

**Efficiency Maine Trust  
Board Meeting Minutes  
July 26, 2017**

**Trust Board Members:**

- David Barber (via phone)
- Dan Brennan
- Brent Boyles (via phone)
- Herbert Crosby
- Al Hodsdon
- Don Lewis
- David Stapp

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

- Emily Cushman
- Peter Eglinton
- Greg Leclair
- Laura Martel
- Rick Meinking
- Michael Stoddard

**Other Attendees:**

- Elyse Doyle, DNV GL
- Adam Gifford, CLEAResult
- Dot Kelly, Phippsburg Energy Commission
- Ed Toombs, Phippsburg
- Josh Tuller, Maine Energy Professionals
- Dylan Voorhees, NRCM

**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. Hodsdon) and seconded (Mr. Lewis), the Board voted unanimously to approve the agenda and the June Board Meeting Minutes.

**3.0 Public Comment on Agenda Items**

Mr. Tuller asked about the status of the bill eliminating EMT's requirement to split Regional Greenhouse Gas Initiative (RGGI) funds 50%-50% between the residential and commercial sectors, respectively. Mr. Stoddard confirmed that LD 1313 was enacted into law.

Ms. Kelly asked if the Board would consider a discussion regarding ways EMT might participate in the state's various window insert initiatives. Mr. Stoddard suggested that the EMT Staff revisit the issue and consider options, and then brief the Board on any next steps.

#### 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 the Maine Public Utilities Commission (PUC) rejected the proposed settlement regarding EMT's Low-Income Initiatives based on two specific elements: the proposed expanded criteria for determining low-income eligibility and the assumptions and methodology for calculating the benefit of secondary energy savings. EMT plans to resubmit a revised settlement proposal in the coming weeks.
- The Commercial and Industrial Prescriptive (CIP) Program's electric initiatives finished FY2017 on target despite a slow start to the year. Mr. Stoddard explained that the spike in program activity in June reflects a surge in paperwork submissions to meet year-end deadlines; activity levels returned to an apparent equilibrium at a lower level of activity shortly thereafter. Mr. Stoddard also reminded the Board that CIP recently shifted its most popular natural gas and all fuels incentives from a rebate approach to instant discounts at the distributor level, simplifying administration and capturing more urgent purchase decisions. Mr. Hodsdon asked how EMT communicates its involvement to the customer under this new approach. Mr. Meinking said that the contractor sends customers an EMT postcard that provides some program background and congratulates them on their future energy savings. The Efficiency Maine website also mentions the discount initiative.
- Mr. Stoddard said that the Small Business Initiative (SBI) is exploring expansion to a new region in FY2018. Mr. Meinking said that plans would depend on funding levels.
- Mr. Stapp asked if EMT could recommend source for data regarding geographic differences in energy prices in Maine. Mr. Stoddard noted that the PUC website has electricity rate data and the Governor's Energy Office (GEO) website has oil price data.
- The Home Energy Savings Program (HESP) saw an uptick in heat pump installations and a decrease in weatherization activity in June. The program finished FY2017 under budget overall due to lower uptake in heat pumps than projected; weatherization funds were almost fully invested. EMT recommended to the PUC that it net out the carryforward of electric funding from FY2018's procurement. Mr. Stapp asked about HESP's market penetration levels. Mr. Stoddard said that Maine's heat pump penetration is the highest in the country at roughly 3-4% of homes. He said he would provide the Board with specific numbers as part of the FY2017 Annual Report process.
- Mr. Stoddard reminded the Board that EMT is looking for one or more additional Board members to join the Low Income Advisory Group. Angela Monroe indicated her intention to represent the Governor's Energy Office, and Dan Brennan will be invited to represent MaineHousing. The first meeting will be in September.

- Mr. Stoddard announced that Dana Fischer will be moving on from EMT. He thanked Mr. Fischer for his valuable contributions to the organization over the past seven years, and wished him well in his new position at Mitsubishi Electric. Mr. Stapp asked about the organizational transition. Mr. Stoddard explained that EMT's matrix team management approach provides a certain level of redundancy. He also noted that HESP has a highly informed and capable delivery team.

## 5.0 Committee Report

### (a) Finance Committee

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

Mr. Leclair reported that RGGI revenues came in \$86,000 short of EMT's revised forecast, while Forward Capacity Market (FCM) revenues finished \$800,000 above estimate. He also noted that EMT's financial institution increased its interest rate, resulting in a doubling of deposit income.

#### ii. APPROVE FY2018 Budget Adjustments

Mr. Stoddard summarized the Board of the Staff's recommendation to change the budget to account for RGGI shortfalls and to transfer RGGI funds from the C&I Custom and Commercial New Construction/Maine Advanced Buildings (MAB) programs to HESP. The Board was unable to vote on the recommendation at the June meeting because LD 1313 – the legislation authorizing the Board to change the set-aside for Affected Customers and to allocate the remaining RGGI funds according to EMT priorities – had not yet been signed by the Governor. Now that the bill has become law, the Staff is bringing it back up for a vote.

**ACTION:** Upon a motion duly made (Mr. Lewis) and seconded (Mr. Brennan), the Board voted unanimously to authorize the Staff to implement its recommendations regarding the RGGI budget, as described in Mr. Leclair's memo dated June 13, 2017.

### (b) Program Committee

#### i. UPDATE on Commercial Lighting Program Design

Mr. Meinking provided an overview of the program design for CIP lighting measures, emphasizing lighting power density. He explained that CIP's prescriptive lighting solutions cover both interior and exterior fixtures through three distinct pathways: (1) lamp replacement for existing fixtures that are already LED-compatible); (2) LED retrofit kits for existing fixtures that are not LED-compatible); and (3) new fixtures. The program uses the Design Lights Consortium (DLC) Standard lists for lamps and kits, and the DLC Premium list for new fixtures.

Mr. Meinking focused on the program requirements for new interior LED fixtures. Not only must all projects provide cost-effective energy savings, but they must also achieve a 20% lighting power density (LPD) reduction from the code-required value by space type. Mr. Meinking showed the Board a sample of EMT's calculator tool, which provides an easy way for vendors to compute LPD and determines whether a measure meets the program criteria for a given space type.

Mr. Meinking also noted that EMT convenes a Lighting Advisory Group – an assembly of 12 volunteer Qualified Partners (QPs), including installers, distributors, lighting designers, energy service providers. The group meets regularly to learn about program developments and to provide EMT with feedback on CIP’s lighting incentives and administrative process. Finally, Mr. Meinking pointed to some of CIP’s program considerations for the future, including incentives for integrated controls and potential leasing structures.

**ii. UPDATE on Legislative Session Issues and Outcomes**

Mr. Stoddard described LD 1313 as a bill that reflects months of discussion regarding ways to maintain stable EMT program budgets in the face of declining 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 suspends 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 bill passed the House and Senate and was signed into law at the end of June. It goes into effect 90 days after the Legislature adjourns.

Mr. Stoddard provided a brief overview of other bills from the 128<sup>th</sup> legislative session that are peripheral to the Trust’s work. The solar bill – LD 1504 – essentially maintains the state’s net energy billing policy through 2019. After passing both the House and Senate, it was vetoed by the Governor. At the time of this meeting, it remained to be seen whether the Legislature would override or sustain the veto. LD 1487 – the non-transmission alternative (NTA) coordinator bill – was carried over into next session. Mr. Stoddard noted that EMT came up repeatedly, in discussions at both the Legislature and PUC on this issue, as a candidate for the position. Finally, Mr. Stoddard pointed to LD 1632 – An Act to Establish the Manufacturing Jobs Energy Program, a Governor’s bill that was also carried over into next session. He noted that the bill encourages biomass energy development at above-market prices.

**iii. REPORT on Recent Regional and National “Strategic Electrification” Studies**

Mr. Stoddard explained that Staff has been reading about multiple regional and national discussions regarding long-range carbon reduction targets. This includes Maine’s involvement in the New England Governor’s and Eastern Canadian Premiers (NEG-ECP) annual proceedings and resolutions. Mr. Stoddard cited as one example the resolution from 2015 in which Maine joined the other jurisdictions in establishing new mid-term carbon reduction targets of 35-45% below 1990 levels by 2030. He reported further that several regional and national discussions issues have developed models that suggest significant penetration of electric heating and

transportation will be the most probable pathways to meeting mid-term and long-term carbon targets, and presented graphs showing the results of some of the modeling.

**6.0 New Business**

None.

**7.0 Next Meeting Agenda and Scheduling**

The next Board meeting is scheduled for September 27, 2017.

**ACTION:** Upon a motion duly made (Mr. Lewis) and seconded (Mr. Hodsdon), the Board voted unanimously to cancel the August Board meeting and adjourn the current Board meeting at 12:02 p.m.