

Executive Director's Summary Report

to the Board of Trustees
of the
Efficiency Maine Trust

June 22, 2016

1. Communications

A) Awareness and Press

- Outreach Events:
 - Staff exhibited at MaineHousing's Landlord Outreach Event in Rockport and at a Home Depot energy efficiency event in Waterville.
 - Save the date for Efficiency Maine's Combined Heat & Power (CHP) Forum – September 29, 2016, 2:00-6:00 p.m. at the University of Southern Maine's Abromson Center in Portland.
- Press:
 - Efficiency Maine's transition from incentivizing CFLs and LEDs to only LEDs was covered by MPBN (<http://www.mpbn.net/post/lights-out-cfls-efficiency-maine-switching-subsidy-favor-leds#stream/0>).
 - Approval of the Triennial Plan III was covered by a number of media outlets including the AP (<http://www.sunjournal.com/news/0001/11/30/maine-puc-oks-energy-efficiency-settlement-plan/1943054>), MPBN (<http://www.mpbn.net/post/public-utilities-commission-approves-42-million-year-efficiency-spending#stream/0>), and the *Bangor Daily News* (<http://bangordailynews.com/2016/06/14/business/puc-oks-efficiency-spending-plan-agency-chief-pleased/>)
- A stable of communications firms have been prequalified through a Request for Qualifications for Various Communications, Marketing, and Logistical Support Services.
- Website and Outreach:
 - 20,545 website visits in May 2016.
 - Compared with 21,819 website visits in April 2016.
 - 15,146 unique visits in May 2016.
 - 6,428 visits were driven through digital ads in May 2016.
 - Social Media:
 - Facebook advertising campaigns continue to reach a significant number of Mainers. For example, the most recent post reached over 35,948 Facebook users in Maine.
 - 184 new fans in May.

B) Call Center

- Summary of activity in May:
 - 892 calls received.
 - 373 emails received.
 - 946 appliance rebate forms received.
 - 953 outbound dials to prospective Low Income Home Energy Savings Program (LIHESP) participants and for a survey for an Appliance Rebate evaluation.

C) Government Relations

- The PUC Commissioners voted unanimously to approve the proposed Settlement of the Trust's Triennial Plan III. The Settlement approves the Plan as it was originally approved by the Board, with certain adjustments, including:
 - The Trust will limit lighting incentives to LED technologies.
 - The electric MACE budget is reduced by about 22% from the original filing, reflecting updated energy price forecasts.
 - The natural gas MACE budget is reduced by about 33% from the original filing, reflecting updated energy price forecasts and an increase in incentives.
 - The amount of the Procurement to be paid by the utilities to cover these MACE budgets is adjusted to reflect the bullets above.
 - The amount of energy (MWh, MW, MMBtu) and value (\$) that the Trust forecasts saving from the Plan's programs is adjusted to reflect the bullets above.
- EMT is preparing to engage in next steps identified in the Settlement of the Triennial Plan, including addressing certain issues related to the natural gas conservation fund and updating analysis on the cost-effectiveness of certain measures being considered for promotion through programs serving the Commercial and Industrial sector.
- EMT is engaging in PUC proceedings to determine the role of a Non-Transmission Alternative Coordinator and the process for securing the services of this coordinator, which are ongoing.

2. Program Highlights¹

A) Business Incentive Program – Electric Measures

Updated Financials	Program Investment
FY2016 Program Budget	\$6,934,159
7/1 to 4/30 Spending	\$6,052,724
Percent of Budget Spent to Date	87%
Percent of Year Passed	83%

¹ The spending and savings amounts in each table reflect data pulled from the FY2016 Financial Report to the Finance Committee on June 9, 2016, and the Efficiency Maine tracking database on June 10, 2016.

Summary Program Update	kWh Savings	Participants
Start of fiscal year to 4/30	18,824,633	683
Additions since last ED Report	N/A	2

Project Type	Projects
Prescriptive Lighting	790
Prescriptive HVAC	26
Prescriptive Refrigeration	4
Prescriptive VFD	7
Prescriptive Compressed Air	5
Custom Lighting	7
Custom HVAC	6
Custom Compressed Air	3
Custom Misc.	5

- An initial set of incentives for lighting measures was launched on June 1 as part of the transition to the FY2017 program year; incentives for boilers, furnaces, heat pumps, and other heating solutions continue to be available. The team is continuing to update the Technical Reference Manual (TRM) for Commercial and Industrial measures and prepare for FY2017.
- The program recently conducted a pricing survey with lighting suppliers.
- The team continues to hold certification sessions for QPs for the year ahead. More than 500 QPs have participated so far.
- See “Consumer Products Program” section for updates on screw-in LEDs being promoted through distributors, which are funded in FY2016 through the Business Incentive Program.

B) Business Incentive Program – Natural Gas Measures

Updated Financials	Program Investment
FY2016 Program Budget	\$1,042,422
7/1 to 4/30 Spending	\$364,457
Percent of Budget Spent to Date	35%
Percent of Year Passed	83%

Summary Program Update	MMBtu Savings	Participants
Start of fiscal year to 4/30	46,429	39
Additions since last ED Report	1,164	4

Project Type	Projects
Prescriptive Natural Gas	45
Custom Natural Gas	4

- The program's pipeline has \$151,175 in project incentives plus an additional \$553,056 from four custom projects that have been awarded but not yet paid out.
- The team continued outreach to suppliers and their sales staff in May.

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

Updated Financials	Program Investment
FY2016 Program Budget	\$2,316,686
7/1 to 4/30 Spending	\$1,418,632
Percent of Budget Spent to Date	61%
Percent of Year Passed	83%

Summary Program Update	MMBtu Savings	Participants
Start of fiscal year to 4/30	11,199	282
Additions since last ED Report	1,443	24

Project Type	Projects
Ductless Heat Pumps	297
Propane / Oil Hot Water Boiler	4

- The program's pipeline has \$374,486 of project incentives pending.
- Program activity increased recently because of QP “Counter Days” marketing to contractors and distributors.

D) Business Incentive Program – Multifamily

Updated Financials	Program Investment
FY2016 Program Budget	\$1,182,454
7/1 to 4/30 Spending	\$669,339
Percent of Budget Spent to Date	57%

Percent of Year Passed	83%
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Summary Program Update	kWh Savings	Participants
Start of fiscal year to 4/30	3,617,023	16
Additions since last ED Report	N/A	-

Project Type	Apartment Units
Lighting	1,008
Air Sealing	88
Boiler Controls + Thermostats	29
Heating Systems	139
Insulation	100
Low Flow Devices	72
Water Heating	97
Fast Track	187
Modeling	66

- The program's pipeline has \$252,000 of project incentives.
- The team is continuing to update the Commercial and Industrial TRM, including multifamily measures for buildings with 5 or more units, and prepare for FY2017.

E) Large Custom Program

Updated Financials	Program Investment
FY2016 Program Budget	\$19,416,994
7/1 to 4/30 Spending	\$5,922,840
Percent of Budget Spent to Date	31%
Percent of Year Passed	83%

Summary Program Update	Incentive Commitments (YTD) ²	Savings	Participants
Electric Year to Date	\$5.2 million	23,641,220 (annual kWh)	24
GHG Year to Date	\$5.4 million	72,548,588 (annual lbs of CO ₂)	14

² This number will not match the encumbrances because it is only looking at awards to date.

- Spending detail:
 - Total expended for the year = \$5.9 million.
 - Total encumbrances = \$6.6 million.
 - Available funds [Budget – Expended - Encumbrances] = \$6.9 million.
 - Total awarded but not yet under contract = \$6.4 million.
 - Total Pipeline = \$0 million.
 - Available - Awarded - Pipeline = \$460,000.
- The program has successfully driven program activity in the fourth quarter of the year (Q4). The emphasis in the last month has been getting awarded projects under contract.
- Outreach efforts focused on launching the small custom initiative and planning for a CHP conference in the fall.

F) Small Business Initiative

Updated Financials	Program Investment
FY2016 Program Budget	\$1,010,917
7/1 to 4/30 Spending	\$745,933
Percent of Budget Spent to Date	74%
Percent of Year Passed	83%

Summary Program Update	kWh Savings	Participants
Start of fiscal year to 4/30	1,206,502	98
Additions since last ED Report	N/A	4

Measure Category	Units
Fluorescent Fixtures	156
LED Fixtures	739

- The program completed Region 4 with 100 projects.
 - The average annual savings per project was 19,600 kWh.
 - The average project cost was \$2,500.
- Region 5 (Lakes Region – RT 302: Raymond to Fryeburg) began to rollout. The program held meetings with Town Managers and Regional Chambers.
- A Request for Pricing was issued for a FY2017 supplier (material cost).

G) Commercial New Construction -- Maine Advanced Buildings Program

Updated Financials	Program Investment
FY2016 Program Budget	\$845,684
7/1 to 4/30 Spending	\$28,461
Percent of Budget Spent to Date	3%
Percent of Year Passed	83%

- The program's pipeline has booked \$595,663 in project incentives.
- The Gorham Police Station was completed (with \$19,250 not reflected in spending, above).
- A pending incentive payment of \$44,625 for Western Maine Medical is not reflected in the above table.
- The Trust is developing a Case Study on the completed Medical office building.

H) Home Energy Savings Program

Updated Financials	Program Investment
FY2016 Program Budget	\$8,398,172
7/1 to 4/30 Spending	\$6,343,748
Percent of Budget Spent to Date	76%
Percent of Year Passed	83%

Summary Program Update	kWh Savings	MMBtu Savings	Measures
Start of fiscal year to 4/30	7,718,702	75,481	9,723
Additions since last ED Report	317,130	6,082	599

Project Type	Units
Attic Insulation	943
Boiler	669
Mini Split HP	4,182
Bundling Bonus	1,196
Air Sealing	1,482
Basement Insulation	522
Pellet Boiler	68
Pellet Stove	169
Geothermal HP Closed Loop	35
Geothermal HP Open Loop	22
Wall Insulation	219

Wood Stove	49
Furnace	165
Central Heat Pump	1

- The program closed 27 loans that provided \$232,000 in financing.
- The program continued to experience sluggish activity through May. Vendors are reporting that they are scheduled into July.
- In May, the HESP program team engaged in outreach coordination activities with the cities of Rockland and Bangor, the Island Institute, and Maine Housing at a landlord network event in Rockport.
- Staff met with representatives of Emera about Emera’s preparations of a program to promote heat pumps.

I) Consumer Products Program

Updated Financials	Program Investment
FY2016 Program Budget	\$10,533,305
7/1 to 4/30 Spending	\$7,674,011
Percent of Budget Spent to Date	73%
Percent of Year Passed	83%

Summary Program Update	kWh Savings	Appliance Rebates	Light Bulbs
Start of fiscal year to 4/30	36,454,253	7,507	2,121,180
Additions since last ED Report	4,549,420	1,215	270,423

Measure Type	Bulbs / Units
Retail Lighting - Non Low Income	1,714,686
Distributor Lighting	127,359
Room Air Purifier	1,248
Dehumidifier	2,685
Heat Pump Water Heater	1,647
Clothes Washer	1,327

- The program is preparing to transition from CFLs to only LEDs starting in FY2017.
- Retail Lighting is on track to invest all its funds and reach its FY2016 savings goal.

- The Distributor Screw-In LED (DSIL) Program invested 100% of its previously budgeted funds; the additional \$500,000 budget authorized by the Board last month will be fully invested by the end of the month.
- The Q4 water heater rebate volume increased by nearly 50% over Q3; the program is currently evaluating water heater and appliance options for FY2017.
- The low-income portion of the Consumer Products Program is reported in the low income initiatives section; the total savings table, above, includes both non-low income and low income.

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

Updated Financials	Program Investment
FY2016 Program Budget	\$4,887,891
7/1 to 4/30 Spending	\$2,644,100
Percent of Budget Spent to Date	54%
Percent of Year Passed	83%

Summary Program Update	kWh Savings	Ductless Heat Pumps	Light Bulbs
Start of fiscal year to 4/30	7,185,782*	203	475,350
Additions since last ED Report	989,912	-	73,969

* Only 101 heat pumps are reflected in this savings amount.

Direct Install Initiatives	Participants
Ductless Heat Pump	203

Other Initiatives	Bulbs / Units
Food Bank	196,215
Retail Lighting - Low Income	279,135
Appliances - Low Income	601

- All of the Low Income Direct Install Heat Pump Program's funds were successfully invested by March. Note that savings data on an additional 102 heat pumps are pending entry into effRT.
- The Low Income Direct Install Natural Gas Weatherization Program addressed 6 homes in May.
 - The program is forecasting 27 homes by the end of the month.
 - All 155 prospects on the 2014 LIHEAP-participating list that MaineHousing provided EMT have been mailed or called multiple times.

- The Arrearage Management Program for electricity customers added 179 new participants in May, bringing the total to 579 homes from six utilities.
 - All homes received an electric energy assessment, energy savings tips, and a list of energy saving programs/resources.
 - Thus far, 150 homes have requested and received free “DIY” kits including an LED 6-pack and, for homes with electric water heaters, low-flow aerators and showerheads.
 - Staff participates in the PUC’s AMP Stakeholder Group meetings; the most recent meeting occurred on June 17.

K) Strategic Initiatives (Cross Cutting)

- **Forward Capacity Market**
 - The Trust implemented web services to allow direct synchronization of measure records with ISO NE. New and updated records will be sent to ISO NE’s EEM (Energy Efficiency Measure Database) every month, which keeps effRT and EEM in sync.
- **Innovation**
 - The Trust signed a contract with TRC Energy Services for a Pay-for-Performance Innovation Pilot. The Trust will host a kickoff meeting for the pilot in the coming weeks. The pilot will test how effectively pay for performance incentives can generate persistent energy savings and will use interval data analytics to identify opportunities and verify savings.
- **Education and Training**
 - This month, Efficiency Maine will be hosting Building Operator Certification (BOC) Level 1 training at 168 Capitol Street, Augusta. The BOC program, provided in cooperation with the Northwest Energy Efficiency Council, is an eight-day course offered over a four month period. The program trains facility managers to improve energy efficiency, reduce maintenance costs, and enhance building occupant comfort. Certified building operators demonstrate competence in evaluating building energy consumption, HVAC energy inspection, lighting surveys, indoor air pollutant sources and pathway locations, facility electrical distribution, and more.

3. Administration and Finance Highlights

A.) Administration

- The Trust’s independent auditors – Runyon, Kersteen Ouellette – have initiated this year’s annual audit. For the first time in six years, the Trust’s audit is not required to include an A-133 audit. This will shorten the process and lower the cost of the audit.

B.) Financial

At the Finance Committee meeting this month, it was reported that:

- New state and regional revenues were budgeted at \$44.4 million for FY2016, of which \$38.7 million have been received YTD.
- Use of fund balance is budgeted at \$21.5 million.
- The fourth quarter remittance from RGGI has not yet been received in our account, but the auction proceeds have been reported and were found to be considerably lower than originally forecasted. As this was the second lower-than-forecasted RGGI auction in a row, Staff performed new analysis to update its forecast for FY2017 and concluded that the FY2017 budget should lower its RGGI revenue forecast to \$11.2 million. This revenue forecast is the product of using the average price per ton of CO2 from the past 12 auctions multiplied by the number of Maine CO2 allowances that will be sold in the next year.
- Of the \$67.7 million budgeted, \$36.6 million was been expended as of April 30 and \$18.9 million was under contract. Another \$2.99 million had been awarded through competitive processes and was in the process of being put under contract. Approximately \$3 million more is being held and awaiting transmittal for interagency or interfund transfers before year-end.