

**Efficiency Maine Trust  
Board Meeting Minutes  
April 25, 2018**

**Trust Board Members:**

- David Barber
- Brent Boyles, Treasurer (via phone)
- Dan Brennan
- Herbert Crosby, Secretary
- Ken Fletcher, Chair
- Al Hodsdon
- Don Lewis
- Steven McGrath
- David Stapp, Vice Chair

**Efficiency Maine Trust (EMT) Staff:**

- Ian Burnes
- Nat Blackford
- Emily Cushman
- Monté Haynes
- Greg Leclair
- Jack Riordan
- Michael Stoddard

**Other Attendees:**

- Sue Ely, NRCM
- Joel Harrington, CMP
- Dot Kelly, Phippsburg
- Rob Wood, TNC

**1.0 Welcome and Introductions**

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

**2.0 Approve Agenda and Minutes**

**ACTION:** Upon a motion duly made (Mr. Stapp) and seconded (Mr. Hodsdon), the Board voted unanimously to approve the agenda and the March Board Meeting Minutes.

**3.0 Public Comment on Agenda Items**

Ms. Kelly explained that she is an intervenor in a docket at the Public Utilities Commission (PUC) relating to Central Maine Power's (CMP's) request for a "Certificate of Public Convenience and Necessity" (CPCN) for a transmission line from Quebec to Lewiston and shared some of her concerns about the potential impacts of the proposed line.

There was no other public comment.

**4.0 Executive Director's Report**

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

- Mr. Stoddard noted that he had received a press inquiry relating to the Board's decision on incentives for cannabis operations.
- Upon Mr. Stapp's request, Mr. Stoddard provided an overview of the status of LD 1487 – An Act to Control Transmission Costs through the Development of Non-transmission Alternatives (NTAs). The bill declared that it is in the public interest to have a third-party NTA coordinator, directed the Office of the Public Advocate to convene a stakeholder group, and prohibited the PUC from implementing any final decisions on utility rate proposals related to NTAs. The bill ultimately died in the Senate. Mr. Burnes explained that the PUC would therefore proceed with the process laid out in its order on the smart-grid coordinator case (docket no. 2016-00049); the utilities will present proposals regarding how they will use rates to put NTAs on a level playing field with traditional Transmission and Distribution solutions.
- Mr. Hodsdon asked about the status of LD 822 – An Act to Ensure Fairness among Large Consumers of Natural Gas. Mr. Stoddard explained that the natural gas conservation assessment for large manufacturers is capped on the first 1 million CCF of usage. This session, Backyard Farms petitioned the Legislature for an amendment that would include them in this category; the bill added agricultural business and aquaculture facilities. It became law in April.
- Mr. Fletcher asked about the status of LD 1657 – An Act To Update the Allowance Budget for the Regional Greenhouse Gas Initiative (RGGI). Mr. Stoddard explained that the bill extended Maine's participation in RGGI through 2030 and became law in February. Mr. Fletcher commented that this seemed to provide a certain level of confidence in the market, allowing EMT to plan ahead with more certainty surrounding its RGGI revenue budget.
- EMT filed its Annual Update to the Triennial Plan at the PUC on March 1. The PUC bifurcated the electric and natural gas issues; the electric adjustments proposed by EMT were approved, and discussions regarding the natural gas adjustments are ongoing. The PUC also issued Protective Orders in response to EMT's requests for utility data.
- The Commercial and Industrial (C&I) Prescriptive Program's (CIP's) is on track to expend its original FY2018 budget levels. However, given FY2017 natural gas carryforward and the influx of RGGI funds in the all-fuels budget, the program's expenditures year-to-date appear low as a percentage, shown in the Executive Director's Report, of the overall total budget.
- EMT is partnering with the Department of Health and Human Services (DHHS) to leverage that agency's access to information about low-income customers. Through this partnership, EMT can now reach a universe of potential customers four times larger than was available from the LIHEAP list. Though DHHS will not give EMT the customer information directly, it will send mailings to the customer list on EMT's behalf.
- EMT issued RFPs for the Innovation Program and the Renewable Energy Demonstration Grants Program. The Innovation RFP seeks proposals for load shifting pilots, and the Renewables RFP targets projects in affordable housing.

## 5.0 Planned Business

### (a) APPROVE Board Officers for 2018

Mr. Fletcher nominated the following Board Members to Officer positions: David Stapp for Chair, Al Hodsdon for Vice-Chair, Herb Crosby for Secretary, and Brent Boyles for Treasurer. Each of the nominees indicated their willingness to serve in the positions for which they were nominated.

**ACTION:** Upon a motion duly made (Mr. Lewis) and seconded (Mr. Brennan), the Board voted unanimously to approve the slate of nominated officers.

### (b) DISCUSS Board Committees and Review Teams

Mr. Fletcher resumed the discussion from the March Board meeting regarding operation and organization of Board Committees and procurement Review Teams. He indicated that the Board would have three standing committees: 1) Finance and Administration, 2) Programs, and 3) Strategic Initiatives (to cover topics such as evaluations and innovation pilots). He explained that these committees would provide a platform for information exchange, but not decision-making. To avoid a quorum of the full board, each committee would be limited in seating no more than four Trustees. Committee meetings would be open to the public and subject to public notice.

On a separate matter, Mr. Fletcher discussed Board members participation in reviewing and awarding grant proposals submitted in response to competitive solicitations. These “Review Teams” are used in the implementation of the C&I Custom Program, the Renewables Program, the Innovation Program, and certain third-party evaluations. Mr. Stoddard reported that going forward, the C&I Custom Review Team will review all custom projects, no matter how small the proposed incentive. He further reiterated the point raised at the March meeting that the C&I Custom Review Team is empowered to seek a “second opinion” through a third-party expert if and when necessary. Mr. Stoddard added that C&I Custom Review Team members are encouraged to ask for a “time out” if they have unanswered questions or do not feel comfortable with a certain aspect of the analysis.

Mr. Hodsdon suggested Mr. Tietenberg be invited to the Review Team for the Innovation grants.

**ACTION:** Upon a motion duly made (Mr. Lewis) and seconded (Mr. Brennan), the Board voted unanimously to approve the Board Committee Review Team processes and configurations as set forth in Mr. Fletcher’s March 27, 2018 memo.

### (c) UPDATE on Monthly Financial Reports

Mr. Leclair provided an overview of EMT revenues. He noted that personnel transitions at CMP have resulted in payment delays. Mr. McGrath asked about EMT’s liquidity. Mr. Leclair stated that EMT receives the majority of its revenues in quarterly installments. Staff encumber funds according to conservative budgets. Mr. McGrath asked if EMT waits to have cash in hand before making commitments. Mr. Leclair indicated that

generally this is the case and is made possible by carrying a healthy fund balance, and suggested he provide more detailed explanation at the next Finance Committee meeting.

**(d) PRESENTATION on Context for FY2019 Budget Development**

Mr. Stoddard and Mr. Leclair provided an overview of the context for EMT's FY2019 budget development. Mr. Stoddard explained that the presentation would provide some background before the staff presents a formal budget proposal for Board approval in May. The figures presented reflected the budget as proposed in the most recent Annual Update that was filed at the PUC. Mr. Stoddard noted that, though EMT typically waits until the summer audit to finalize carryforward, the staff made a preemptive number of shifts within programs. He reminded the Board that the natural gas adjustments are still pending at the PUC.

In reviewing EMT's revenue streams, Mr. Stoddard explained that staff allocate Forward Capacity Market (FCM) revenues *pro rata* across the funds that drove those revenues. For example, where FCM revenue results from a RGGI project, that revenue will be directed back into the RGGI fund. On the electric side, EMT uses FCM funds to defray the procurement assessment, reducing the burden on ratepayers. EMT's expenditure budget is set based on Maximum Achievable Cost-Effective (MACE) opportunity and EMT's historical cost of production applied to achieving the MACE level of savings. Mr. Leclair noted that EMT's administrative costs represent 5.5% of the FY2019 budget.

**(e) APPROVE FY2018 Budget Adjustment**

Mr. Leclair explained that, while uptake of electric incentives in the C&I Custom Program has been slow, the pipeline of pending projects in CIP is strong. Staff proposes a \$499,000 transfer to follow the opportunity. This adjustment does not require PUC approval as it does not exceed the threshold of "Significant Changes."

**ACTION:** Upon a motion duly made (Mr. Hodsdon) and seconded (Mr. Lewis), the Board voted unanimously to approve the transfer of \$499,000 of electric procurement funds from the C&I Custom Program to CIP.

**(f) APPROVE Sole Source Contract for Staff Support Services**

Mr. Stoddard explained that Mr. Leyko's departure from EMT in December left a gap in staff resources. Staff are requesting a sole source procurement for sub-contracted services to be provided by Elizabeth Crabtree – EMT's former Director of Programs who retired in 2014. Ms. Crabtree will assist with various duties outlined in Mr. Stoddard's April 19, 2018 memo. Mr. Stapp questioned the optics of a staff member leaving the organization and returning to work at a higher compensation rate. Mr. Stoddard noted that Ms. Crabtree would not be earning more than she did in her previous role when factoring in the value of benefits and self-employment taxes.

**ACTION:** Upon a motion duly made (Mr. Lewis) and seconded (Mr. Crosby), the Board voted unanimously to authorize the Executive Director to enter a sole source contract with

Elizabeth Crabtree at a rate of \$55/hour in an amount not to exceed \$25,000, spanning FY2018 and FY2019.

**(g) APPROVE Sole Source Purchase of Digital Ads and Facebook Digital Ads**

Mr. Stoddard stated that EMT’s programs have increasingly relied on digital advertising to reach potential program participants. Compared to more traditional advertising channels (e.g. print/TV/radio ads), digital ads are lower cost, more measurable, and more targeted.

**ACTION:** Upon a motion duly made (Mr. Brennan) and seconded (Mr. Barber), the Board voted unanimously to authorize the Executive Director to purchase Google digital ads in FY2018 at an amount not to exceed \$250,000 and Facebook ads in FY2018 in an amount not to exceed \$25,000.

**(h) Discussion of Portland Loop Project**

Mr. Stoddard provided an overview of CMP’s Portland Loop Project. When CMP proposed the Maine Power Reliability Program (MPRP) in the mid-2000s, it performed a complicated analysis of the transmission and distribution (T&D) upgrades required to meet forecasted load growth. During that process, it was determined that two sections of the proposed project presented less pressing needs: the Mid-Coast (including the Boothbay peninsula and Camden/Rockland area), and the greater Portland area (the “Portland Loop”). As part of the settlement, parties agreed to NTA pilot projects in each of those areas. These pilots would test the viability of Distributed Energy Resources (DERs) in lieu of T&D upgrades.

This past winter, CMP filed new analysis detailing the updated size, location, and timing of reliability needs in the Portland Loop, along with its proposed solutions. With respect to the Portland Loop, this process for determining the need for Transmission and Distribution system upgrades is now underway at the PUC, and will include an analysis of the potential role for NTA resources. EMT is planning to play a role in 1) helping to scope out the potential cost-effective NTA opportunities, and 2) implementing certain NTAs.

**6.0 New Business**

Mr. Stoddard said staff would present the FY2019 budget at the May Board meeting. He also reminded the Board that staff is planning to conduct some housekeeping on EMT rules, noting that he would need to recruit three Trustees to participate.

**7.0 Next Meeting Agenda and Scheduling**

The next Board meeting is scheduled for May 23, 2018.

**ACTION:** Upon a motion duly made (Mr. Crosby) and seconded (Mr. Stapp), the Board voted unanimously to adjourn the Board meeting at 11:57 p.m.