

**Efficiency Maine Trust
Board Meeting Minutes
February 26, 2025**

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
- Heather Furth
- Kenneth Colburn, Treasurer
- Glenn Poole, Chair
- Joan Welsh, Secretary

Efficiency Maine Trust (EMT) Staff

- Emily Cushman
- Hogan Dwyer
- Peter Eglinton
- Becca Ferguson
- Monte Haynes
- Greg Leclair
- Daniel Maxton
- Sheldon Perkins
- Lauren Scott
- Michael Stoddard

Other Attendees:

- Ross Anthony, Governor's Energy Office (GEO)
- David Batchelder, Lowe's Corporate
- Lucien Bedard, The Masiello Group
- Bill Bell, Maine Pellet Fuels Association
- Glen Berkowitz
- Richard Burbank, Evergreen Home Performance
- Emma Cost, GEO
- Kristin Dupre, Abode Energy
- Francis Eanes, Maine Labor Climate Council (MLCC)
- Dana Fisher, Mitsubishi Electric US
- Mika Heming, Passivhaus Maine
- David Milliken, Horizon Maine
- Mark Thomson, LG Electronics
- Max Rush, Resurgam Group
- Jack Shapiro, Natural Resources Council of Maine (NRCM)
- Molly Siegel, Governor's Office of Policy Innovation and the Future (GOPIF)

1. Welcome and Introductions

Mr. Poole called the meeting to order at 9:30 a.m.

2. APPROVE Agenda and Minutes

Mr. Burgess asked if it is legally required that the Board take a roll call vote to approve the agenda and meeting minutes. Mr. Stoddard replied that he has reached out to the Attorney General's office about this question and expects to hear back next week.

ACTION: Upon a motion duly made (Mr. Brennan) and seconded (Ms. Welsh), the Board voted to approve the agenda and the Minutes of the January 22, 2025 Board Meeting.

3. **Public Comment on Agenda Items**

- Mr. Rush represents the MLCC, which is a coalition of several labor unions. He expressed support for the Manufactured (Mobile) Home Initiative and noted that MLCC is launching a training program for HVAC contractors that serve mobile homes. He also stated that MLCC would like to see continued prevailing wage measures and apprenticeship programs, and noted that they are seeking to adapt successful labor practices from the solar industry to Maine's weatherization and heat pump industries.

4. **Executive Director's Report**

Mr. Stoddard summarized the Executive Director's monthly update to the Board. Following are several items highlighted during his presentation:

- EMT has been busy navigating interruptions to funding for several federal grants. He noted that disruption to the federal grants is not currently impacting EMT's core program offerings, such as residential heat pumps and weatherization. It is temporarily impacting EMT's ability to make new commitments for EV chargers and also to meeting its commitments for electrification of new affordable housing. Staff is working on contingency plans to fulfill incentive commitments for EV chargers and new affordable housing.
- A year and a half after adopting new minimum project requirements for residential heat pump rebates, EMT is seeing robust uptake in the marketplace. Installers are reporting a 56% year-over-year increase in backlogs, indicating that demand is strong. Now that things are running well, Staff is considering ways to optimize the program. One focus is improving heat distribution by encouraging multiple smaller units rather than a single big unit. To accomplish this, Staff is considering shifting away from the current approach that determines the rebate amount by pegging it to a predetermined percentage (e.g., 40%, 60%, 80%) of the total project cost. In the future, Staff is considering moving to a simpler prescriptive approach that provides a fixed incentive amount (e.g., \$1,000) for each outdoor heat pump unit that is installed. Mr. Stoddard recalled that it is a standard practice offer a more generous incentive at the outset of a new initiative to encourage uptake and entice contractors to adapt to the program structure. Then, once the program is running smoothly, to tighten up incentive amounts and program requirements to improve cost-effectiveness. Mr. Stoddard clarified that EMT intends to implement some form of rebate changes for residential heat pumps in the very near future.
- Mr. Poole asked if EMT has data yet about how whole home heat pump systems are performing. Mr. Eglinton responded that EMT has not heard significant concerns or complaints from contractors or customers during the recent stretch of cold weather. He said this suggests the systems are performing well. Mr. Burgess added that one unexpected issue with whole home heat pump installations has been that customers sometimes forget to work with their fossil fuel supplier to adjust the size or frequency of their fossil fuel deliveries.
- Mr. Colburn asked whether focusing program incentives on the number of outdoor units would work well with hydronic heat pump systems. Mr. Stoddard responded that EMT expects to treat hydronic heat pumps as a distinct measure with a different incentive than air-source heat pumps.
- Mr. Colburn also asked whether EMT is taking specific positions on the net energy billing (NEB) investigation and Versant's rate case at the Public Utilities Commission

- (PUC). Mr. Stoddard responded that Staff is following the NEB docket primarily focusing on the discussion of cost-effectiveness calculations. Staff also wants to be present to hear arguments about NEB's impact on electricity rates given that EMT's objective is to ensure that beneficial electrification measures are economically attractive. With respect to the Versant rate case, Mr. Burnes noted that EMT is supportive of the utility's forward-looking vision of grid modernization, but is eager to ensure that certain requirements are put in place to drive the organizational culture necessary to fully utilize those systems.
- Mr. Colburn noted that he hopes that EMT is fully utilizing the remaining funds in the Electric Vehicle (EV) Rebates budget. Mr. Stoddard explained that the unspent budget reflects Electric Procurement funding for beneficial electrification measures; in order to "reliably reduce rates" these EVs must be paired with off-peak charging. This is a new program design that will take EMT some time to design and launch. Mr. Eglinton added that some of the budget is restricted to low-income incentives only, further slowing EMT's investment.
 - Mr. Colburn thanked Staff for meeting with him and the Post Road Foundation team to clarify roles regarding the Transactive Energy Pilot.
 - Mr. Burgess asked for further detail on heat pump water heater offerings for low-income customers. Mr. Stoddard responded that EMT has fully expended for this fiscal year the available budget for the "direct install" offering for low-income customers. However EMT is still providing in-store incentives. EMT surveys show that roughly 14% of units sold through retailers and distributors are installed in low-income homes. Mr. Eglinton added that EMT has designed the retail and distributor offerings to make installing a heat pump water heater cost the same or less than installing an electric resistance water heater. He also noted that the direct install initiative was administratively expensive and customer interest had been waning in recent years as EMT exhausted its outreach to participants in categorically eligible programs.

5. Planned Business

a) Monthly Financial Report

Mr. Leclair noted that the Forward Capacity Market (FCM) revenues are slightly trailing estimates by about 6% (\$300,000). He also noted that EMT is expecting to receive a large installment of American Rescue Plan Act (ARPA) funds in the very near future.

b) Acceptance of DEP Funds to Support Manufactured (Mobile) Home Initiative – Approve

Mr. Eglinton explained that the Maine Department of Environmental Protection (DEP) is interested in providing financial support for participants in EMT's Manufactured (Mobile) Home Initiative to switch to heat pumps by subsidizing the cost for removal of abandoned oil tanks. DEP is prepared to provide \$150,000 to EMT to support this effort. EMT would use these funds to provide an \$800 rebate per project, with half of the incentive going to the contractor and the other half to the customer. Mr. Poole asked if this offer can be utilized for homes that have already switched over. Mr. Eglinton said he was unsure, but noted that the funding is not sufficient to cover every participant. Mr. Stoddard stated that this

supplemental offering will improve EMT's ability to market the Manufactured (Mobile) Home Initiative by addressing what, for some, is a barrier to participation – the cost and inconvenience associated with removing and disposing of an old tank. This offering is entirely optional for customers of the Manufactured (Mobile) Home Initiative, and is not a pre-requisite to participation in the initiative.

ACTION: Upon a motion duly made (Mr. Brennan) and seconded (Ms. Welsh), the Board voted to approve the motion to find that, as described in Mr. Eglinton's February 26 memorandum, the receipt of certain funds from the DEP is consistent with the purposes of the Efficiency Maine Trust Act and authorize the Executive Director to accept \$150,000 as awarded and add the funding to the Low Income Initiatives expenditure budget. The addition of these funds will result in a total FY2025 source of funding (revenue) and expenditure budgets of \$253,292,710 and \$251,384,395, respectively.

c) Maine Legislation and Reports – Update

Mr. Stoddard provided a brief overview of the bills EMT is tracking at the Legislature.

- LD 445 intends to increase the threshold for requiring enforcement of building codes from towns larger than 4,000 residents to towns larger than 10,000 residents. Mr. Stoddard plans to testify against this change because it will undermine a highly cost-effective method to improve energy efficiency.
- LD 210, the Biennial Budget bill, includes a transfer of powers and duties of the “Division of Building Codes and Standards” from the State Fire Marshal’s Office to the new Maine Office of Community Assistance. Mr. Stoddard plans to testify in favor of this change.
- LD 585 proposes modifying the restrictions on use of FCM revenues, allowing EMT to use these funds to supplement incentives for beneficial electrification measures, including EVs specifically.
- A proposed bill (yet to be printed) is expected to propose amending the Beneficial Electrification Policy Act to distinguish how the statute treats electric utility procurement for rate reducing resources from traditional energy efficiency resources. The amendment would clarify that the limit the 4% cap on procurement budgets to the procurement of traditional electric efficiency measures.
- Another proposed bill (yet to be printed) is expected to mandate that the Efficiency Maine Green Bank finance renewable energy generation, energy storage, and smart grid applications. It would further mandate that the EMGB invest a minimum budget (e.g., \$500,000) through equity investments and a minimum budget through other forms of finance (debt, credit enhancement, etc.).
- Mr. Brennan highlighted two additional bills, including one providing MaineHousing funding for weatherization readiness, and another (LD 556) that prohibits municipalities from prohibiting certain energy systems.
- Mr. Burgess noted that the budget bill also includes a proposal to convert GEO to a cabinet-level department, and highlighted another bill that creates a new clean energy standard that would supplement the existing renewable portfolio standard.

d) Home Resiliency Grant Administration

Mr. Stoddard provided an update on the Maine Bureau of Insurance's request for EMT to administer the HoME Resiliency Program (discussed at the January Board meeting). The program would fund projects to make buildings more resilient to damage from severe weather and to elevate home electrical systems to reduce susceptibility to flooding damage. EMT staff reported that its recommendation is to decline the request to take on administration of this program but to indicate to the Bureau that it is willing and able to assist the Bureau in developing the program and offering advice on approaches to administering it. Mr. Brennan added that MaineHousing has similarly declined a request to administer this program and is willing to assist the Bureau where appropriate.

e) Triennial Plan VI Update

Mr. Burnes shared that EMT and the PUC have completed a technical conference on Triennial Plan VI (TPVI) and are now in settlement negotiations. One item under discussion is how EMT will budget for and collect utility assessments for C&I Custom Program projects. Mr. Burgess encouraged EMT staff to publicize the TPVI approval when the time comes.

f) Federal Funds Update

Mr. Eglinton presented an update on EMT's various federal funding sources.

- Maine has \$35 million obligated from the U.S. Department of Energy's (DOE) Home Electrification and Appliance Rebates (HEAR) program for heat pumps in manufactured homes and in new construction affordable housing.
- Maine has received enough funds to cover manufactured home projects for the next few months, but not for new construction of affordable housing projects.
- CitiBank has frozen EMT's funds as a subrecipient of the Coalition for Green Capital's Greenhouse Gas Reduction Fund grant.
- EMT is waiting on DOE to pay invoices for the Energy Improvements in Rural or Remove Areas program.
- EMT successfully submitted invoices for the National Electric Vehicle Infrastructure (NEVI) program within the last few weeks. The Federal Highway Administration (FHWA) has committed to paying incentives for NEVI projects already under contract, but not for projects pending contract.
- The New England Heat Pump Accelerator grant is obligated to the State of Connecticut (the lead entity) but still in the early stages of implementation. EMT intends to use those funds for heat pump water heaters.

Overall, federal funds make up about 20% of EMT's FY2025 budget. Mr. Stoddard noted that he is grateful that EMT elected to segregate the use of federal funds from EMT's existing core programs (using other funding sources), as that has insulated those core programs from the significant disruption occurring with federal funds at this time. Mr. Colburn asked if there are concerns about staffing changes as a result of the federal funding changes. Mr. Stoddard responded that relative to the total budget, very little federal funding is allocated to EMT staff salaries, given that most of the federal funds are intended for the actual financial incentives (e.g., rebates), and because the organization's reliance on external delivery teams to administer programs. Mr. Eglinton noted that, with one or two discrete exceptions, the proposed FY2026 expenditure budget is largely independent of threatened

federal funds. Mr. Stoddard added that he is cautiously optimistic that EMT will ultimately receive federal EV infrastructure funds that have been obligated.

6. New Business

None.

7. Next Meeting Agenda and Scheduling

The next Board meeting is scheduled for March 26, 2025. Mr. Stoddard proposed that the March meeting be held at EMT's new Portland office. He is also interested in pairing the meeting with a site visit. He will follow up over email.

8. Adjourn

ACTION: Without objection, the board adjourned the Board meeting at 11:58 a.m.

Efficiency Maine Board of Trustees – Roll Call Sheet
Board Meeting Date: 2/26/2025

Trustee	Vote 1	Vote 2	Vote 3
<i>Agenda Item</i>	2. Approve Agenda and Minutes	b) Acceptance of DEP Funds to Support Manufactured (Mobile) Home Initiative	8. Adjourn
<i>Motion, Second</i>	Mr. Brennan, Ms. Welsh	Mr. Brennan, Ms. Welsh	No Objections
Brennan, Daniel	Y	Y	
Burgess, Dan	Y	Y	
Colburn, Kenneth	Y	Y	
Furth, Heather	Y	Y	
Isaacson, Mark	A	A	
MacDonald, Suzanne	A	A	
Poole, Glenn	Y	Y	
Rauscher, Christopher	A	A	
Welsh, Joan	Y	Y	

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