

# Executive Director's Summary Report

to the Board of Trustees  
of the  
Efficiency Maine Trust

December 14, 2016

## 1. Communications

### A) Awareness and Press

- Outreach Events:
  - i. The Business Program Manager spoke at the Wells High School Ribbon Cutting (November 16).
  - ii. Staff from the Trust exhibited at the E2Tech Annual Expo (November 17).
  - iii. The Executive Director spoke at a RGGI panel discussion hosted by University of New England (November 18).
  - iv. The Residential Program Manager, spoke at a Maine Municipal Assessors Training (November 18).
  - v. The C&I Prescriptive Team exhibited at the Marine Manufacturing Association (November 30).
  - vi. The Trust conducted a RGGI Affected Customer Stakeholder Group meeting (November 30).
  - vii. The Custom Team exhibited at the Maine Rural Water Association Conference.
- Press:
  - i. The Trust's incentives were featured in a *Foster's* piece on getting your home ready for winter (<http://www.fosters.com/news/20161109/reducing-those-winter-fuel-bills>) and in a *Portland Press Herald* piece on selecting heating systems (<http://www.pressherald.com/2016/11/20/hows-your-furnace-running/>).
  - ii. The Executive Director was interviewed on the *WSCH8 207* show (<http://www.wcsh6.com/news/local/207/saving-money-on-your-energy-bill-with-efficiency-maine/363499573>).
- Website and Outreach (November)
  - i. 26,646 website visits (compared to 27,149 visits in October)
    - a. 20,142 unique visits
    - b. 8,367 visits were driven through digital ads
  - ii. Facebook:
    - a. 2,623 fans of page
    - b. 41 new fans
    - c. 31,590 reached through advertising

## **B) Call Center (November)**

- 932 inbound phone calls
- 587 inbound emails
- 841 inbound mail (rebate forms)
- 1,028 outbound calls were made in order to complete 101 Appliance Rebate Program evaluation surveys

## **C) Government Relations**

- Staff submitted the FY16 Annual Report to the Energy, Utilities and Technology Committee of the Legislature on December 1 and also filed the report at the PUC.
- PUC Dockets:
  - i. Staff participated in meetings with the Governor's Energy Office and Office of Public Advocate to discuss the outline of a term sheet for settlement in the Low Income Initiatives program design in Phase II proceedings of Triennial Plan III.
  - ii. Staff attended a technical conference on the Phase II examination of issues related to very large projects and/or customers.
  - iii. Staff filed information about its LED Pricing Trial. Staff also indicated to the PUC that additional cost analysis on certain measures being contemplated for inclusion in the C&I Prescriptive Program show that the measures are not cost-effective and therefore the Trust will not be proposing to add those measures to the list of eligible measures or to factor their costs into the MACE budgets at this time.
  - iv. Staff continues to participate in the proceeding to select a Non-Transmission Alternative Coordinator.
  - v. The Voltage Optimization Working Group, moderated and convened by Trust Staff, has produced a second draft of a stakeholder report to be sent to the PUC.

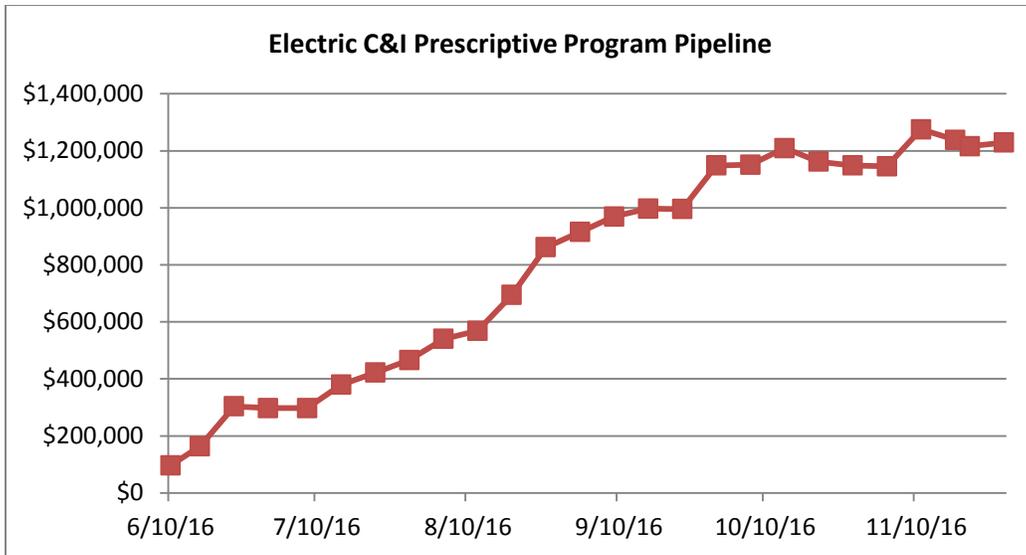
## **2. Program Highlights<sup>1</sup>**

### **A) C&I Prescriptive Program – Electric Measures**

- The CIP Team attended the Maine Maritime Trades Association Annual Conference, which involved about 75 people and project discussions on lighting for boatyards, marinas, and industry supporting companies.
- The Program continues to promote LED Parking Lot Lights solutions to Auto Dealers statewide via direct mailing. The team announced the new measures to Qualified Partners and there is immediate interest.
- The Program is exploring promotions for schools.

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<sup>1</sup> The spending and savings amounts in each table reflect data pulled from the finance committee's FY2017 Financial Report and the Efficiency Maine tracking database on December 8, 2016.



Updated Financials	Program Investment
FY2017 Program Budget	\$8,829,935
7/1 to 11/30 Spending	\$1,236,075
Percent of Budget Spent to Date	14%
Percent of Year Passed	42%

Summary Program Update	kWh Savings	Participants
Start of fiscal year to 10/31	4,043,538	378

Project Type (through 10/31)	Projects
Lighting Solutions	226
Heating and Cooling Solutions	177
Prescriptive Compressed Air	5
Prescriptive HVAC	2
Prescriptive Ductless Heat Pumps	14

### B) C&I Prescriptive Program – Natural Gas Measures

- The Program’s current incentive pipeline is \$166,140, which shows a slight downward trend entering the heating season.
- The Program is increasing outreach to natural gas local distribution companies (LDCs) and customers, and is continuing to explore whether and when to move heating systems to mid-stream (distributor point-of-sale).

- Staff are proposing for Board approval a shift of \$810,000 of natural gas funding from C&I Prescriptive to the C&I Custom Program, where there appears to be more robust activity in upgrades for natural gas conservation.

<b>Updated Financials</b>	<b>Program Investment</b>
FY2017 Program Budget	\$2,065,720
7/1 to 11/30 Spending	\$85,342
Percent of Budget Spent to Date	4%
Percent of Year Passed	42%

<b>Summary Program Update</b>	<b>MMBtu Savings</b>	<b>Participants</b>
Start of fiscal year to 10/31	2,730	14

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

- The CIP Team is developing a process to move oil and propane heating systems to mid-stream (distributor point-of-sale).
- Staff spoke at the American Society of Heating, Refrigeration, and Air-Conditioning Engineers (ASHRAE) meeting in Augusta.
  - i. Presentation included various aspects of the program including measures, eligibility, application process, and how to participate
  - ii. Several in attendance were not the usual attendees, suggesting that some had come specifically to hear information about the Trust’s program.
- The Program’s current incentive pipeline is \$322,614 which shows a slight downward trend as we enter the heating season.

<b>Updated Financials</b>	<b>Program Investment</b>
FY2017 Program Budget	\$1,533,003
7/1 to 11/30 Spending	\$263,637
Percent of Budget Spent to Date	17%
Percent of Year Passed	42%

<b>Summary Program Update</b>	<b>MMBtu Savings</b>	<b>Participants</b>
Start of fiscal year to 10/31	5,260	13

**D) C&I Custom Program**

- Since the last Board meeting, the pipeline of small custom projects has grown modestly, adding two new projects worth \$45,000 in incentives. The total small custom pipeline now consists of 22 projects worth \$1.1 million in incentives.
- The first Review Committee meeting was held in late November, awarding \$1.05 million in incentives to large custom projects:
  - i. Backyard Farms Combined Heat and Power (CHP) project for \$500,000.
  - ii. Performance Foodservice refrigeration project for \$554,890.
- The Program held a stakeholder group meeting for the “RGGI Affected Customer” program guidance on November 30 to solicit input on the Trust’s interpretation of LD 1398. Written comments are due back December 14. The Custom Team will then decide on a final protocol, with the goal of implementing it by January 1.
- The Program launched a new Program Opportunity Notice (PON) for Distributed Generation on December 7. The new PON includes an additional 20% bonus incentive for these projects (e.g., combined heat and power, or CHP), which Staff anticipates will drive commitments before the end of FY2017. In order for a project to qualify for the bonus incentive, customers must:
  - i. Submit a complete application (with all necessary supporting documentation) by May 1, 2017.
  - ii. Submit a completed Technical Assistance (TA) study by April 1, 2017, if a TA study is part of the project.
  - iii. Sign a contract with the Trust by June 15, 2017.
  - iv. Provide proof of a financial commitment (e.g., a Purchase Order issued for the procurement of equipment) by June 30, 2017.
- The Program attended the Maine Rural Water Association annual conference.

<b>Updated Financials</b>	<b>Program Investment</b>
FY2017 Program Budget	\$18,308,088
7/1 to 11/30 Spending	\$1,784,447
Percent of Budget Spent to Date	10%
Percent of Year Passed	42%

<b>Additional Details on FY 2017 Financials</b>	<b>Program Investment</b>
Encumbrances (under contract)	\$6,390,161
Awards (pending contracts)	\$1,798,521
Pipeline	\$3,249,192
Total Expenditures, Encumbrances, Awards & Pipeline	\$13,222,048
Percent of Budget	72%

**E) Small Business Initiative**

- Region 5 (Lakes Region – Route 302) now has 5 participating contractors actively developing projects:
  - i. Inspected first completed project on November 8<sup>th</sup>.
  - ii. 10 projects underway.
  - iii. 33 projects under development.
- Region 6 (Western/Mountain – Route 2) contractor training completed (6 contractors):
  - i. 10 customers signed up for lighting assessments.
  - ii. 5 projects underway.
  - iii. Additional outreach currently underway in Skowhegan and Farmington.
- The team is preparing to start a Region 7.

<b>Updated Financials</b>	<b>Program Investment</b>
FY2017 Program Budget	\$2,203,926
7/1 to 11/30 Spending	\$76,464
Percent of Budget Spent to Date	3%
Percent of Year Passed	42%

**F) Commercial New Construction – Maine Advanced Buildings Program**

- Review of submittals for the Bayside Anchor multifamily project in Portland is underway. Construction is expected to be completed in December.
- Year to date, 2 projects (154,012 sf) are completed (awaiting final documentation from design teams); \$269,521 incentive payments (December):
  - i. Phase 1 of Wells High School completed: 83,100 sf; \$124,650 paid.
  - ii. Phase 2 of Wells High School anticipated to be paid out in December: 43,055 sf; \$96,121.
  - iii. Sargent Family Community Center in Presque Isle anticipated to be paid out in December: 27,857 sf; \$48,750.
- Pipeline:
  - i. 7 projects under MOU = \$605,932.
  - ii. 1 project with MOU in process of being signed = \$170,625.
  - iii. Weighted estimate of potential projects = \$227,535.

<b>Updated Financials</b>	<b>Program Investment</b>
FY2017 Program Budget	\$2,246,220
7/1 to 11/30 Spending	\$153,065
Percent of Budget Spent to Date	7%
Percent of Year Passed	42%

<b>Summary Program Update</b>	<b>kWh Savings</b>	<b>Participants</b>
Start of fiscal year to 10/31	723,241	1

### G) Home Energy Savings Program

- November activity continued the trend of month-over-month increases in participation this fall, involving more than 800 residential projects (the total this fiscal year has reached more than 4,000 homes).
- Rebates were issued for the installation of ductless heat pumps in 480 homes in November, bringing the fiscal year to date total above 2,600.
- 38 loans were closed in November, supporting \$290,000 in efficiency upgrades installed by 31 different companies.
- The data tables, below, represent the activity under HESP (except for Low Income HESP projects, which are under Low Income Initiatives).

<b>Updated Financials</b>	<b>Program Investment</b>
FY2017 Program Budget	\$10,367,443
7/1 to 11/30 Spending	\$3,212,434
Percent of Budget Spent to Date	31%
Percent of Year Passed	42%

<b>Summary Program Update</b>	<b>kWh Savings</b>	<b>MMBtu Savings</b>	<b>Measures</b>
Start of fiscal year to 10/31	3,888,718	26,058	2,927

<b>Project Type (through 10/31)</b>	<b>Units</b>
Electric Measures	1,940
All Fuels Measures	987

**H) Consumer Products Program**

- Incentives for heat pump water heaters (HPWHs) increased modestly after the rebate was raised from \$250 to \$500. The Consumer Products Team is considering options in response to the expiring \$300 federal tax credit.
- Food pantries have distributed nearly 250,000 LEDs so far.
- Distributor LED sales are slower than last year’s rate. To boost sales, field staff is working closely with distributors to support the transition to new program reporting requirements.
- The Program is incentivizing more retail LED SKUs than last year, and the number of retail LED sales has now reached similar monthly levels as this time last year. That said, total retail LED sales are only 39% of forecasted levels for this point in the year.
  - i. Low activity appears to be 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 percentage of incremental cost for certain measures.
  - ii. The Trust is running a 5-month pricing trial for retail LEDs to document how the market responds to various incentive levels.

<b>Updated Financials</b>	<b>Program Investment</b>
FY2017 Program Budget	\$11,733,364
7/1 to 11/30 Spending	\$2,080,767
Percent of Budget Spent to Date	18%
Percent of Year Passed	42%

<b>Summary Program Update</b>	<b>kWh Savings</b>	<b>Appliance Rebates</b>	<b>Light Bulbs</b>
Start of fiscal year to 10/31	11,608,296	4,668	367,924

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

- The Arrearage Management Program (AMP) for low-income customers with outstanding electric bills added 15 new participants in October, bringing the total to 888 homes from seven utilities since its October 2015 inception. Since inception, 50% of participants have accepted the Trust’s offer of free LEDs and water saving devices.
- The Low Income Direct Install Water Heater Program launched November 15 with a 1,000-piece mailing. Thirty-one qualified prospects have requested water heaters.
- The Low Income Initiatives Team is developing a Low Income Direct Mail Program. Current design calls for mailing business reply cards with offers of LEDs and low flow devices and then mailing requested devices for self-installation.

- LIHESP Highlights:
  - i. 24 homes received basic weatherization under LIHESP in November (22 companies participating). The Program is seeing increased activity and interest of promotion by community groups, municipalities, USDA, and local housing authorities.
  - ii. The Town of York has initiated work in 15 of 50 homes that signed up. In the course of assessment testing so far, vendors have discovered homes with hazardous carbon monoxide levels leading to potentially life-saving heating system repair and installation of carbon monoxide (CO) monitors.

Updated Financials	Program Investment
FY2017 Program Budget	\$6,449,634
7/1 to 11/30 Spending	\$412,865
Percent of Budget Spent to Date	6%
Percent of Year Passed	42%

Summary Program Update	kWh Savings	Direct Installs	LIHESP
Start of fiscal year to 10/31	228,341	1	25

Direct Installs (through 10/31)	Participants
Natural Gas	1

Other Initiatives (through 10/31)	Units
LIHESP	25
AMP DIY Kits	30

## J) Strategic Initiatives (Cross Cutting)

### I. Forward Capacity Market

- After consultation with the Board’s FCM Sub-Committee of the Finance Committee, the Trust arranged for and executed a trade of the Trust’s FCA 8 obligation.

### II. Evaluation, Measurement, and Verification (EM&V)

- The HESP Impact Evaluation kickoff was held on December 8.
- The proposal review committee reviewed two qualifying bids for the Database Management and Technical Services RFP (EM-003-2017) and after successful negotiations, the Trust intends to award the contract to Direct Technology ESG, Roseville, CA. Direct Technology is

the developer and current provider of database services for the existing Efficiency Maine Reporting and Tracking System (effRT 2.0).

### **III. Innovation**

- The two commercial HPWHs planned for analysis in one of our pilot projects are up and running. The team is currently watching the logging data to make sure the units are running as expected. Once enough time has passed, the team will compare the energy usage before and after the HPWHs were turned on.
- 17 participants in the Building Tune-up Pilot have provided interval data, 16 from CMP and 1 from Emera. A firm called Gridium provided the team with analysis of the data and the team will select 10 participants for the building tune-ups and incentives. Walk-throughs for each tune-up are expected to start in January.

## **3. Administration and Finance Highlights**

### **A) Administration**

- Bridget Doxsee has joined the Staff in the position of Program Manager. Bridget has been assigned to assist in managing the Small Business Initiative and natural gas conservation initiatives. She will also be involved in the Low Income Initiatives. Bridget's prior experience includes work in sales at Summit Natural Gas of Maine, promotion of home performance / weatherization programs for NYSERDA, and extensive work in non-profit organizations, including at the United Way and Opportunity Alliance in Portland.

### **B) Financial**

- Revenues for FY2017 remain largely on track. RGGI proceeds, as previously discussed, are below estimate. The trend of the first two auctions of the year, when extended forward across the remaining two auctions to be held later this year, indicate that revenues will fall significantly short of the forecasts currently reflected in the operating budget. The Board has previously approved reserving a portion of uncommitted RGGI Fund Balance to offset this contingency. Staff will continue to monitor auction results and make recommendations on how to proceed going forward. Electric Procurement payments for the fiscal year have largely been received. At present, we are only waiting on one utility to remit their second quarterly payment. The next quarterly payments are due from the utilities in January. Natural Gas Assessments are unchanged. All other funding sources are trending as anticipated.
- Expenditures year-to-date are behind expectations. Low activity 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 percentage of incremental cost for certain measures. The programs are also facing a more challenging market where avoided energy costs have been relatively low. That said, the Home Energy Savings Program (HESP) and C&I Custom Program are performing well; Low-Income initiatives are poised to show significant increased activity -- HESP is starting to show greater activity and the direct install for heat pump water heaters is underway; and the pipeline of pending projects in the C&I Prescriptive Program and New Construction/MAB Program is growing.