn, Kenneth	Y	Y	Y	Y	Y	Y	
Furth, Heather	Y	Y	Y	Y	Y	Y	
Isaacson, Mark	Y	Y	Y	Y	Y	Y	
MacDonald, Suzanne	Y	A	A	A	A	A	
Poole, Glenn	Y	Y	Y	Y	Y	Y	
Rauscher, Christopher	A	Y	A	A	A	A	
Welsh, Joan	Y	Y	Y	Y	Y	Y	

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