

**Efficiency Maine Trust
Board Meeting Minutes
July 18, 2018**

Trust Board Members:

- Brent Boyles (via phone)
- Herbert Crosby, Secretary
- Ken Fletcher
- Don Lewis
- Steven McGrath
- Dan Drost, designee for Dan Brennan
- David Stapp, Chair

Efficiency Maine Trust (EMT) Staff:

- Ian Burnes
- Emily Cushman
- Peter Eglinton
- Greg Leclair
- Anne Stephenson
- Michael Stoddard

Other Attendees:

- Bill Bell, Maine Pellet Fuels Association
- Donald Bresnahan, Energy Systems Group
- Dot Kelly, Phippsburg resident
- Michelle Marean, DNV GL
- Matthew Morrison, MEMA
- Chris Powell, CLEAResult

1.0 Welcome and Introductions

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

2.0 Approve Agenda and Minutes

ACTION: Upon a motion duly made (Mr. Lewis) and seconded (Mr. Fletcher), the Board voted unanimously to approve the agenda and the amended June Board Meeting Minutes.

3.0 Public Comment on Agenda Items

Ms. Kelly highlighted two ongoing cases at the Public Utilities Commission (PUC) relating to transmission and distribution (T&D) system upgrades, including the New England Clean Energy Connect project and the Portland Loop project.

4.0 Executive Director's Report

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

- Mr. Stoddard stated that staff is wrapping up FY2018, working to pay final invoices and capture year-end project results. This information will inform the Annual Report. He noted that staff has discussed incremental FY2019 program shifts with the Board at previous meetings.

- Mr. Stapp and Mr. Lewis noted that they have repeatedly heard a radio ad on WVOM criticizing EMT. The ad uses strong language, characterizing EMT programs as a “scam” funded by “taxpayer dollars.” Mr. Stoddard explained that EMT’s attorneys have advised that it is a violation of the Unfair Trade Practices law in Maine to knowingly make or broadcast false or misleading claims. Staff discussed the ways in which it feels the ads are misleading, and indicated it was considering options on when and how to advise the advertiser and the radio station of these concerns. Mr. Lewis and Mr. Stapp agreed that notifying WVOM is a suitable first step.
- The PUC opened a docket to receive background information related to Triennial Plan (TP) IV, including EMT’s Technical Reference Manuals (TRMs) and the updated Avoided Energy Supply Cost (AESC) Study. Through this docket, PUC staff will have the opportunity to review pieces of foundational evidence in advance of the formal triennial plan proceeding. EMT is also monitoring the Portland Loop T&D upgrade case to stay abreast of any non-transmission alternative (NTA) discussion.
- The Commercial and Industrial (C&I) Prescriptive Program (CIP) is on track to fully expend it’s FY2018 electric budget. The program saw an uptick in natural gas activity in FY2018 with the shift to instant discounts at the distributor level (midstream). Staff expects this trend to continue into FY2019.
- To date, EMT has focused the Small Business Initiative (SBI) on two geographical regions at a time. The shift away from an outreach strategy centered around chambers of commerce to one using utility data has allowed for more targeted outreach. However, recent delays in accessing utility data have resulted in slow region launches. To make up for this activity shortfall, staff plans to target four regions simultaneously in FY2019, moving into more populous areas.
- EMT shifted incentives for wood and pellet stoves away from an approach that relies on Residential Registered Vendors to one that relies on promotion and rebates through retail stores. Given that customers typically spearhead the purchasing decision for these measures, they are better suited to a retail channel versus a contractor-centric approach. Staff has been reaching out to stove shops to clarify and promote the new program offering.
- EMT received multiple bids in response to the request for proposals for renewable demonstration grants in affordable housing. The review team will meet August 1.

5.0 Planned Business

(a) UPDATE on Monthly Financial Reports

Mr. Leclair noted that revenues are generally on track for FY2018. EMT is waiting on a final FCM payment, which it typically receives in the middle of the following month. Staff will accrue it to the previous fiscal year. Interfund transfers will change as staff finalizes FY2018 invoices. Finally, staff needs to follow up with Summit and CMP on outstanding payments. Mr. Leclair noted that the auditors would arrive the week of August

23. Mr. Stapp asked about the cost of the audit. Mr. Leclair said it typically costs around \$28,000.

Mr. McGrath asked how unspent funds impact EMT's year-end balance. Mr. Leclair explained that they would be characterized as "committed" (e.g., associated with approved projects or Memorandums of Understanding with retailers and distributors) or "uncommitted" funds. Uncommitted funds may be redeployed to the FY2019 budget or, in some cases, considered for return to the utilities.

(b) PRESENTATION on Triennial Plan IV (FY2020-2022): Overview of Draft Plan

Mr. Stoddard explained that Staff is looking for feedback on elements it plans to keep or change from TPIII. He clarified that the presentation on this day would not include detailed results of the potential studies or specific budget numbers. Staff plans to present this information to the Board during a workshop in early August, before posting draft materials for stakeholder review and comment. Mr. Stoddard provided a brief overview of the TPIV introductory sections.

Mr. Burnes gave an introduction to the new *Identifying Cost-Effective Opportunity* chapter, which describes components of EMT's cost-effectiveness analysis for the reader's benefit. EMT identifies benefits and costs based on the difference between two scenarios: 1) the baseline, i.e., what would have happened if not for the program, and 2) an efficient alternative that ultimately happens as a result of the program. It then monetizes those benefits and costs, based primarily on a set of PUC-approved avoided costs. Inclusion of operations and maintenance costs was discussed.

Mr. Eglington provided an overview of the TPIV program plans, focusing largely on ways in which they differ from TPIII. He touched on the general approach and methodology for assessing cost-effective potential in each. Following are highlights from his presentation:

- The C&I Custom Program will remain largely unchanged. With the inclusion of O&M costs in the cost-effectiveness screening, it is likely to see fewer small CHP projects. The program will continue with the recent project review process change, incorporating an opportunity for independent verification of EMT's analysis.
- CIP will shift its lighting incentives to retrofits only, discontinuing "lost opportunity" offerings. Based on results of the MACE potential study, Staff is determining which portion of the lighting opportunity will fall under this program versus SBI.
- While SBI has so far focused on rural areas with small contractor bases, it will expand its reach into more metropolitan areas. Staff is looking at opportunities to provide incentives for measures beyond retrofit lighting, acknowledging that different equipment typically involves different contractors.
- Distributor Initiatives represents a new program category in TPIV, consolidating all of EMT's distributor-level midstream efforts under one umbrella. This will allow for a more coordinated approach to program delivery. The initiative's measure offerings are generally the same midstream measures currently offered through other programs. However, based on the preliminary results from the opportunity analysis, the list will expand slightly to include circulator pumps on HVAC systems.

- Retail Initiatives (formerly the Consumer Products Program) will expand slightly to include wood and pellet stove incentives formerly offered through HESP, while measures that were previously discounted at the distributor level will shift to Distributor Initiatives. Working with stakeholders, Staff determined that including wood and pellet stoves under Retail Initiatives reflects the more customer-centric (vs. contractor-influenced) purchasing decision. Given that lighting remains a significant portion of the Retail Initiative portfolio, the opportunity analysis for this program will depend on predictions regarding the future of federal lighting efficiency standards.
- Incentives for many of the central heating systems (including natural gas, oil, and propane boilers and furnaces) will shift from HESP to Distributor Initiatives. As mentioned above, wood and pellet stove incentives will also transfer to the Retail Initiative channel. HESP will continue to focus on weatherization projects and ductless heat pumps, as well as residential geothermal systems and biomass boilers. The opportunity study uses a bottom-up approach, based on the number of potential homes, contractor volume and capacity, and RGGI funding considerations.
- Based on the expanded definition of a low-income customer in EMT's proposed rule amendments, Low-Income Initiatives will benefit from a larger universe of eligible participants in the TPIV period. The opportunity analysis draws upon the Office of the Public Advocate's recent baseline study, as well as an interval data study that estimates the portion of low-income energy use attributable to electric space heating.

Mr. Stoddard reviewed the Strategic Initiatives sections, including Evaluation, Measurement and Verification (EM&V), Innovation, and Public Information and Outreach. He highlighted one change – the Trust will decrease the Innovation budget from 1% to 0.5% of program spending to more accurately reflect grant awards in the TPIII period. Mr. Stoddard also introduced a new chapter entitled *Other Initiatives*, where EMT will discuss miscellaneous projects and potential activities, such as the Electric Vehicle charging station program and any future involvement in NTA procurement. He summarized the presentation by reminding the Board of next steps in the TPIV review and approval process.

6.0 New Business

Mr. Eglinton asked the Trustees to share their availability for a workshop on the MACE potential study on August 8. Mr. Stoddard that staff plans to have two draft rules ready for approval at the August Board Meeting.

7.0 Next Meeting Agenda and Scheduling

The next Board meeting is scheduled for August 22, 2018.

ACTION: Upon a motion duly made (Mr. Lewis) and seconded (Mr. Fletcher), the Board voted unanimously to adjourn the Board meeting at 12:04 p.m.