

**Efficiency Maine Trust  
Board Meeting Minutes  
May 24, 2017**

**Trust Board Members:**

- David Barber
- Herbert Crosby
- Kenneth Fletcher
- Al Hodsdon
- Don Lewis
- Angela Monroe
- David Stapp

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

- Nat Blackford
- Ian Burnes
- Emily Cushman
- Peter Eglinton
- Greg Leclair
- James Leyko
- Michael Stoddard

**Other Attendees:**

- Adam Gifford, CLEAResult
- Bruce Harrington, ERS
- Michelle Marean, DNV GL

**1.0 Welcome and Introductions**

Mr. Fletcher called the meeting to order at 9:31 a.m.

**2.0 Approve Agenda and Minutes**

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

**3.0 Public Comment on Agenda Items**

Mr. Barber announced that Patrick Woodcock, former Director of the Governor's Energy Office (GEO) and ex-officio EMT Board member, had taken a position as the Assistant Secretary of Energy for the Commonwealth of Massachusetts.

**4.0 Executive Director's Report**

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

- The Legislature confirmed Barry Hobbins as the new Public Advocate. During his confirmation hearing at the Energy, Utilities and Technology (EUT) Committee, Mr. Hobbins emphasized the importance of energy efficiency and praised the work of EMT.

- The current legislative session is almost over. The EUT Committee voted to carry over a number of bills into next year, including LD 1487 (a proposal to establish a non-transmission alternatives or NTA coordinator) and LD 131 (a proposal to help the biomass industry). Mr. Stoddard explained that LD 131 would call for EMT to factor in “economic benefits” when providing project incentives. The Legislature’s December 2016 biomass report also recommends that EMT provide targeted incentives for biomass-fueled combined heat and power (CHP) projects at public facilities. EMT’s testimony on LD 131 addressed both of these proposals.
- Mr. Stoddard highlighted recent progress on LD 1313, which is a bill that reflects months of discussion regarding ways to maintain stable EMT program budgets in the face of declining Regional Greenhouse Gas Initiative (RGGI) revenues. The final version of the bill has three central elements. First, it preserves the Legislature’s commitment -- made in the last legislative session -- to providing energy cost relief to select group of large manufacturers, but changes the payment schedule to ease the burden on EMT’s annual program budgets. Instead of paying out \$3 million per year for the next two years, EMT will transfer \$2.5 million in FY2018, \$2.5 million in FY2019 and \$1 million in FY2020. Second, the bill eliminates for the next three years the requirement that EMT split RGGI revenues evenly between residential and commercial programs. Third, it limits the natural gas conservation assessment for large manufacturers to the first 1 million centum cubic feet (CCF) of usage, and clarifies that this cap does not limit their ability to participate in EMT programs. The EUT Committee voted unanimously to pass LD 1313 as amended; Staff will continue to monitor the bill’s progress in the full Legislature. If it passes this final stage, EMT Staff will come to the Board with a budget adjustment.
- Mr. Stoddard summarized recent activity at the Public Utilities Commission (PUC). EMT Staff provided a briefing to the PUC on its Technical Reference Manuals (TRMs) and attended a hearing on voltage optimization. Additionally, PUC staff issued two Examiners’ Reports on Triennial Plan -- Phase II topics. The first recommends rejecting the stipulation in the low-income docket; PUC staff felt there was not enough data to support the correlation between a property’s assessed value and the owner’s income level, and did not support using electric dollars to weatherize low-income homes that use at least 25% electric heat. The second examiner’s report was a *revised* opinion regarding Summit’s natural gas efficiency programs (administered by EMT). Mr. Stoddard explained that, while EMT constantly adjusts other natural gas program offerings to reflect new costs, it has no control over Summit’s offerings for conservation measures or “conversion” promotions. The first iteration of the Examiners’ Report recommended a reconsideration of the administrative structure; the revision recommends that the current structure remain in place. Mr. Hodsdon noted that the Board could vote on its own to discontinue this relationship. Mr. Stoddard encouraged the Board to wait until after the Commissioners’ final vote before taking any action. He emphasized the value in providing consistency for customers and contractors and noted that undoing Summit’s rate calculations

would be very challenging. Mr. Fletcher suggested that the Board file a letter with the PUC expressing its concern.

- Mr. Stoddard noted that, due to declining RGGI revenues, the C&I Custom Program is no longer offering incentives for “unregulated fuels” projects. The program’s remaining RGGI budget will be reserved for potential reallocation to other programs in FY2018, pending passage of LD 1313 at the Legislature.

## **5.0 Committee Report**

### **(a) Finance Committee**

#### **i. REPORT on Monthly Revenues and Expenditures Report**

Mr. Leclair briefed the Board on revenues to date, as detailed in the most recent FY2017 Financial Report. He referred to the Executive Director’s Report for additional information on expenditures.

#### **ii. APPROVE Designation of Confidentiality on Certain Information**

Mr. Stoddard explained that the Staff occasionally seeks access to non-public sales information as part of various evaluation, measurement, and verification (EMV) initiatives. Maine statute provides that business information held by EMT is protected where: (1) the original owner of the information has requested that EMT treat it as confidential; and (2) the Board has determined that it should be treated as confidential. Rather than seek Board approval for each individual case, the Staff requests that the Board provide a blanket determination for non-public sales information. Ms. Monroe requested a slight wording modification to allow for sharing aggregated data that cannot be tied to an individual business (e.g., manufacturer, retailer, distributor, trade contractor, or EMT consultant).

**ACTION:** Upon a motion duly made (Mr. Lewis) and seconded (Mr. Barber), the Board voted unanimously to designate as “confidential” non-public, individual business sales information for purposes of satisfying 35-A MRS section 10106(1)(A).

#### **iii. APPROVE FY2018 Operating Budget**

Mr. Leclair provided an overview of May’s Finance Committee meeting and summarized EMT’s FY2018 Budget. Mr. Stoddard clarified that this version of the budget does not contain any fund balance; Staff will return to the Board with carryforward figures later in the summer.

**ACTION:** Upon a motion duly made (Mr. Barber) and seconded (Mr. Hodsdon), the Board voted unanimously to adopt the FY2018 budget in accordance with the second year of the updated Third Triennial Plan as submitted to the PUC and amended to include the EMT Admin Fund and the Revolving Loan Funds operated by the Trust.

**(a) Program Committee**

**i. UPDATE on Evaluation, Measurement and Verification (EM&V) Initiatives**

Mr. Burnes pointed to three overarching directives that guide the EMT's EM&V activity. First, Maine statute requires that EMT hire a third party to evaluate its major programs every five years. Second, ISO-New England requires that EMT verify a certain level of accuracy in its reported results in order to participate in the Forward Capacity Market. Third, the PUC directed EMT to allocate 2.5% of its budget to EMV during the Triennial Plan III proceedings.

Mr. Burnes provided an overview of EMT's current and planned EMV activity. Program evaluations are underway for the C&I Prescriptive Program, the C&I Custom Program, HESP, and heat pump water heaters. The Small Business Initiative evaluation will begin in FY2018. EMT is also conducting real-time metering and data collection to provide program managers with actionable information in between larger evaluations. For example, the Consumer Products Program is currently conducting phone surveys about appliance purchases. Mr. Burnes noted that EMT will perform more of this type of analysis using the expanded EMV budget. The larger program evaluations will then draw on this data, bringing their costs down.

Mr. Burnes also noted that EMT conducts market studies to give staff a better sense of what is going on in the marketplace. For example, EMT is currently conducting a price sensitivity analysis for LEDs. Finally, EMT will solicit expert analysis when it does not have the in-house expertise. For example, EMT hired a consultant to prepare input for the Avoided Energy Supply Cost Update.

**ii. REPORT on C&I Custom (aka Large Customer) Program Evaluation**

Mr. Leyko provided an overview of the C&I Custom Program evaluation, which covered the period from July 2013 to July 2015. As the independent program evaluator, Nexant performed an "impact evaluation" to verify energy and demand savings and a "process evaluation" to assess participant experiences. Given the relatively small number of projects, Nexant was able to conduct a thorough review; evaluators performed on-site checks for all nine projects with reported savings over 1 million kWh and individual desk reviews for the remaining 13.

Nexant's impact evaluation found a realization rate (ratio of evaluated savings to reported savings) of 92.8% for electric projects. The process evaluation determined that staff has a deep understanding of customers' needs, and that the program had a significant impact on customers' decisionmaking. Nexant determined that EMT did its due diligence with respect to awarding an incentive to Lincoln Paper and Tissue, noting that, at the time, it was reasonable to believe that the mill would remain open. Ultimately, once the mill closed, EMT reflected the incentive as a program cost and did not credit any energy savings. Mr. Stapp asked if EMT had ever considered instituting liens on equipment. Mr. Burnes said this had been tried in the past and the experience suggested that it posed a significant barrier to participation.

**6.0 New Business**

None.

**7.0 Next Meeting Agenda and Scheduling**

The next Board meeting is scheduled for June 28, 2017.

**ACTION:** Upon a motion duly made (Mr. Barber) and seconded (Mr. Hodsdon), the Board voted unanimously to adjourn the meeting at 12:01 p.m.