

**Efficiency Maine Trust
Board Meeting Minutes
July 20, 2016**

Trust Board Members:

- David Barber, Chair
- Daniel Brennan for John Gallagher
- Brent Boyles, Treasurer (via phone)
- Herbert Crosby
- Kenneth Fletcher, Vice Chair
- Al Hodsdon
- Don Lewis
- Patrick Woodcock

Efficiency Maine Trust (EMT) Staff:

- Emily Cushman
- Ian Burnes
- Greg Leclair
- Laura Martel
- Tim Reed
- Michael Stoddard

Other Attendees:

- Richard Doughty, Energy Resource Solutions (ERS)
- Adam Gifford, CLEAResult
- Dot Kelly, Phippsburg Conservation Committee
- Jeffrey Packard, Alodyne
- Dylan Voorhees, NRCM

1.0 Welcome and Introductions

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

2.0 Approve Agenda and Minutes

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

3.0 Public Comment on Agenda Items

Mr. Packard asked if EMT could help property owners gain better access to energy usage data for whole commercial buildings, particularly where there is a landlord-tenant situation and the tenants pay individual utility bills. He also noted that there is significant opportunity for energy efficiency upgrades among large customers with antiquated steam systems.

4.0 Executive Director's Report

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

- Mr. Stoddard noted the passing of Dick Hill – a professor emeritus in mechanical engineering at the University of Maine who was deeply committed to energy issues in Maine.
- EMT will host a Combined Heat & Power (CHP) Forum at the University of Southern Maine’s Abromson Center on September 29, 2016.
- The City of Bangor’s initiative to supplement Home Energy Savings Program (HESP) incentives for city residents received positive press in the local news. Mr. Woodcock asked if the Maine Municipal Association (MMA) was aware of the initiative, noting that it serves as a good model for other municipalities. Mr. Stoddard said that EMT is intensifying collaborative efforts with municipalities in the new fiscal year. For example, EMT Staff is preparing a “Collective Purchase Toolkit” for MMA to guide municipalities through the planning and execution of local independent bulk purchase of energy efficiency services and equipment.
- The EMT website saw 20,000 visitors in June. Mr. Stoddard noted that HESP-related content drives the most web traffic on the site.
- At the last Board meeting, Mr. Stoddard reported that the Public Utilities Commission (PUC) had approved Triennial Plan III. He reported that the PUC published the official Order approving the Plan on July 6.
- Mr. Stoddard asked Mr. Fletcher to report on the Municipal Review Committee (a non-profit entity representing the 187 communities that send their municipal solid waste to a single waste-to-energy facility) planning for the 2018 Penobscot Energy Recovery Company (PERC) contract expiration, which he did. The project is now ready for construction. The facility will ultimately produce biogas that will flow into the nearby Bangor Natural Gas pipeline system.
- The Commercial & Industrial (C&I) Prescriptive Program continues to focus on contractor certification and education to ensure that the Qualified Partner (QP) community is aware of FY2017 program changes. In order to retain QP status, contractors must get recertified every year; over 750 have done so in the last few months. Mr. Stoddard noted that EMT does have the discretion to remove a contractor from the QP list if necessary. Mr. Hodsdon asked if customers should be able to use any contractor, noting that not all contractors want to be QPs. Mr. Woodcock expressed a concern that this model would lead to an increase in improperly installed projects. Mr. Burnes noted that distributors/suppliers may serve as QPs for those jobs involving smaller, non-QP contractor outfits.
- EMT Staff is kicking off the Small Business Initiative (SBI) Region 5 initiative with two outreach events in Bridgton and Naples. Through SBI, EMT pays for 75-80% of a lighting retrofit project for small businesses.
- Activity in HESP is picking back up after the typical slow down during late winter and early spring. EMT will be making a major marketing push for the program in FY2017. Mr. Stoddard noted that EMT is going to release a “Heat Pump User Tips” publication this summer. He also stated that EMT provides scholarships to installers to access in-depth technical training on the technology.

- Regarding Low-Income Initiatives, Mr. Stoddard reported that a significant number of customers are registering for the Arrearage Management Program (AMP). The information gathered through AMP applications forms will be very helpful in identifying potential candidates for service by the electric Low Income Direct Install initiative. EMT is also working with Central Maine Power (CMP) on its low-income Energy Manager pilot. This partnership may also give EMT access to a list of potential energy efficiency customers. Mr. Stoddard then reminded the Board that EMT is still waiting to receive a list of Low-Income Heating Assistance Program (LIHEAP) eligible customers from MaineHousing. Mr. Brennan stated that MaineHousing is supportive of the request, but that there are unresolved legal questions. Mr. Stoddard suggested that MaineHousing would not require a formal legal opinion on the matter, and urged him to follow up as soon as possible. Mr. Fletcher suggested that EMT consider developing a limited pilot project to analyze and demonstrate coordination by various organizations. Mr. Stoddard said he would follow up with Mr. Fletcher and Mr. Eglinton and report back to the Board.

5.0 Committee Report

(a) Finance Committee

i. REVIEW Financial Reports

Mr. Leclair provided an overview of revenues and expenditures, as detailed in his memo dated July 14, 2016.

Mr. Woodcock noted that the Governor's Energy Office (GEO) has received a number of calls from CMP customers regarding the recent rate increase. CMP sent these customers a notification letter listing EMT's efficiency programs as a reason for the increase. Mr. Burnes stressed that EMT funding is a small portion of the increase (23.8%); CMP is also trying to recover years of deferred transmission and distribution costs, as well as stranded costs. These account for 49.3% and 43.4% of the rate increase, respectively. The overall rate change also includes a credit in distribution rates (-16.5%).

ii. APPROVE Sole Source Purchase of Google Digital Ads

Mr. Stoddard stated that online advertising accounts for the majority of EMT's marketing budget. Given that Google provides unique features as a medium for online ads, Staff indicated that procurement of ads through Google is not suitable for competitive bidding. EMT is therefore using a sole source contract. For sole source ad placement purchases more than \$25,000, EMT requires Board approval, and Staff has requested such approval.

Mr. Woodcock expressed concern over the fact that these advertisements would not reach those customer groups (e.g., low-income, elderly) with limited internet access. He asked EMT staff to report back to the Board in one year with results.

ACTION: Upon a motion duly made (Mr. Hodsdon) and seconded (Mr. Lewis), the Board voted unanimously to authorize the Trust to purchase Google digital ads in FY2017 at an amount not to exceed \$250,000.

(b) Program Committee

i. REPORT on Digital Advertising

Mr. Reed provided an overview of EMT's Online Strategies, highlighting three main avenues for digital advertising: Google, YouTube and Facebook.

With Google, EMT selects a series of relevant search terms for which it would like to display ads on the results page. EMT also selects a number of customer characteristics relevant to the population it is trying to reach. For example, EMT pays Google to display a targeted ad every time someone searches for "heat pumps", but only in cases where that person is located in Maine and is between the ages of 30 and 65. Once a customer clicks on the ad, EMT can track their movement throughout the website.

Similarly, YouTube and Facebook generate sophisticated user profiles that are used for targeted advertising. With all three of these channels, EMT only pays to advertise to those customers that are more likely to take action on an energy efficiency project. In that way, the advertising is highly cost-effective. Facebook has the added advantage of serving as a forum for community discussion and "word-of-mouth" referrals.

ii. CASE STUDY on Hancock Lumber

Mr. Doughty provided an overview of the Back Pressure Steam Turbine Generator (STG) Project at Hancock Lumber's sawmill facility in Bethel. He recognized the company for its longstanding commitment to energy efficiency.

Mr. Doughty explained that the mill has a 24-hour steam load and electric demand to power a series of kilns and fans. The \$1.33 million project will essentially capture steam currently produced at the mill, change its pressure, and run it through a turbine to generate electricity. The project will also involve increasing the operating pressure of the existing boiler, requiring additional use of onsite mill residuals (biomass byproducts such as bark, wood chips, etc.) as fuel. Depending on the outcome of a pending grant application, the total EMT incentive will be between \$626,000-\$744,000. The upgrade will save Hancock Lumber \$166,000 in annual energy costs and will have a simple payback of between 3.5-4.2 years.

iii. UPDATE on "Affected Customers" under LD 1398

Mr. Stoddard explained that LD 1398 sets aside \$3 million in annual RGGI funds to be returned to a select group of business ratepayers in the form of a disbursement. The bill states that these "Affected Customers" include those that

1) get their electricity directly from a transmission or sub-transmission station; 2) are “energy intensive manufacturers”; and 3) are located within the ISO-NE grid system. The PUC will generate an official list of Affected Customers by the fall. In the meantime, EMT will not review thermal project proposals from customers that satisfy all of the aforementioned criteria.

6.0 New Business

None.

7.0 Next Meeting Agenda and Scheduling

The next Board meeting is scheduled for September 21, 2016.

ACTION: Upon a motion duly made (Mr. Lewis) and seconded (Mr. Hodsdon), the Board voted unanimously to cancel the August Board Meeting.

ACTION: Upon a motion duly made (Mr. Lewis) and seconded (Mr. Hodsdon), the Board voted unanimously to adjourn the meeting at 12:05 p.m.