

Executive Director's Summary Report

to the Board of Trustees
of the
Efficiency Maine Trust

October 19, 2016

1. Communications

A) Awareness and Press

- Outreach Events:
 - Staff exhibited for the HESP and LIHESP Program at the MaineHousing Landlord Outreach Event (September 22).
 - Staff exhibited at the Common Ground Fair (September 23-25).
 - Staff organized and held the Combined Heat & Power Forum (September 29).
 - The event had roughly 100 participants, including end users, engineering consultants, contractors, equipment manufacturers, utilities, and government representatives.
 - Daniel Peaco of Daymark Energy Advisors provided a keynote address speaking to the forecasted trends in electric and natural gas markets.
 - Participants also heard from EMT staff and representatives from facilities that have implemented CHP projects using EMT incentives.
 - The Trust's team delivering the Maine Advanced Building initiative exhibited at the AIA New England Conference (September 30).
 - Staff exhibited at the Maine Municipal Association (October 5-6).
 - The Business Program Manager exhibited at the Maine Health Care Association (October 11-13).
 - Staff exhibited at the GE-Bangor Environmental Fair (October 12).
- Press:
 - ACEEE's State Energy Scorecard ranked Maine 11th nationally and one of three most improved states.
 - The Portland Press Herald ran a prominent story on LEDs and other energy-saving tips: <http://www.pressherald.com/2016/09/25/from-led-bulbs-to-window-coverings-here-are-five-really-easy-things-you-can-do-to-reduce-energy-use-in-your-house/>.
 - The Portland Press Herald's "Source" ran an interview with HESP Field Team Member Jon Hill: <http://www.pressherald.com/2016/09/25/meet-jon-hill-energy-efficiency-inspector-organic-blueberry-farmer/>.

- Website and Outreach
 - 26,958 website visits in September 2016 compared to 25,044 visits in August 2016
 - 19,183 unique visits in September 2016
 - 8,267 visits driven through digital ads in September 2016
 - Facebook:
 - 2,583 fans of page
 - 62 new fans in September
 - 41,372 reached through advertising in September

B) Call Center Activity (September 2016)

- 1,297 inbound phone calls (97% answered within 20 seconds vs. a goal of 90%)
- 574 inbound emails
- 756 inbound letters
- 216 outbound survey calls regarding the Appliance Rebate Program evaluation

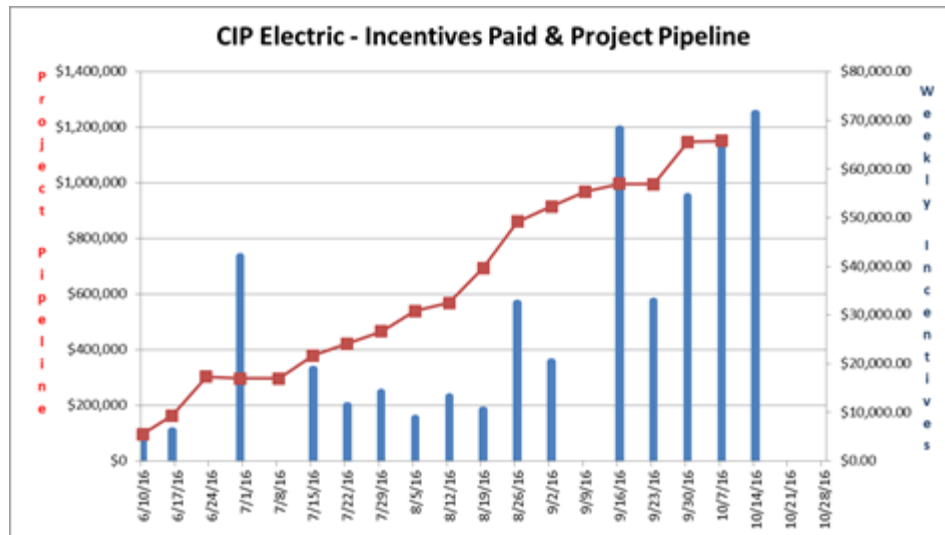
C) Government Relations

- Staff worked with the staff at the Office of Policy and Legal Analysis (OPLA) on proposed legislation to clarify the confidentiality of EMT customer contact information.
- PUC activities include:
 - The Trust filed briefs in the component of the Triennial Plan docket that remains for litigation. The two issues under litigation are (1) Whether it is appropriate to use natural gas assessments to promote conversions from other fuels to natural gas, and (2) Whether the funding for rebates offered by Summit to its residential customers for efficiency measures should be remitted to and administered by the Trust.
 - Staff met with the OPA to discuss a possible settlement in the Low Income Initiatives docket that was established as Phase II of the Triennial Plan proceeding. The main settlement topics include creating a Low Income Advisory Group, clarifying the standards for establishing eligibility of customers, and clarifying what methodology and assumptions should be applied when screening the cost-effectiveness of measures to be offered through the Low Income Initiatives.
 - The Trust hosted the Voltage Optimization Working Group (October 13). The meeting was attended by CMP, Emera, GEO, OPA, and Dominion Voltage.
 - Staff participated in a technical conference for its investigation into transmission and sub-transmission (T&ST) Customers and Stranded Investments.

2. Program Highlights¹

A) C&I Prescriptive Program – Electric Measures

- Growth in weekly incentive payments and the program’s pipeline continues:



- Staff continued the fall series of Electric Distributor Counter Days (9 completed, 5 remaining).
- The program is promoting LED parking lot lights solutions to auto dealers statewide via direct mailing.
- Staff is developing a promotion to re-engage owners and operators of multifamily properties with 5 or more units. Three owner/operator breakfasts are scheduled for late October and early November.

Year-to-Date Budget and Metrics

Updated Financials	Program Investment
FY2017 Program Budget	\$7,358,314
07/01 to 08/31 Spending	\$156,277
Percent of Budget Spent to Date	2%
Percent of Year Passed	17%

¹ The savings amounts in each table reflect data pulled from the Efficiency Maine tracking database on October 14, 2016.

Summary Program Update	kWh Savings	Participants
Start of fiscal year to 08/31	979,517	120

Project Type	Projects
Lighting Solutions	37
Heating and Cooling Solutions	71
Prescriptive HVAC	1
Prescriptive Ductless Heat Pumps	11

B) C&I Prescriptive Program – Natural Gas Measures

- The current pipeline equals \$199,568 worth of incentive payments;
 - The list of pending projects continues to grow but is less than electric.
- Staff is incorporating envelope measures (air sealing and insulation) for multifamily buildings and other similar structures (e.g., converted homes to business space with no primary residential component).
- Staff is developing a process to move heating system incentives to mid-stream (distributor point of sale) with a target rollout in November.
- Staff is developing a measure for pre-rinse spray nozzles to mail to restaurants statewide. These nozzles are highly cost effective.

Year-to-Date Budget and Metrics

Updated Financials	Program Investment
FY2017 Program Budget	\$1,298,694
07/01 to 08/31 Spending	\$37,730
Percent of Budget Spent to Date	3%
Percent of Year Passed	17%

Summary Program Update	MMBtu Savings	Participants
Start of fiscal year to 08/31	1,488	9

C) C&I Prescriptive Program – All Fuels Measures / Heating Solutions

- The program’s pipeline continues to grow current pipeline. The current pipeline contains \$477,599 worth of incentive payments for oil and propane heating measures.
- Staff is incorporating building envelope measures similar to those in CIP Natural Gas.
- Staff is developing a process to move heating system incentives to mid-stream (distributor point of sale).

Year-to-Date Budget and Metrics

Updated Financials	Program Investment
FY2017 Program Budget	\$857,356
07/01 to 08/31 Spending	\$29,750
Percent of Budget Spent to Date	3%
Percent of Year Passed	17%

Summary Program Update	MMBtu Savings	Participants
Start of fiscal year to 08/31	1,109	1

D) C&I Custom Program

- Interest in small custom projects continues to grow. The program added 6 projects, worth nearly \$500,000, to the pipeline since the last board meeting for a total pipeline of:
 - 26 projects; and
 - \$1.6 million of incentive offers.
- Staff expects to have a review committee in mid-November to review a \$500,000 incentive request to the thermal PON.
- The CHP conference (September 29) was a big success, bringing in more than 125 customers, vendors and decision makers at the conference. The program is following up on a number of project leads that arose at the conference.
- The program has received a draft protective order that will allow it to receive a customer list of all the medium and large customers in the state. The program will use this list to generate more project leads.
- The program has been to the Maine Health Care Association annual meeting and has plans to attend the Maine ASHRAE chapter event, and the Maine Rural Water Association conference.

Year-to-Date Budget and Metrics

Updated Financials	Program Investment
FY2017 Program Budget	\$7,032,353
07/01 to 08/31 Spending	\$632,615
Percent of Budget Spent to Date	9%
Percent of Year Passed	17%

E) Small Business Initiative

- Region 5 (Lakes Region – Route 302) contractors (currently 4 active) are actively developing projects. The pipeline of projects includes:
 - 3 projects under construction
 - 4 projects awaiting materials
- Region 6 (Western/Mountain – Route 2) contractor training is complete (5 contractors). The pipeline of projects includes:
 - The Trust has secured marketing services of Burgess Advertising to raise the profile of the Initiative among small businesses in Region 6.
 - 6 Bethel customers are scheduled for lighting assessments.
 - Additional outreach is in development for Farmington and Skowhegan area with a rollout scheduled for late October.

Year-to-Date Budget and Metrics

Updated Financials	Program Investment
FY2017 Program Budget	\$1,967,317
07/01 to 08/31 Spending	\$5,978
Percent of Budget Spent to Date	0%
Percent of Year Passed	17%

F) Commercial New Construction – Maine Advanced Buildings Program

- The Maine Advance Buildings (MAB) program exhibit will be on display at the Board meeting on October 19, 2016.
- Staff sent a MAB promotional postcard highlighting the Gorham Police Station to Maine Architects.
- The program held a project inspection and a photo-shoot at the recently completed Sargent Family Community Center in Presque Isle.
- EMT attended and promoted the program at the Annual AIA conference in Portland.

- The Wells High School addition will be completed and inspected in late October.
- The program pipeline has:
 - \$773,382 under MOU.
 - Another \$269,185 of estimated incentive payments expected from 22 projects. This forecast is arrived at by multiplying the total dollar value of each proposed project’s expected incentive times a weighted percentage that reflects the likelihood of project completion, and summed across all projects in the pipeline, as follows:
 - 20% of cost – The delivery team has spoken with the customer and/or the A/E firm and the customer has expressed an interest in a project and is reviewing the Tier 2 requirements.
 - 40% of cost – The customer has submitted an MAB application.
 - 60% of cost – The customer’s design team has confirmed that the project is moving forward and indicated their intention to execute an MOU.
 - 80% of cost – The project is under MOU, but contingent upon a referendum or other factors.
 - 100% of cost – The project is under MOU (or MOU in progress of being executed) and moving forward.

Year-to-Date Budget and Metrics

Updated Financials	Program Investment
FY2017 Program Budget	\$1,475,371
07/01 to 08/31 Spending	\$0
Percent of Budget Spent to Date	0%
Percent of Year Passed	17%

G) Home Energy Savings Program

- September activity increased 10% above August, continuing the upward trend as the program heads into the peak season for weatherization and heating system upgrades.
- More than 800 residential projects were supported in September.
 - HESP rebate amounts accompanied private investment leading to \$3.9 million worth of efficiency measures.
- 1,450 ductless heat pumps were installed in the first quarter of FY2017, putting the program on pace for more than 5,000 installations this fiscal year.
- 41 loans were closed in September, supporting \$302,000 in efficiency upgrades.
 - Total loans issued since the launch of PACE in 2011 equals 1,881 loans and \$18.9 million in financed projects.

- Outreach is operating at full speed with digital ads, attendance at fairs and events, and consultation with local advocacy groups for energy efficiency and low income weatherization.
- The property tax bill campaign season is wrapping up with more than 260,000 inserts placed in more than 120 town mailings.
- Contractors are indicating full schedules extending to the end of the calendar year although with fewer active crews than in prior years.
- The data tables, below, represents only the activity of the HESP initiative, but not the 13 low income HESP projects (see Low Income Initiatives).

Year-to-Date Budget and Metrics

Updated Financials	Program Investment
FY2017 Program Budget	\$8,714,161
07/01 to 08/31 Spending	\$1,043,702
Percent of Budget Spent to Date	12%
Percent of Year Passed	17%

Summary Program Update	kWh Savings	MMBtu Savings	Measures
Start of fiscal year to 08/31	1,625,475	9,058	1,140

Project Type	Units
Electric Measures	865
All Fuels Measures	275

H) Consumer Products Program

- Retail LED sales are slower than last year at this time. Staff is exploring potential program design changes to increase activity.
- Staff is running a pricing trial for LEDs to document how the market responds to various incentive levels.
- Field staff is working closely with distributors to support the transition to new program requirements and to boost sales efforts.
- On October 1, the heat pump water heater rebate was restored to \$500 after being reduced to \$250 for the first quarter of FY2017.

Year-to-Date Budget and Metrics

Updated Financials	Program Investment
FY2017 Program Budget	\$10,563,980
07/01 to 08/31 Spending	\$672,645
Percent of Budget Spent to Date	6%
Percent of Year Passed	17%

Summary Program Update	kWh Savings	Appliance Rebates	Light Bulbs
Start of fiscal year to 08/31	1,495,977	2,821	105,061

I) Low-Income Initiatives (electric, natural gas, and “any fuels”)

- The Arrearage Management Program (AMP) for low-income customers with outstanding electric bills added 14 new participants in September, bringing the total to 837 homes from seven utilities since its October 2015 inception. Year-to-date, 73% of participants have accepted the Trust’s offer of free DIY Kits with LEDs and water saving devices.
- The Low Income Direct Install Programs (both electric and gas) are launching soon after the program team used July and August to reconfigure the program measures to reflect the parameters of the Triennial Plan approved on July 6.
- LEDs provided to low income customers through the Food Pantry Program have been well received and staff forecasts finishing the year at over 400,000 bulbs. Kitchen aerators will soon be added to this program.
- LIHESP highlights:
 - 14 homes received basic weatherization under LIHESP in September with indications of continued growth in activity.
 - The town of York initiative has more than 30 homes signed up for LIHESP services (anticipating more than 50) and is working with local church groups, an oil dealer, Habitat for Humanity, Rotary, and 3 Registered Energy Auditors.
 - Bucksport area communities are also in early stages of a collective effort for leveraging LIHESP rebates to weatherize low income homes and are working with Penobscot Home Performance to schedule work.

Year-to-Date Budget and Metrics

Updated Financials	Program Investment
FY2017 Program Budget	\$4,600,790
07/01 to 08/31 Spending	\$55,175
Percent of Budget Spent to Date	1%
Percent of Year Passed	17%

Summary Program Update	kWh Savings	Direct Installs	LIHESP
Start of fiscal year to 08/31	68,451	1	13

Direct Install Initiatives	Participants
Natural Gas	1

Other Initiatives	Units
LIHESP	13
AMP DIY Kits	30

J) Strategic Initiatives (Cross Cutting)

I. Evaluation, Measurement, and Verification (EM&V)

- Staff received 7 responses to the HESP evaluation RFP, including several new companies. The review committee includes Laura Martel, Dana Fischer, Ian Burnes, Dan Brennan (board member), and Ken Fletcher (board member).
- Data loggers will be installed this fall in 40+ low income single family homes and 20+ multifamily units. Loggers will remain in place for 8 months to capture usage during heating season, shoulder season and cooling season. Preliminary data will be gathered this fall to help inform program design. Complete data will be analyzed and weather normalized to inform the savings assumed in the TRM.

II. Innovation

- Twenty-five long term healthcare facilities completed a survey for the Building Tune-up pilot. Staff is collecting and analyzing interval data from the facilities to determine which facilities will receive the building tune-up walkthrough incentives.

3. Administration and Finance Highlights

A) Administration

- Staff filed the completed audit with the State as required of all component units.
- Staff is working to update the performance evaluation forms used in the annual reviews of all EMT staff.

B) Financial

- Revenues
 - \$11.4 million has been received year-to-date of the \$52.7 million budgeted from state and regional funding sources, including RGGI, ISO-NE, and the utilities.
 - Revenues from RGGI are on pace to be slightly lower than forecasted in the budget. Decisions in the next several months from the ongoing RGGI 2016 Program Update and the outcome of the federal elections are expected to have a stabilizing effect on the RGGI prices.
- Expenditures
 - Total spending through September reached \$4.5 million. Another \$40.2 million was encumbered, \$2.6 million was awarded but not yet under contract, leaving a balance of \$6.6 million.
 - Spending year-to-date is behind expectations. This is attributable in part to the time lag from the July 6 final approval of the Triennial Plan, including the allowable assumptions and methodologies for screening eligible measures, and in part to instituting lower incentive levels as a percent of incremental cost for certain measures. The programs are also facing a more challenging market where avoided energy costs have been relatively low. Analysis of the Project Pipelines described in prior sections of this report indicate that expenditure pace is moving in the right direction.
 - Carryforward amounts from last year's budget include \$1.8 million from Low Income Initiatives, \$1.1 million from the Consumer Products Program, \$1.6 million from HESP; \$2.9 million from the C&I Prescriptive Program; and \$11.2 million from the C&I (large) Custom Program. These amounts will be rolled over for use in FY2017 in the same programs as they were originally budgeted to in FY2016. Most of these funds are already committed for identified and approved projects that have not yet been completed.