

Executive Director's Summary Report

to the Board of Trustees
of the
Efficiency Maine Trust

July 26, 2017

1. Communications

A) Awareness and Press

- Outreach Events:
 - Staff presented at the Education Facility Plant Manager Conference (June 28-29).
- Press:
 - Efficiency incentives were featured in the *Mainebiz* energy issue (<http://www.mainebiz.biz/article/20170626/CURRENTEDITION/306219992>).
 - The *Bangor Daily News* featured an article about applying for RGGI Affected Customer status (<http://bangordailynews.com/2017/07/14/business/maine-regulators-offer-up-2-5-million-to-manufacturers-who-use-lots-of-energy/>).
- Website and Outreach (June)
 - 23,595 website visits (compare with 24,486 visits in May)
 - 16,697 unique visits
 - 7,940 visits were driven through digital ads
 - Facebook:
 - 2,924 fans of page (including 36 new fans)
 - 63,297 Facebook users reached through advertising

B) Call Center (June)

- 1,143 inbound phone calls (97% answered within 20 seconds)
- 513 inbound emails
- 913 inbound mail (mostly rebate claims)
- 149 outbound calls (Appliance Rebate evaluation surveys)

C) Government Relations

- Legislation:
 - LD 1313: An Act to Establish Energy Policy in Maine (RGGI) – passed and signed by the Governor.
- PUC Activities:
 - EMT Staff circulated an updated low income stipulation that addresses issues raised in the Commission's June 23, 2017 Order.

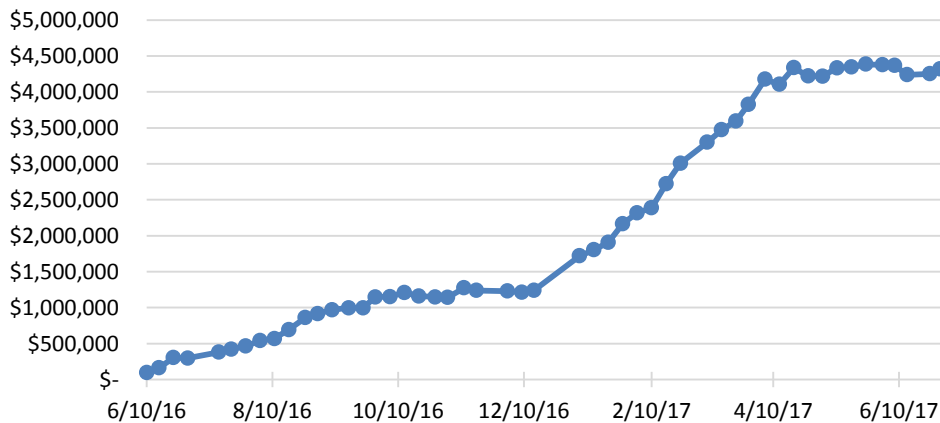
- EMT Staff filed the report of the LED Pricing Trial with the Commission (June 30).

2. Program Highlights¹

A) C&I Prescriptive (CIP) Program – Electric Measures

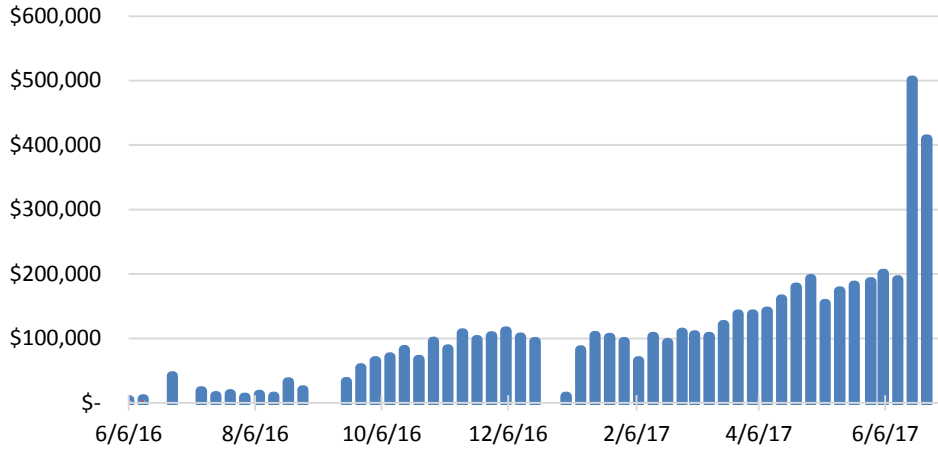
- The current pipeline of pending projects represents \$4,191,527 in incentives.
- Two successful promotions were implemented in the spring and included deadlines to file the paperwork by the end of June. Staff encouraged the delivery team to process as much of this paperwork as possible by June 30, resulting in a temporary spike in the number of incentives paid out in the last two weeks of results reported below. The most recent week of activity, while not complete and not reported here, appears to show payment activity returning to previous levels.
- Completed 9 Qualified Partner (QP) Annual Certification sessions. The program had record attendance this year with a total of 772 QPs that participated in either on-site sessions (5) or webinars (6).
- Started FY2018 with essentially the same measures and incentives that were available at the end of FY2017.

C&I Prescriptive Program Electric Measures Pipeline



¹ The Updated Financials table reported for each Program reflects data pulled from the Trust’s financial management system mid-month; the Summary Program Update table is pulled from the Efficiency Maine project tracking database on July 17, 2017 to capture the progress for the year through the most recent complete month of reported actual results (i.e., through the end of May, 2017).

**C&I Prescriptive Program Electric Measures
Incentives Paid**



Updated Financials	Program Investment
FY2017 Program Budget	\$8,574,935
7/1 to 6/30 Spending	\$5,785,938
Percent of Budget Spent to Date	67%
Percent of Year Passed	100%

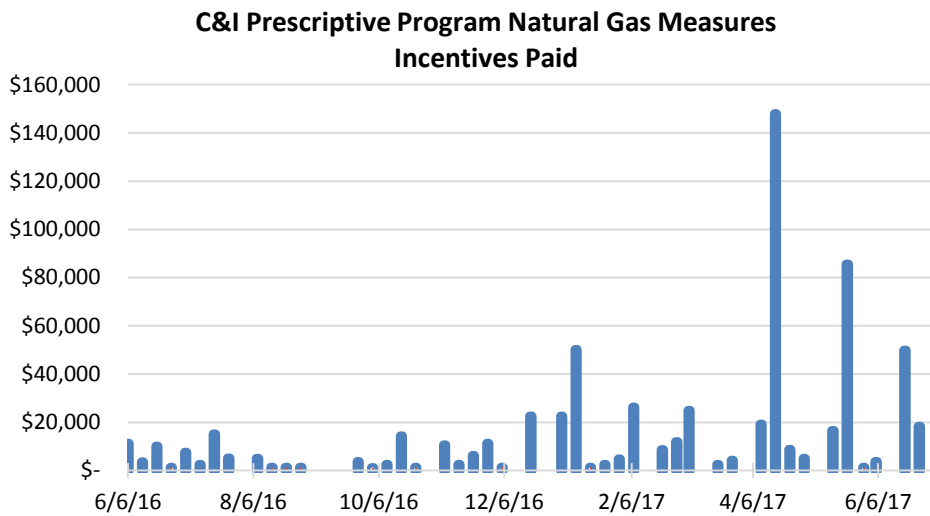
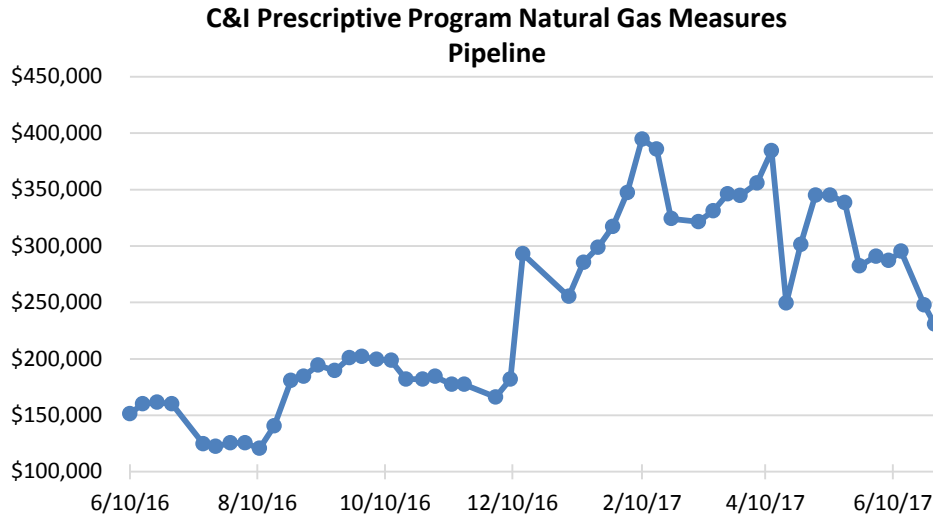
Summary Program Update	kWh Savings	Participants
Start of fiscal year to 5/31	16,785,302	1,298

Project Type (through 5/31)	Participants
Lighting Solutions	891
Heating and Cooling Solutions	380
Compressed Air Solutions	27

Additional Details on FY 2017 Financials	Program Investment
Budget	\$8,574,935
Expenses through 6/30/2017	\$5,785,938
Committed: Projects pre-approved + projects under final inspections + projects completed pending payment through 6/30/17	\$3,633,607
Total Invested + Committed	\$9,419,545
Percent of Budget	110%

B) C&I Prescriptive Program – Natural Gas Measures

- Currently pending projects represent \$263,461 in incentives. FY2018 activity suggests that the boiler ancillary measures launched in FY2017 are helping grow the project pipeline.
- All gas measures (Propane-Natural Gas & Compressed Natural Gas) have been aligned for FY2018 in the Heating Solutions Distributor Discount program.



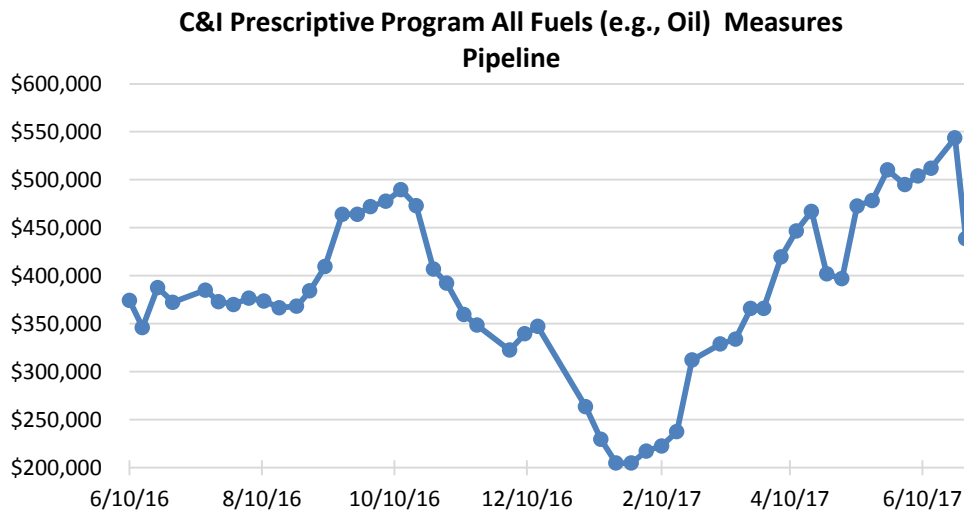
Updated Financials	Program Investment
FY2017 Program Budget	\$1,255,720
7/1 to 6/30 Spending	\$661,443
Percent of Budget Spent to Date	53%
Percent of Year Passed	100%

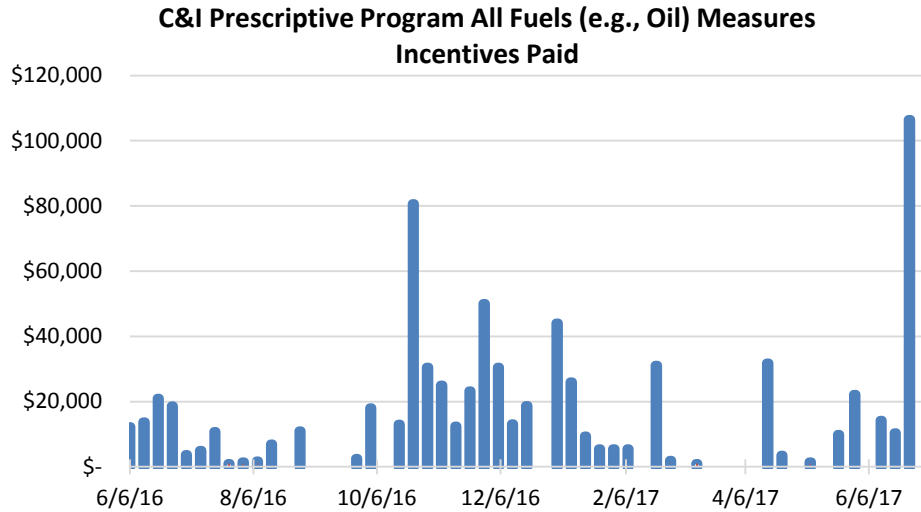
Summary Program Update	MMBtu Savings	Participants
Start of fiscal year to 5/31	42,231	57

Additional Details on FY 2017 Financials	Program Investment
Budget	\$1,188,779
Expenses through 6/30/2017	\$661,443
Committed: Projects pre-approved + projects under final inspections + projects completed pending payment through 6/30/17	\$244,209
Total Invested + Committed	\$905,652
Percent of Budget	76%

C) C&I Prescriptive Program – All Fuels (e.g., Oil) Measures / Heating Solutions

- The current pipeline equals \$489,327 in incentives. The pipeline continues to grow with boiler ancillary equipment installations.
- The program is giving support to the distributors participating in the Distributor Discount Program (mid-stream model).





Updated Financials	Program Investment
FY2017 Program Budget	\$1,139,855
7/1 to 6/30 Spending	\$697,227
Percent of Budget Spent to Date	61%
Percent of Year Passed	100%

Summary Program Update	MMBtu Savings	Participants
Start of fiscal year to 5/31	29,495	39

Additional Details on FY 2017 Financials	Program Investment
Budget	\$1,139,855
Expenses through 6/30/2017	\$697,227
Committed: Projects pre-approved + projects under final inspections + projects completed pending payment through 6/30/17	\$621,740
Total Invested + Committed	\$1,318,967
Percent of Budget	116%

D) C&I Custom Program

- The custom pipeline for FY2018 consists of 41 projects worth \$2.36 million in incentives (adjusted for probability of close).

- 35 small custom projects worth \$1.3 million in incentives.
- 5 large custom projects worth \$1.06 million in incentives.
- The Review Committee did not meet in June or July.
- With the passage of LD 1313 at the Legislature, large volume natural gas users (annual usage > 1 million CCF) are now required to pay a natural gas conservation assessment, rendering them newly eligible for the Trust’s programs. Program Staff is conducting targeted outreach to these customers to promote natural gas efficiency projects in FY2018.
- Due to declining Regional Greenhouse Gas Initiative (RGGI) revenues, the Program will not offer incentives for “other fuels” projects for the foreseeable future.

Updated Financials	Program Investment
FY2017 Program Budget	\$17,200,113
7/1 to 6/30 Spending	\$6,661,141
Percent of Budget Spent to Date	39%
Percent of Year Passed	100%

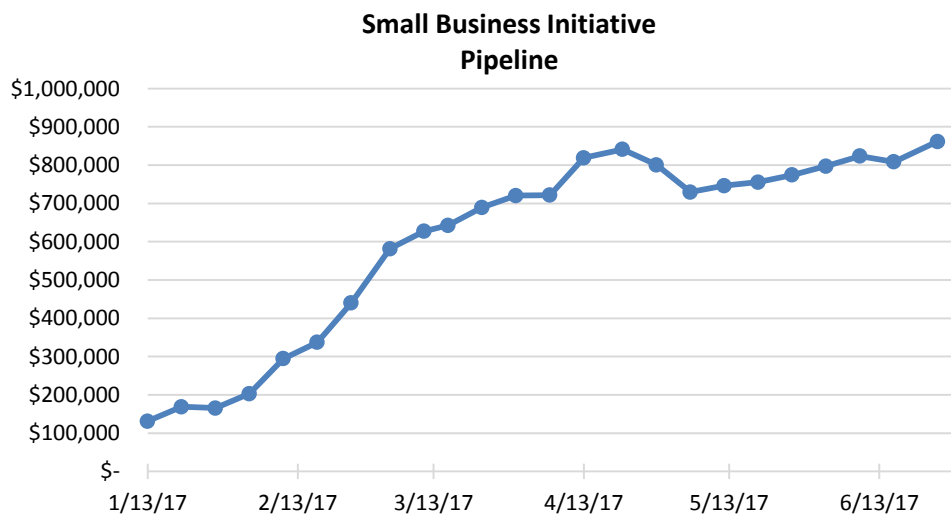
Additional Details on FY 2017 Financials	Program Investment
Encumbrances (under contract)	\$5,245,476
Awards (pending contracts)	\$500,000
Pipeline (for FY2017 close)	\$0
Total Expenditures, Encumbrances, Awards & Pipeline	\$12,406,617
Percent of Budget	72%

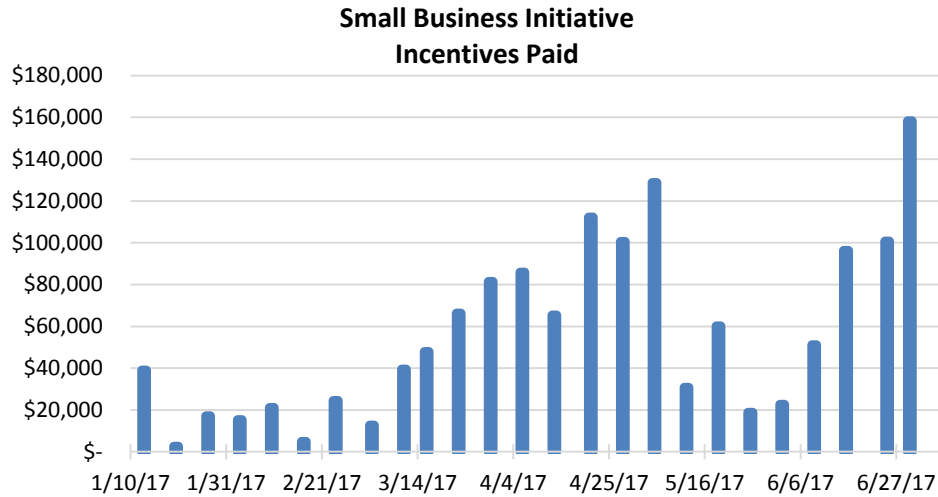
Summary Program Update	MMBtu Savings	kWh Savings	Participants
Start of fiscal year to 5/31	216,570	16,460,321	24

E) Small Business Initiative

- Currently, five participating contractors are on board (Subcontractor Agreements signed) for Region 7; continuing discussions with additional contractors for Region 7.
- The delivery team has continued working with Gilman representatives from the Biddeford and Portland locations to support their ramp-up to supply materials for Region 7 projects. The team requested a proposed materials list for FY2018 allowing for DLC Standard materials (vs. DLC Premium) in an effort to reduce the material pricing and increase cost-effectiveness.

- The pipeline has been steady over the past month (see chart below). As of July 13, 136 projects were in the pipeline for all SBI regions, representing \$842,872 in incentives, broken out by region below:
 - Region 5: 38 projects in pipeline (representing \$212,365 in incentives and 278,502 kWh savings).
 - Region 6: 83 projects in pipeline (representing \$535,700 in incentives and 832,939 kWh savings).
 - Region 7: 15 projects in pipeline (representing \$94,807 in incentives and 150,184 kWh savings).
- Outreach to increase the number of new customers has been on hold temporarily in Region 7, until the FY2018 Materials List and pricing is finalized, and the Energy Assessment Tool is updated. The team will utilize CMP customer data for small businesses (SGS rate classes) to plan and conduct targeted outreach in Region 7.
- Region 5 and 6 are no longer accepting new projects and the Program anticipates completing the projects in the pipeline by October 30, 2017.





Updated Financials	Program Investment
FY2017 Program Budget	\$2,203,926
7/1 to 6/30 Spending	\$1,598,604
Percent of Budget Spent to Date	73%
Percent of Year Passed	100%

Summary Program Update	kWh Savings	Participants
Start of fiscal year to 5/31	791,767	152

Additional Details on FY 2017 Financials	Program Investment
Budget	\$2,203,926
Expenses through 6/30/2017	\$1,598,604
Committed: Projects Pre-approved + Projects under final inspections + projects completed pending payment through 6/30/17	\$994,929
Total Expenditures + Commitments	\$2,593,533
Percent of Budget	118%

F) Commercial New Construction – Maine Advanced Buildings Program

- Three projects were completed and closed out this month, prior to the end of FY2017. The projects included the Gieger project in Lewiston, the Cornerspring Montessori School in Belfast, and the Jewish Alliance Community Center in Portland. The incentives for these three projects totaled \$154,294.

- There are 11 projects under MOU representing \$953,998 in incentives and estimated savings of 1,749,155 kWh, 16,745 therms, and 1,452 MMBtu.
- Eight additional projects not yet under MOU were being tracked through the end of FY2017, representing \$95,760 in incentives (weighted estimate based on probability of close). Prior to the end of FY2017, the team followed up with design teams regarding these projects and do not expect these projects to pursue MAB in the near future.
- The team is developing a plan for implementing the MAB program with reduced RGGI funding in FY2018.

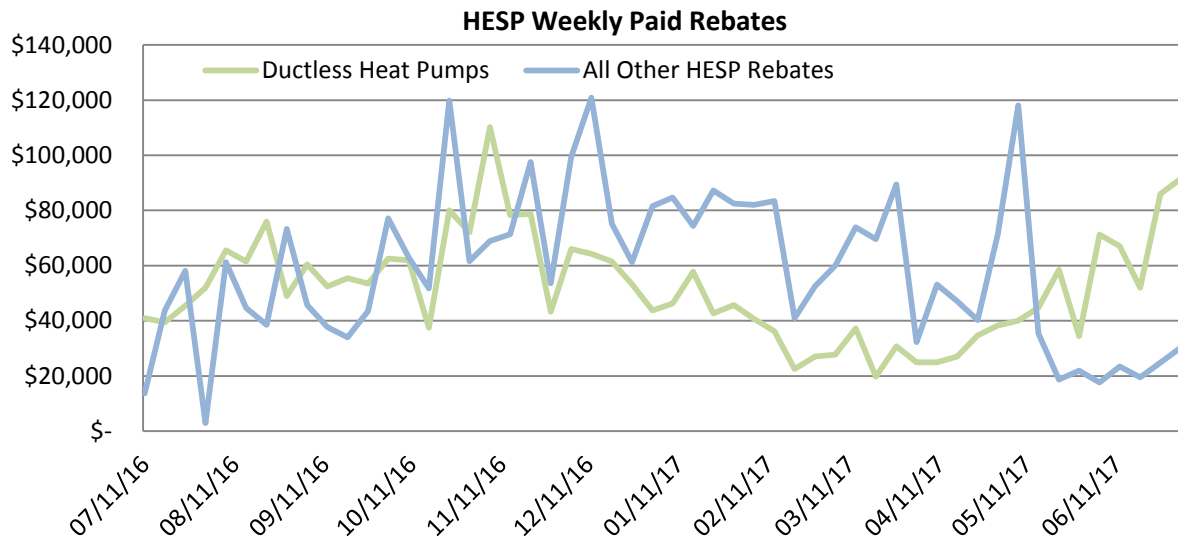
Updated Financials	Program Investment
FY2017 Program Budget	\$1,853,073
7/1 to 6/30 Spending	\$396,344
Percent of Budget Spent to Date	21%
Percent of Year Passed	100%

Summary Program Update	MMBtu Savings	kWh Savings	Participants
Start of fiscal year to 5/31	1,330	644,580	3

Additional Details on FY 2017 Financials	Program Investment
Budget	\$1,853,073
Expenses through 6/30/2017	\$396,344
Under MOU	\$1,129,844
Total Expenditures + MOU	\$1,526,188
Percent of Budget	82%

G) Home Energy Savings Program

- The year ended strong with solid rebate activity in June.
- More than 800 residential projects were supported in June bringing the total to more than 8,000 homes participating in HESP in FY2017.
- HESP rebate amounts accompanied private investment leading to \$4.5 million worth of project measures in June, bringing fiscal year total investment in residential energy efficiency projects statewide through HESP to \$48.2 million.
- Rebates were issued toward the installation of 486 “first” and 220 “second” unit/zone ductless heat pumps in June, bringing respective totals for FY2017 to 4,800 “first” and 1200 “second” unit/zone ductless heat pumps.
- Thirty-four loans were issued in June, financing \$282,000 worth of upgrades. A total of 417 loans were closed in FY2017, supporting more than \$3.18 million in residential projects.



Updated Financials	Program Investment
FY2017 Program Budget	\$11,350,695
7/1 to 6/30 Spending	\$7,892,450
Percent of Budget Spent to Date	70%
Percent of Year Passed	100%

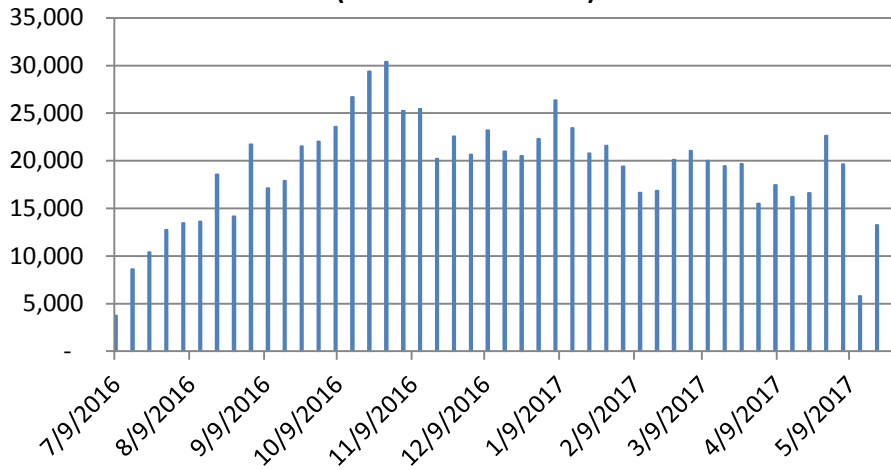
Summary Program Update	kWh Savings	MMBtu Savings	Measures
Start of fiscal year to 5/31	9,913,650	91,528	7,223

Project Type (through 5/31)	Units
Electric Measures	4,403
All Fuels Measures	2,820

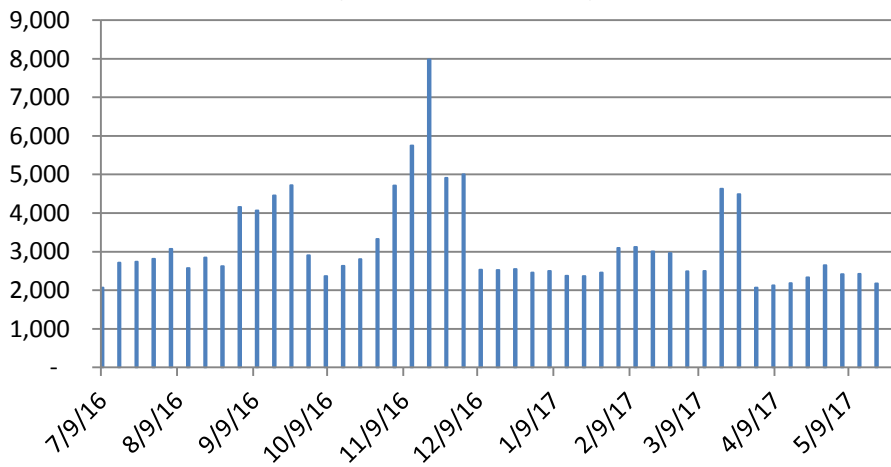
H) Consumer Products Program

- The Program began offering an instant rebate for heat pump water heaters through distributors on March 1. Manufacturers are also providing limited-time discounts. Volume has significantly increased as a result of the rebate and manufacturers' discount.
- The Program delivery costs include a marketing consideration for retailers to provide preferential off-shelf placement (e.g., in-aisle and/or end cap displays) of qualifying LED bulbs. Projected sales volumes for these bulbs are increasing.

**Weekly Bulb Sales YTD – Retail
(Unaudited Estimate)**



**Weekly Bulb Sales YTD – Distributor
(Unaudited Estimate)**

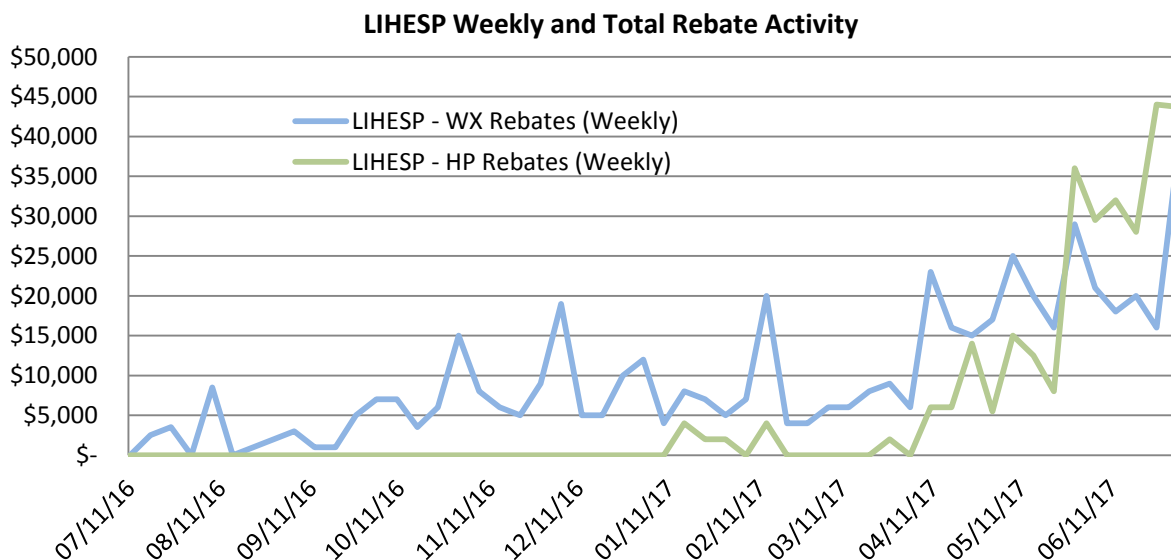


Updated Financials	Program Investment
FY2017 Program Budget	\$11,405,310
7/1 to 6/30 Spending	\$7,907,431
Percent of Budget Spent to Date	69%
Percent of Year Passed	100%

Summary Program Update	kWh Savings	Appliance Rebates	Light Bulbs
Start of fiscal year to 5/31	33,301,562	12,762	1,120,557

I) Low-Income Initiatives (electric, natural gas, and all fuels)²

- The Food Pantry Program successfully distributed LED bulbs and kitchen aerators in FY2017.
- As of June 30, a total of 1,160 low income customers have joined the PUC’s Arrearage Management Program since it started October 5, 2015. Five hundred and sixty-seven (49%) have received DIY kits with LEDs and/or low flow devices.
- The Low Income Direct Mail program that kicked off in March has now sent DIY kits to 18,761 low income families as of June 30. This figure is nearly half of all low income families on the current LIHEAP list.
- 158 heat pump water heaters were installed in low income homes in June, bringing the YTD total for the Low Income Direct Install initiative, which started in January, to 569.
- LIHESP Highlights:
 - June continued upward growth of rebate uptake in LIHESP. Eighty-six homes received basic weatherization under LIHESP, bringing the total for FY2017 to 410 homes receiving weatherization services.
 - LIHESP heat pumps continue to also surge with 74 homes taking advantage of our enhanced “80% up to \$2,000” heat incentive in June, bringing the total since January to 150. The team is evaluating the projected level of activity and available budget for FY2018.
 - Activity is occurring in many areas around the state. Fifty-seven contractor companies have completed measures in LIHESP homes in 156 different towns from Eagle River to Starks to York.



² Low Income energy savings were double counted in the June Executive Directors Report.

Updated Financials	Program Investment
FY2017 Program Budget	\$5,846,418
7/1 to 6/30 Spending	\$3,198,673
Percent of Budget Spent to Date	55%
Percent of Year Passed	100%

Summary Program Update	kWh Savings	Direct Installs
Start of fiscal year to 5/31	13,590,058	399

Other Initiatives (through 5/31)	Units
LIHESP	387
AMP DIY Kits	290
Direct Mailings	11,263
Food Pantry Bulbs	476,862

J) Strategic Initiatives (Cross Cutting)

- I. **Evaluation, Measurement, and Verification (EM&V)**
 - The 2018 TRMs were published online (<http://www.energymaine.com/about/library/policies/>).
- II. **Forward Capacity Market**
 - Staff met with the PUC to discuss ISO rules.

3. Administration and Finance Highlights

A) Administration

- Dana Fischer has given notice that he will be leaving the position he has held at the Trust for seven years to take a job as the Area Manager at Mitsubishi Electric. Congratulations Dana on a record of accomplishing big things in your EMT programs and best wishes for continued success on the road ahead.

B) Financial

Revenues

- The unaudited new revenues from state and regional sources through the end of June, as of July 14, were \$50.2 million, up from \$47.3 million last month. An additional \$1.32 million in

revenue has been received year-to-date on interest from outstanding loans, the NTA pilot project, and other miscellaneous revenues. Also, \$936,825 in the form of interfund transfers to the Administration Fund has been accounted for as “revenue” year-to-date, representing an increase from \$446,405 reported last month. The outstanding balance for revenues is -\$1.8 million for the fiscal year, not including interfund transfers, which reflects higher than forecasted FCM revenues and a change in the timing of completion for certain large projects funded through the Long Term Contracts.

- RGGI revenues received through the end of June were \$6.9 million (out of a full-year forecast of \$7 million).

Expenditures

- Total expenditures through the end of June were \$42.9 million, up from \$35.8 million last month. An additional \$20.5 million is encumbered (some of which constitutes carried-forward commitments from FY2016), and \$25,000 has been awarded to new projects the contracts for which are pending.