

Executive Director's Summary Report

to the Board of Trustees
of the
Efficiency Maine Trust

February 17, 2016

1. Communications

A.) Awareness and Press

- Outreach Events:
 - Staff exhibited at the South Portland Energy Fair January 23, 2016
- Press:
 - The Grants-to-Green funded efficiency project at the Chocolate Church was mentioned in the Sun Journal (<http://www.sunjournal.com/news/encore/0001/11/30/chocolate-church-receives-grant-weatherize-annex/1854557>)
 - Efficiency Maine's recognition of the best-performing efficiency trade allies and organizations had several mentions on the web, including the Maine Community Foundation's monthly newsletter
- Website and Outreach
 - 25,209 website visits in January
 - compare with 31,860 visits in January 2015
 - 19,419 unique visits in January
 - 3,205 visits were driven through digital ads in January
 - Facebook
 - x1,931 fans of page
 - 83 new fans in January
 - 31,982 reached through advertising
 - Case study videos re-purposed for Facebook advertising
 - Web Tools
 - Vendor locator web tip video produced
 - Homepage banners created and updated

B.) Call Center

- 1,051 calls in January.
- The call center is fully staffed with four inbound agents plus one outbound agent for surveys and program recruiting.

C.) Government Relations

- Activity at the Maine PUC
 - Staff continued to provide data responses to requests from the PUC and intervenors in the Triennial Plan docket.
- Activity at the Legislature
 - LD 1398, “An Act To Reduce Electric Rates for Maine Businesses.” This bill increases the amount of RGGI revenue that is to be returned to business ratepayers.
 - A split vote from the Committee had one side voting to take 40% (estimated to be between \$5.8 and \$7.4 million) of available RGGI revenues, and the opposing side voting to take \$3 million/year (between 15-20%), for selected energy-intensive businesses over the next 3 years. Both proposals seek to take the funds from the C&I programs’ share of the revenues. Both proposals seek to increase the Residential programs’ share of the revenues.
 - LD 1382 “An Act To Assist Low-income Electricity Consumers.” This bill calls for the allocation of Maine Yankee settlement funds to invest in measures that reduce residential heating costs for low-income electricity ratepayers.
- LD 1558, “An Act To Make Efficient Electric Heat Pumps Available to Utility Customers, Including Low-income Customers.” This bill allows transmission and distribution utilities to implement programs to provide efficient heat pumps to customers who are unable to purchase and install heat pumps due to income or other reasons.
- The EUT Committee voted unanimously to extend the moratorium on collecting assessments from Large Volume Natural Gas Customers for one year, and to make permanent the exemption for wholesale power generators larger than 3 MW in size.
- Staff completed and submitted to the Legislature the “Study of Options for a State Demand Response Program” Report

2. Program Highlights¹

A.) Business Incentive Program – Electric Measures

Summary Program Update	Incentive Spending	kWh Savings	Participants
Start of fiscal year to 12/31	\$6,109,280	15,665,721	670
Additions since last ED Report	\$-	(99,099)	-

Project Type	Amount
Prescriptive Lighting Retrofit	722
Prescriptive Lighting New Construction	56
Prescriptive HVAC	19

¹ The spending and savings amounts in each table reflect data pulled from the Efficiency Maine tracking database on February 11, 2016 or the February 9, 2016 FY16 Financial Report to the Finance Committee.

Prescriptive Refrigeration	4
Prescriptive VFD	6
Prescriptive Compressed Air	5
Custom Lighting	5
Custom HVAC	6
Custom Compressed Air	3
Custom Misc	5

Updated Financials	Program Investment
FY16 Program Budget	\$6,965,008
07/01 to 01/31 Spending	\$5,916,414
Percent of Budget Spent to Date	85%
Percent of Year Passed	59%

- Hosted a monthly webinar for Qualified Partners with over 80 QPs in attendance.
 - This was the 4th webinar and the feedback has been positive; QPs like the opportunity to have more of a connection with the program and to be able to ask questions in real time.
 - Presented the final Interior Lighting Solutions specification and draft Exterior Lighting Solutions specification.
- Pipeline includes \$190,226.75 for 19 projects.

B.) Business Incentive Program – Natural Gas Measures

Summary Program Update	Incentive Spending	MMBtu Savings	Participants
Start of fiscal year to 12/31	\$61,628	2,768	17
Additions since last ED Report	\$-	-	-

Project Type	Amount
Prescriptive Natural Gas	16
Custom Natural Gas	1

Updated Financials	Program Investment
FY16 Program Budget	\$892,545
07/01 to 01/31 Spending	\$181,605
Percent of Budget Spent to Date	20%
Percent of Year Passed	59%

- Pipeline includes \$128,097 for Prescriptive projects and approximately \$331,000 for Custom projects.
- Scheduled 3 Counter Days in the Unitil service territory for February with additional locations to be determined to build the network and drive projects.

C.) Business Incentive Program – All Fuels Measures / Heat Pumps / Heating Solutions

Summary Program Update	Incentive Spending	MMBtu Savings	Participants
Start of fiscal year to 12/31	\$329,350	6,924	137
Additions since last ED Report	\$-	-	-

Project Type	Amount
Ductless Heat Pumps	144

Updated Financials	Program Investment
FY16 Program Budget	\$2,316,686
07/01 to 01/31 Spending	\$789,299
Percent of Budget Spent to Date	34%
Percent of Year Passed	59%

- Launched new Heating Solutions measures in early December.
- Pipeline includes approximately \$112,000 of heat pump projects and \$11,000 of heating solutions projects.

D.) Business Incentive Program – Multifamily

Summary Program Update	Incentive Spending	kWh Savings	Participants
Start of fiscal year to 12/31	\$565,236	2,981,986	16
Additions since last ED Report	\$-	-	-

Project Type	Amount
Lighting	1,008
Air Sealing	88
Boiler Controls + Thermostats	29
Heating Systems	113
Insulation	100

Low Flow Devices	72
Water Heating	97
Fast Track	187
Modeling	66

Updated Financials	Program Investment
FY16 Program Budget	\$1,141,610
07/01 to 01/31 Spending	\$604,389
Percent of Budget Spent to Date	53%
Percent of Year Passed	59%

E.) Large Customer Program

Summary Program Update	Incentive Spending	Savings	Participants
Electric Year to Date	\$2.4 million	10,158,313 (annual kWh)	10
GHG Year to Date	\$1.7 million	8,792,186 (annual LBS of CO2)	5

Updated Financials	Program Investment
FY16 Program Budget	\$19,401,792
07/01 to 01/31 Spending	\$3,797,680
Percent of Budget Spent to Date	20%
Percent of Year Passed	59%

- kWh PON Overview:
 - Total budget is \$11.6 million.
 - Encumbered and committed from previous years plus spending from this year equals \$6.1 million.
 - New awards in FY 16 = \$2.4 million (this number is a combination of projects that have been awarded and encumbered and projects that have only been awarded).
 - Total pipeline \$5.5 million.
 - This would fully commit all Large Custom Projects in 2016.
- GHG PON Overview:
 - Total budget is \$7.7 million.

- Encumbered and committed from previous years plus spending from this year = \$3.3 million.
 - New awards in FY 16 of \$1.7 million (this number is a combination of projects that have been awarded and encumbered and projects that have only been awarded).
- Total pipeline equals \$3.0 million.
- Gap equals \$1.3 million.

F.) Small Business Initiative

Summary Program Update	Incentive Spending	kWh Savings	Participants
Start of fiscal year to 12/31	\$574,752	2,474,932	74
Additions since last ED Report	\$-	-	-

Measure Category	Amount
Fluorescent Fixtures (L)	143
LED Fixtures (S & X)	593

Updated Financials	Program Investment
FY16 Program Budget	\$1,010,917
07/01 to 01/31 Spending	\$647,758
Percent of Budget Spent to Date	64%
Percent of Year Passed	59%

- Region 3 complete. The initiative resulted in 83 jobs with an average incentive of \$9,571 and average annual kWh savings of 19,693.
- Final 28 businesses in Region 4 receiving lighting assessments.

G.) Commercial New Construction -- Maine Advanced Buildings Program

- 5 projects are under MOU representing 219,812 square feet, with an estimated 669,034 kWh savings.
- Construction of one project completed in December; waiting for final documentation prior to issuing incentives.
- 4 additional projects in preliminary design phase and are actively considering participating in program.
- Registered for the upcoming Maine CSI High Performance Building conference in March.

H.) Home Energy Savings Program²

Summary Program Update	Incentive Spending	kWh Savings	MMBtu Savings	Measures
Start of fiscal year to 12/31	\$5,093,472	6,034,986	43,944	6,625
Additions since last ED Report	\$2,000	208	74	1,408

Project Type	Amount
Attic Insulation	564
Boiler	385
MiniSplit HP	3,234
Bundling Bonus	755
Air Sealing	938
Basement Insulation	310
Pellet Boiler	51
Pellet Stove	118
Geothermal HP Closed Loop	16
Geothermal HP Open Loop	13
Wall Insulation	119
Wood Stove	30
Furnace	90
Central Heat Pump	1
Heating System Unitil	1

Updated Financials	Program Investment
FY16 Program Budget	\$8,360,503
07/01 to 01/31 Spending	\$4,108,615
Percent of Budget Spent to Date	49%
Percent of Year Passed	59%

- January was on par with July, August, September in terms of rebate and loan activity, and unsurprisingly slower than an impressive December.
 - In January, over 600 Maine homes received rebates totaling approximately \$470,000 on approximately \$4.1 million worth of project work.
- FY16 to date, the total number of participating homes equals 5,694 homes.

² Measures results were pulled from the Efficiency Maine tracking database on a different day than other results for the last Executive Director's Report. This explains why many more measures were added to the program verses spending when compared to the last report.

- The program continues to see an expected seasonal downward slope of loan applications and project activity which is typical of this time of year and likely to result in total HESP expenditures at or below \$500,000 in February.
- Low Income-HESP claims and inquiries are slowly coming in, and the program is hearing from multiple contractors that they are receiving increasing numbers of calls and scheduling projects. The program team is focused on building momentum quickly.
- Both Bangor Natural Gas and Maine Natural Gas incentives are gaining popularity providing customers with elevated incentives on heating systems and insulation.

I.) Consumer Products Program

Summary Program Update	Incentive Spending	kWh Savings	Appliance Rebates	Light Bulbs
Start of fiscal year to 12/31	\$3,788,426	16,864,571	4,629	1,083,818
Additions since last ED Report	\$36,525	184,077	213	354

Measure Type	Amount
Retail Lighting - Non Low Income	911,511
Retail Lighting - Low Income	148,385
Distributor Lighting	23,922
Room Air Purifier	636
Dehumidifier	2,470
Heat Pump Water Heater	1,051
Clothes Washer	472

Updated Financials	Program Investment
FY16 Program Budget	\$10,533,305
07/01 to 01/31 Spending	\$4,712,955
Percent of Budget Spent to Date	45%
Percent of Year Passed	59%

- Non-Energy Star LEDs, which have a 13-year life, were added to the Retail Program and are selling well. Energy Star LEDs have a 34-year life. Non-Energy Star LEDs will be added to the Distributor Screw-In LED Program in the coming months.
- A rebate of \$50 for clothes washer was added on January 15.
- This Executive Director's Report incorporates a small adjustment to the report on bulbs for low income customers due to correction in the amount of participation in retail programs that is attributable to low income customers.

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

Summary Program Update	Incentive Spending	kWh Savings	Ductless Heat Pumps	Light Bulbs
Start of fiscal year to 12/31	\$1,296,201	4,432,924	101	254,744
Additions since last ED Report	\$(69,048)	(285,170)	-	(21,198)

Initiative	Amount
Ductless Heat Pump	101
Retail Lighting	148,385
Food Bank	106,359

Updated Financials	Program Investment
FY16 Program Budget	\$4,867,334
07/01 to 01/31 Spending	\$1,744,554
Percent of Budget Spent to Date	36%
Percent of Year Passed	59%

- To date, 185 heat pumps have been installed and 203 are forecasted by the end of program; 101 were installed in the first 6 months of the fiscal year.
 - 100% of available funds for low income heat pumps are forecasted to be invested by the end of March.
- The first two participating homes in the new natural gas low income initiative have been inspected.
- 85 residents served by four utilities have enrolled in the Arrearage Management Program and have received a benchmarking report from Efficiency Maine along with energy saving tips and a list of relevant resources and programs.
- As noted above, this Executive Director’s Report incorporates a small adjustment to the report on Retail Lighting for low income customers due to a correction in the amount of participation in retail programs that is attributable to low income customers.

K.) Strategic Initiatives (Cross Cutting)

I. Evaluation & Data Analysis

- Efficiency Maine will be receiving proposals this week and selecting a contractor next week to complete the annual M&V Compliance Review of our portfolio to meet a key requirement of bidding into the ISO New England Forward Capacity Market (FCM). Review team

members for the proposals from Efficiency Maine staff are Laura Martel (RFP lead), Ian Burnes, Michael Stoddard (review chair), with external assistance being provide by Ken Fletcher, Richard Davies, and Tom Tietenberg.

- Proposals for the Heat Pump Water Heater Demonstration pilots are due on February 18. The review committee will be meeting on February 25. The members include Peter Eglinton (review chair), Dana Fisher, Rick Meinking, James Leyko and Ken Fletcher.

II. Forward Capacity Market

- The Trust participated in the 10th Forward Capacity Auction on Feb. 8.
 - This auction is for the compliance period of June 2019 through May of 2020.
 - In consultation with the Board’s FCM working group the Trust bid and cleared 153.6 MW of existing capacity and 18.2 MW of new capacity.
 - The auction cleared at a price of \$7.03 per kW-month.
 - This is forecasted to yield approximately \$14.6 million in FY2020.

III. Innovation Pilots

- No new updates.

3. Administration and Finance Highlights

A.) Administration

- Staff filed reports at the Legislature pursuant to Title 5 reporting requirements for independent, quasi-state agencies.

B.) Financial

- Revenues
 - Receipts from state and regional sources through January were \$28.2 million for FY2016 compared to \$44.2 million in budgeted new revenues. Revenues from specific sources – RGGI, FCM, MPRP and the Electricity Procurement – are slightly ahead of schedule. Voluntary payments for the Renewable Resource Fund are at \$40,000 YTD compared to a full year forecast of \$100,000. The Natural Gas Fund has received more revenues than forecasted for this period of the year due to a PUC order instructing two utilities to pay amounts past due. These new revenues are in addition to fund balance.
- Expenditures
 - Expenditures through January totaled \$25.1 million YTD out of a total budgeted amount of \$67.5 million. \$10.8 million of the spending is related

to the Residential Programs; \$12.0 million is associated with the Business Programs; \$590,000 is associated with education, training, and EM&V; approximately \$950,000 relates to administration and agency support. A further \$24.6 million is under contract.