

# Executive Director's Summary Report

to the Board of Trustees  
of the  
Efficiency Maine Trust

March 30, 2016

## 1. Communications

### A) Awareness and Press

- Outreach Events:
  - Staff exhibited at Energy Fairs in Gorham, Saco, and Brunswick.
  - Staff exhibited at the CSI High-Performance Building Conference (March 2, 2016).
  - Staff exhibited at the Maine Plumbers Association Conference (March 18, 2016).
  - Residential Program Manager Dana Fischer was a panelist at several events: Solarize Freeport (February 27, 2016), Cape Elizabeth Home and Community Energy Workshop (February 27, 2016), and at a GrowSmart Maine Workshop (March 24, 2016).
  - Business Program Manager Rick Meinking addressed the Maine Natural Gas Contractor Open House (March 23, 2016).
  
- Press:
  - The Triennial Plan proceeding was covered by a number of media outlets including MPBN (<http://news.mpbn.net/post/puc-staff-lower-efficiency-maine-s-proposed-3-year-budget-45-million#stream/0>) and the Associated Press (<http://www.pressherald.com/2016/03/02/maine-regulators-consider-scaling-back-spending-increases-on-energy-efficiency/>).
  
- Staff has recently published a Request for Qualifications (RFQ) for Various Communications, Marketing, and Logistical Support Services.
  
- Website and Outreach
  - 23,444 website visits in February
    - compare with 24,215 visits in February 2015
  - 17,998 unique visits in February
    - 6,796 visits were driven through digital ads
  - Facebook
    - Facebook advertising campaigns continue to reach a significant number of Mainers, reaching over 60,000 Maine users in its last post
    - 155 new fans in February

## **B) Call Center**

- From 3/1 to 3/24, agents handled:
  - 838 inbound calls
  - 443 inbound emails
  - 727 pieces of inbound mail (mostly rebate claims)
- Agents made over 600 outbound calls to survey 56 participants in the Appliance Rebate Program for “near real time” program evaluation purposes.
- Service levels were far exceeded (98% of calls answered within 20 seconds vs. a goal of 80%, and 98% were answered within 45 seconds vs a goal of 95%).

## **C) Government Relations**

- Activity at the PUC included:
  - Staff continued to provide data to the PUC and interveners in the Triennial Plan docket, submitted rebuttal testimony, and is preparing for the hearing.
  - The process is scheduled to wrap up in the coming weeks, in time for the start of the new program year.
- Recent activity at the Legislature included:
  - LD 1398, “An Act To Reduce Electric Rates for Maine Businesses” was enacted by the Legislature with an amendment to set aside \$3 million/year from RGGI revenues for the next three years is to be returned to certain large manufacturers, and is on its way to the Governor’s desk.
  - LD 1558, “An Act To Make Efficient Electric Heat Pumps Available to Utility Customers, Including Low-income Customers,” was passed out of Committee with a majority Ought to Pass vote.
  - LD 1073, “An Act To Lower Energy Costs and Increase Access to Solar Energy for Agricultural Businesses” calls for Efficiency Maine to administer a solar rebate for agricultural businesses; it was killed by the Committee but may be incorporated into another solar bill.
  - LD 1651, “An Act to Exempt Certain Natural Gas Consumers from an Assessment and To Extend a Moratorium on Assessments for Other Large-volume Consumers of Natural Gas” would extend the moratorium on collecting assessments from the state’s largest natural gas customers for one year, and make permanent the exemption for wholesale power generators larger than 3 MW in size.
    - This bill has been Enacted by both chambers of the Legislature.

## 2. Program Highlights

### A) Business Incentive Program – Electric Measures

Updated Financials	Program Investment
FY2016 Program Budget	\$6,916,332
07/01 to 02/29 Spending	\$6,053,357
Percent of Budget Spent to Date	88%
Percent of Year Passed	67%

- The program has 17 projects in its pipeline for a total cost of \$84,672. Spending to date reflects projects enrolled at the end of FY2015 and completed this program year, as well as ongoing bulb sales through the distributor screw-in LED bulb initiative.
- Continued to host monthly webinars for Qualified Partners. 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.
  - February’s webinar – the fifth so far – had over 60 QPs in attendance.

### B) Business Incentive Program – Natural Gas Measures

Updated Financials	Program Investment
FY2016 Program Budget	\$1,060,249
07/01 to 02/29 Spending	\$316,142
Percent of Budget Spent to Date	30%
Percent of Year Passed	67%

- The program has approximately \$440,000 worth of project incentives in its pipeline.
- Conducted three “counter days” in the Util service territory in February and three additional counter days in March; Additional locations will be based on the potential to build the network and drive projects.
  - Staff is finding a common theme that contractors have good awareness of EMT incentives for heat pumps but less awareness of EMT incentives for other heating solutions for commercial customers.
  - Staff will continue to promote the program offerings, work with new contractors to become new Qualified Partners, and explore various marketing opportunities (e.g., banners and counter cards for distributors).
- The program is exploring additional natural gas measures for commercial kitchens.

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

<b>Updated Financials</b>	<b>Program Investment</b>
FY2016 Program Budget	\$2,316,686
07/01 to 02/29 Spending	\$964,644
Percent of Budget Spent to Date	42%
Percent of Year Passed	67%

- More than 250 heat pumps have been installed.
- The program has \$135,175 worth of projects in its pipeline, and forecasts completing another \$200,000 in heat pump projects in the coming months. Staff is implementing a marketing effort to encourage businesses to upgrade their systems now that the heating season is coming to an end.
- Staff is starting to see some uptake in oil and propane boilers and ancillary equipment (e.g., controls).

**D) Business Incentive Program – Multifamily**

<b>Updated Financials</b>	<b>Program Investment</b>
FY2016 Program Budget	\$1,182,454
07/01 to 02/29 Spending	\$606,989
Percent of Budget Spent to Date	51%
Percent of Year Passed	67%

- The program has \$329,000 worth of projects in its pipeline. Projects completed thus far, including those conducted before the program was combined with the Business Incentive Program, range from lighting and boiler controls to heating systems and weatherization measures.

**E) Large Customer Program**

<b>Updated Financials</b>	<b>Program Investment</b>
FY2016 Program Budget	\$19,416,994
07/01 to 02/29 Spending	\$4,445,197
Percent of Budget Spent to Date	23%
Percent of Year Passed	67%

- Current status:
  - Total awarded year-to-date, but not yet under contract = \$4.1 million

- Pipeline forecast = \$2.2 million
- Total encumbrances = \$8 million
- Funding not yet awarded or in the pipeline: \$0.7 million
- The Large Customer Review Committee has met twice since the last board meeting awarding \$2.1 million to 13 projects.
- Current year activity has resulted in the following additions to the program results:

Description	Incentive Commitments (YTD) <sup>1</sup>	Savings	Participants
Electric, Year to Date	\$4.2 million	19,590,659 (annual kWh)	22
GHG, Year to Date	\$2.1 million	8,792,186 (annual LBS of CO2)	9
Total	\$6.3 million	N/A	31

**F) Small Business Initiative**

Updated Financials	Program Investment
FY2016 Program Budget	\$1,010,917
07/01 to 02/29 Spending	\$675,374
Percent of Budget Spent to Date	67%
Percent of Year Passed	67%

- The program has \$77,900 worth of projects in its pipeline.
- Region 4 (Waterville/Winslow) will be completed on 4/15/2016.
- The program is preparing to roll out into a new region, by collecting business information and identifying initial projects to highlight when launching in the new program year.

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

- The program has 5 projects under MOU and 1 additional project with a pending MOU.
  - The scope of these 6 projects covers 275,879 square feet.
  - Construction of one project was recently completed; incentives will be issued once final documentation is submitted.
  - The program team visited the site of the new Gorham Police Department, supported through this program, and completed blower door testing. The project is due to be completed next month.
- The program has received an application for 1 additional project; 3 other projects are in preliminary design phase and are actively considering participating in program.

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<sup>1</sup> This number will not match the encumbrances because it is only looking at awards to date.

- MAB continued its marketing with an exhibit at the Maine CSI High Performance Building conference, which was attended by approximately 150 architects, engineers, construction managers, and other individuals within the program’s target audience.

**H) Home Energy Savings Program**

<b>Updated Financials</b>	<b>Program Investment</b>
FY2016 Program Budget	\$8,398,172
07/01 to 02/29 Spending	\$5,261,375
Percent of Budget Spent to Date	63%
Percent of Year Passed	67%

- February was slower but still on par with the prior month and also in line with activity from February 2015, both in terms of number of measures installed and rebates issued. March is expected to continue the trend.
  - In February, 533 Maine homes received rebates totaling \$451,000 on \$3.6 million worth of project work.
- FY2016 total number of participating homes through February (67% of year): 6,025 homes.
- In February, the program closed 38 loans for a total of \$289,000 worth of project costs or 8% of all HESP projects for the month. The average loan was \$7,600. All but 2 of the loans were unsecured Energy Loans.
- The program is at the bottom of the seasonal trough of loan applications and project activity; Staff anticipates an increase in activity after March.

**I) Consumer Products Program**

<b>Updated Financials</b>	<b>Program Investment</b>
FY2016 Program Budget	\$10,533,305
07/01 to 02/29 Spending	\$5,484,997
Percent of Budget Spent to Date	52%
Percent of Year Passed	67%

- Incumbent CLEARResult was selected as the FY2017-2019 Program Delivery Contractor by the RFP review team. Staff appreciates Al Hodsdon’s participation in the review.
- Claims for clothes washers, first offered on 1/15/2016, are starting to flood in. Over the last two weeks 119 claims were submitted.
- The program is offering a promotion to help drive the purchase of heat pump water heaters which has generated an increase in uptake to a rate of approximately 100 units every two weeks.

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

<b>Updated Financials</b>	<b>Program Investment</b>
FY2016 Program Budget	\$4,887,891
07/01 to 02/29 Spending	\$2,005,251
Percent of Budget Spent to Date	41%
Percent of Year Passed	67%

- All of the FY2016 RGGI funds for Low Income Initiatives have been invested, supporting ductless heat pumps for 203 low-income families.
- Electric funds have supported 175,000 bulbs through food pantries and an estimated 425,000 bulbs for low-income customers through retail stores.
- The Low Income Natural Gas initiative, which started in January, has seen significantly greater increase since the elimination of co-pays..
  - Eight homes are being scheduled for air sealing; 19 are forecasted to be upgraded by 6/30/2016.
- Low-Income HESP (LIHESP) claims and inquiries are increasing and contractors have been making more inquiries as eligibility has been expanded to include principal dwelling mobile homes and detached dwellings with municipal property value at or below \$80,000.

**K) Strategic Initiatives (Cross Cutting)**

**I. Evaluation & Data Analysis**

- New revisions of Commercial and Retail/Residential TRMs were posted to the website in February. The updates include a few new measures (Prescriptive HVAC Efficient Oil or Propane Boilers and Furnaces, Value Line LED bulbs, Cord Wood Boilers) and some corrections.

**II. Forward Capacity Market**

- Evergreen Economics has been selected to perform the Annual FCM M&V Plan Compliance Review. They will be assessing the relative precision of our FCM reported demand savings and verifying our M&V practices comply with the M&V plan on record with ISO NE. Draft report due early May. Certification to ISO NE due May 23, 2016. Staff appreciated the participation of Ken Fletcher on the review team for the RFP.

**III. Innovation Pilots**

- Pilot projects under the Heat Pump Water Heaters Innovation RFP were awarded to Nyle Systems and GE Appliances. Nyle Systems will install two commercial HPWHs - One in a commercial kitchen and one in a boiler room. The HPWHs will utilize the waste heat and steam generated by existing equipment (i.e., a dishwasher). GE Appliances will use remote control on residential HPWHs to explore the impact of peak load shifting and electric

thermal storage. Staff appreciated the participation of Ken Fletcher and an engineer from ERS on the review team for the RFP.

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

#### **A.) Administration**

- Tyler Kidder has joined Efficiency Maine as a communications manager. She most recently worked as the Assistant Director for Sustainable Programs at University of Southern Maine. She has a BA in Environmental Studies from Bucknell University and a Certificate in Applied Energy from University of Southern Maine.

#### **B.) Financial**

- Revenues for FY2016 continue on track or ahead of pace.
  - RGGI revenues are unchanged from last month. The Trust has received notice that the proceeds from the March RGGI auction are less than the prior two auctions. While still head of pace for the year, RGGI revenues are expected to end the year in line with the original forecast.
  - The Trust has received Electric Procurement payments for the first three quarters of the fiscal year. The next quarterly payments are due from the utilities in April.
  - Natural Gas Assessment revenues are unchanged.
  - The remittance of the final Phase I payment from the Maine Yankee Settlement has been received in full. All other funding sources are trending as anticipated.
- Staff is evaluating expenditure forecasts for the remaining quarter to identify opportunities to stimulate program uptake. As part of FY2017 budget development, Staff will also estimate possible carryforward amounts.
  - Expenditures related to non-electric measures of the Business Incentive Program are slightly ahead of forecasts, while the Small Business Initiative and the Multifamily Retrofit initiatives are on track.
  - Large Custom Program is on track with the budget.
  - Low Income Initiatives are running behind forecasts; Staff recently launched several new approaches to reaching low-income customers.
- Staff anticipates presenting an overview of the budget development process at the April 2016 Board meeting and a proposed budget at the May meeting.