

Executive Director's Summary Report

to the Board of Trustees
of the
Efficiency Maine Trust

January 25, 2017

1. Communications

A) Awareness and Press

- Outreach Events:
 - i. The Business Program Manager addressed the Education Plant Manager Association Meeting (January 18).
 - ii. The CIP Team attended the MEREDA Annual Event (January 19).
 - iii. The Efficiency Maine Annual Symposium will be held Friday (January 27).
- Press:
 - i. The Executive Director was interviewed on WOXO's Morning Show (http://recordings.talkshoe.com/TC-133290/TS-1140327.mp3?utm_campaign=website&utm_source=sendgrid.com&utm_medium=email), January 4).
 - ii. The Executive Director was interviewed for ABC7 Bangor's Maine Money Matters Segment (January 5).
 - iii. The Sun Journal covered the adoption of heat pumps by Maine homeowners ("Heat pumps hot stuff in Maine," (December 18).
 - iv. The Sun Journal also featured the Small Business Initiative ("Efficiency Maine offering small businesses help with LED lighting," December 28).
 - v. The Residential Program Manager was interviewed on WBLM (January 19).
- Website and Outreach (December)
 - i. 29,297 website visits (compared to 27,003 visits in November)
 - a. 22,465 unique visits
 - b. 8,841 visits were driven through digital ads
 - ii. Facebook:
 - a. 2,656 fans
 - b. 33 new fans
 - c. 20,249 reached through advertising

B) Call Center (December)

- 1,219 inbound phone calls (98% answered within 20 seconds)
- 623 inbound emails

- 1,040 inbound mail (rebate forms)
- 878 outbound calls made in order to complete 77 Appliance Rebate Program evaluation surveys

C) Government Relations

- The Executive Director presented an overview of EMT programs to the Energy, Utilities, and Technology (EUT) Committee (January 17).
- The Legislature released the “Final Report of the Commission to Study the Economic, Environmental and Energy Benefits of the Maine Biomass Industry” in mid-December. One of the report’s several recommendations is for EMT to make a more concerted effort in promoting Combined Heat and Power (CHP) systems that utilize biomass. EMT staff expects to participate in follow-up discussions and review related bills at the (EUT) Committee this Session.
- The Executive Director testified before the Appropriations Committee regarding EMT-related changes to the Supplemental Biennial State Budget.
- PUC Activities:
 - i. EMT Staff filed reply comments in the Triennial Plan’s Phase II proceeding on the issues of mitigating risk of stranded investments and Forward Capacity Market (FCM) revenue allocations.
 - ii. EMT Staff attended a Settlement Conference on its low income initiatives and volunteered to draft a stipulation based on the outline that was approved by the Board at the last meeting.
 - iii. EMT Staff attended a Case Conference with Energy Futures Group (EFG), who was retained by the PUC Staff to assist in their oversight role to develop a mid-year reporting protocol.

2. Program Highlights¹

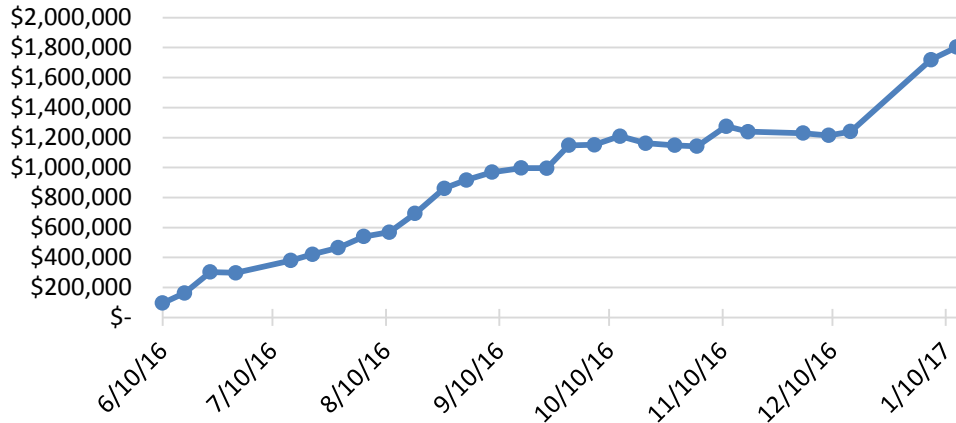
A) C&I Prescriptive (CIP) Program – Electric Measures

- Weekly incentive payments and the program’s pipeline are on track (see charts below).
- The CIP Team hosted its monthly webinar for Qualified Partners (QPs) with 70 QPs in attendance.
- Program announced a Classroom Lighting Promotion, providing enhanced incentives for projects conducted over April school vacations.
- The CIP team created a Prescriptive Lighting Measure Upload file to streamline QP’s entry of large lighting projects.

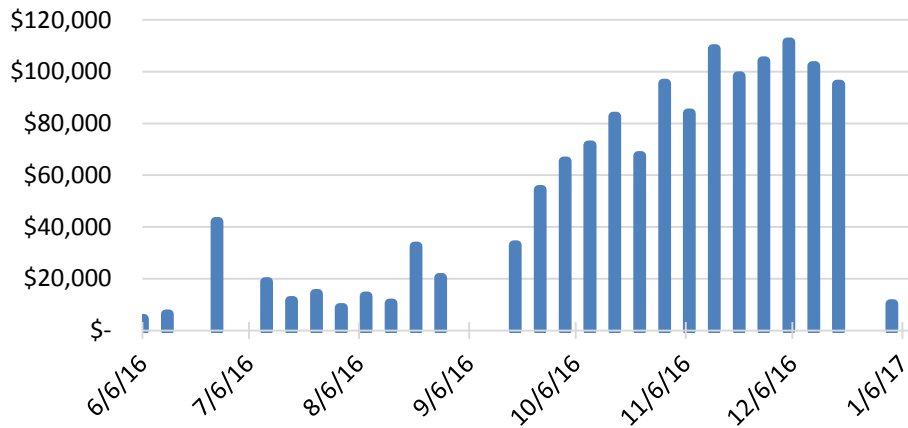
¹ The Updated Financials table reported for each Program reflects data pulled from the Trust’s financial management system as of mid-month; the Summary Program Update table is pulled from the Efficiency Maine project tracking database as of January 19, 2017.

- Staff completed two webinars for potential Mid-Stream Heating Solutions distributors.
- CIP currently has 600 QP companies and 750 individuals represented; new QP requests are ongoing.

**Electric C&I Prescriptive Program
Incentive Pipeline**



**Electric C&I Prescriptive Program
Incentives Payments**



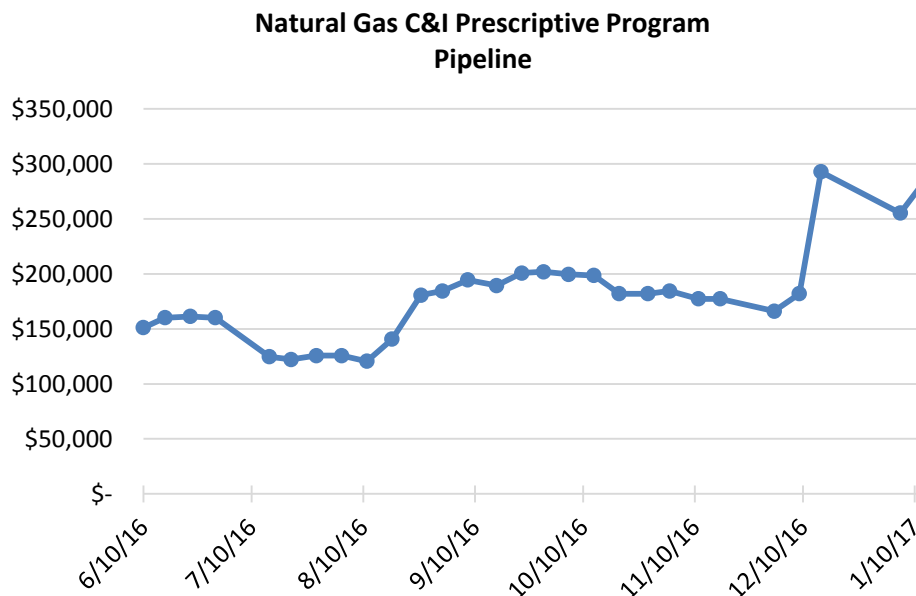
Updated Financials	Program Investment
FY2017 Program Budget	\$8,829,935
7/1 to 12/31 Spending	\$1,650,116
Percent of Budget Spent to Date	19%
Percent of Year Passed	50%

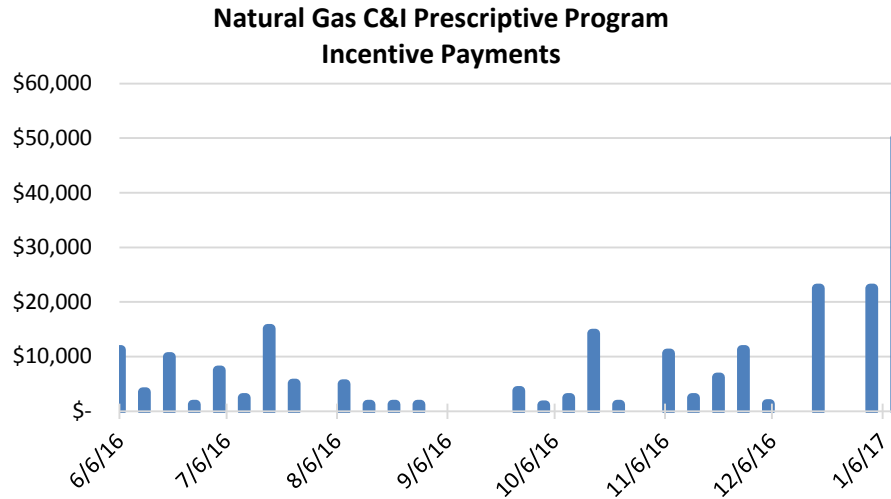
Summary Program Update	kWh Savings	Participants
Start of fiscal year to 11/30	5,685,826	462

Project Type (through 11/30)	Projects
Lighting Solutions	320
Heating and Cooling Solutions	214
Compressed Air Solutions	9

B) C&I Prescriptive Program – Natural Gas Measures

- The program’s pipeline is \$285,472 in incentive payments, and has a slight upward trend despite being in the midst of heating season (see charts below).
- The Team is focusing on outreach with natural gas local distribution companies (LDCs) and on ways to partner to make a compelling case for efficiency; the Team is postponing consideration for now of mid-stream (distributor point of sale) approaches for natural gas furnaces and boilers.
- Initial mailers for the Restaurant Spray Nozzle promotion were sent the week of January 16. The measure is highly cost effective and offers a way to start a conversation about other EMT measures.





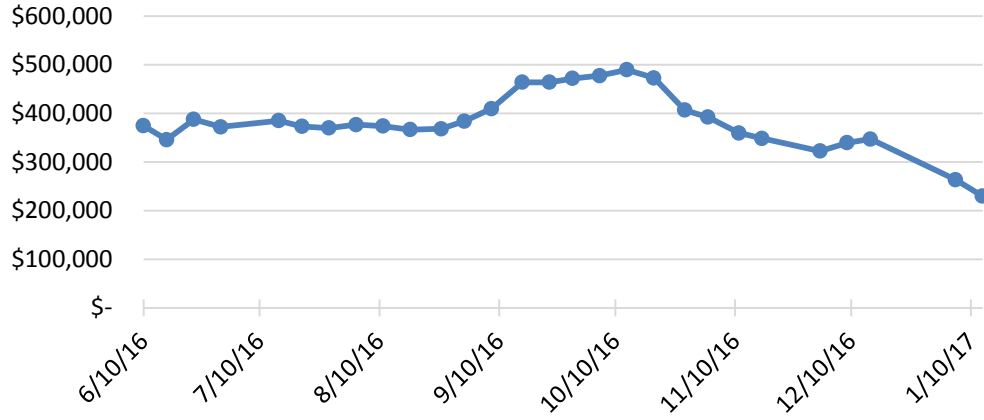
Updated Financials	Program Investment
FY2017 Program Budget	\$1,255,720
7/1 to 12/31 Spending	\$120,457
Percent of Budget Spent to Date	10%
Percent of Year Passed	50%

Summary Program Update	MMBtu Savings	Participants
Start of fiscal year to 11/30	4,124	23

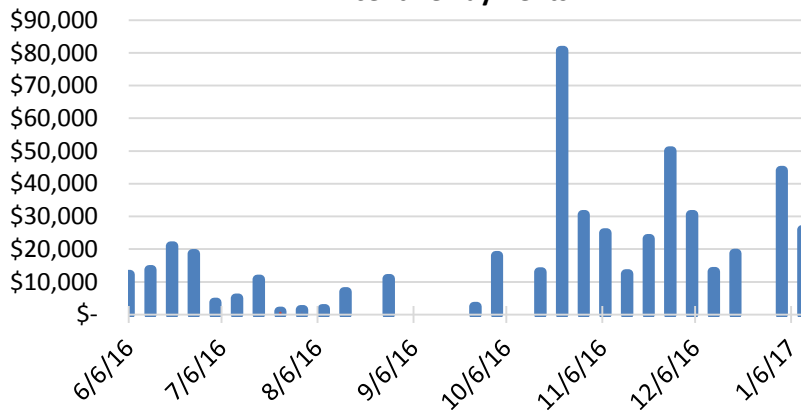
C) C&I Prescriptive Program – All Fuels Measures / Heating Solutions

- The program’s pipeline is \$175,922 in incentive payments (see charts below). The pipeline shows a slight decrease, which is not unusual in the midst of heating season.
- The Team is finalizing a process to move heating systems to a mid-stream (distributor point of sale) approach.

**RGGI C&I Prescriptive Program
Pipeline**



**RGGI C&I Prescriptive Program
Incentive Payments**



Updated Financials	Program Investment
FY2017 Program Budget	\$1,533,003
7/1 to 12/31 Spending	\$377,753
Percent of Budget Spent to Date	25%
Percent of Year Passed	50%

Summary Program Update	MMBtu Savings	Participants
Start of fiscal year to 11/30	9,909	17

D) C&I Custom Program

- Since the last Board meeting, the pipeline of small custom projects has grown modestly, adding two new projects worth \$105,000 in incentive offers. The total small custom pipeline now consists of 20 projects worth \$970,000 in incentive offers.
- The second Review Committee meeting was held in December, awarding \$107,164 to a Combined Heat and Power (CHP) project at Famous Dave’s BBQ in Scarborough.
- The Custom Team completed one new scoping audit and opened a new Technical Assistance (TA) study for distributed generation.
- After considering the discussion in the RGGI Affected Customer Stakeholder Group meeting and reviewing the written comments, EMT finalized the protocol that will be used for handling incentives for Affected Customers moving forward. This protocol was memorialized in a memorandum to the Program’s delivery team (Energy Resources Solutions, ERS) on January 13 and posted as an appendix in the Program Opportunity Notices (PONs).
- The limited-time bonus incentive for CHP projects (initiated December 7) is driving considerable interest in the Program. The pipeline now consists of 9 projects worth \$2.6 million in incentive offers.
- The Custom team has recently acquired access to billing data from CMP and Emera. This will help inform the Program’s customer outreach efforts by identifying facilities that are likely to have eligible custom measures.

Updated Financials	Program Investment
FY2017 Program Budget	\$19,118,088
7/1 to 12/31 Spending	\$2,334,729
Percent of Budget Spent to Date	12%
Percent of Year Passed	50%

Additional Details on FY 2017 Financials	Program Investment
Encumbrances (under contract)	\$5,646,134
Awards (pending contracts)	\$1,161,054
Pipeline	\$3,816,946
Total Expenditures, Encumbrances, Awards & Pipeline	\$12,958,860
Percent of Budget	69%

Summary Program Update	MMBtu Savings	kWh Savings	Participants
Start of fiscal year to 11/30	116,952	9,025,358	10

E) Small Business Initiative

- Regions 5 (Rte. 302) and 6 (Farmington, Skowhegan, etc.) are ramping up; several contractors have stated they finished their existing backlog of projects and are now ready to focus on SBI.
- The SBI Team is working on Region 7 outreach to potential contractors and has held two informational webinars; and expects to hold at least one more in January.
- Field staff are successfully bringing in potential customers and working with contractors to move projects along faster.
- Enrollments are now being created in effRT at the time projects are pre-approved to allow for more accurate pipeline tracking
- As of January 13, there were 18 projects in the pipeline (broken out by region below) representing \$131,228 in incentives:
 - Region 5: 15 projects in pipeline.
 - Region 6: 3 projects in pipeline.
- EMT expects the pipeline to grow rapidly as contractors get underway in Region 6.

Updated Financials	Program Investment
FY2017 Program Budget	\$2,203,926
7/1 to 12/31 Spending	\$101,819
Percent of Budget Spent to Date	5%
Percent of Year Passed	50%

Summary Program Update	kWh Savings	Participants
Start of fiscal year to 11/30	9,889	3

F) Commercial New Construction -- Maine Advanced Buildings Program

- EMT has paid \$146,713 in incentives to date.
- 8 projects are under MOU, representing \$755,249 in incentives.
- 14 additional projects being tracked are not yet under MOU, representing \$190,785 in incentives (weighted estimate based on probability of award).
- The Avesta Bayside project was completed and anticipated to be paid by end of January (\$66,238 in incentive).
- The delivery team is continuing to follow up on new project leads, as identified.

Updated Financials	Program Investment
FY2017 Program Budget	\$2,246,220
7/1 to 11/30 Spending	\$299,779
Percent of Budget Spent to Date	13%
Percent of Year Passed	50%

Additional Details on FY 2017 Financials	Program Investment
Encumbrances (under contract)	\$755,249
Awards (pending contracts)	\$190,785
Pipeline	\$637,140
Total Expenditures, Encumbrances, Awards & Pipeline	\$1,583,174
Percent of Budget	70%

Summary Program Update	kWh Savings	Participants
Start of fiscal year to 11/30	723,240	1

G) Home Energy Savings Program

- December activity at 950 homes edged out November to have the highest activity of the fiscal year.
- Rebates were issued toward the installation of ductless heat pumps in 500 homes in December (fiscal year to date total is above 3,000).
- 47 loans were closed in December, supporting \$380,000 in efficiency upgrades installed by 32 different companies.

Updated Financials	Program Investment
FY2017 Program Budget	\$10,367,443
7/1 to 12/31 Spending	\$4,043,919
Percent of Budget Spent to Date	39%
Percent of Year Passed	50%

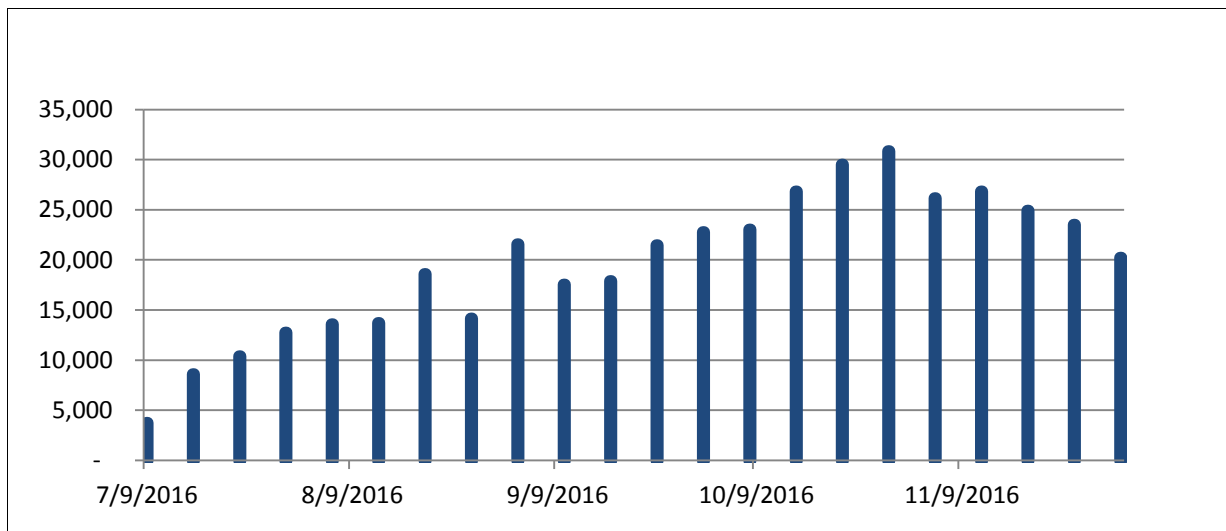
Summary Program Update	kWh Savings	MMBtu Savings	Measures
Start of fiscal year to 11/30	5,053,084	36,715	3,861

Project Type (through 11/30)	Units
Electric Measures	2,423
All Fuels Measures	1,438

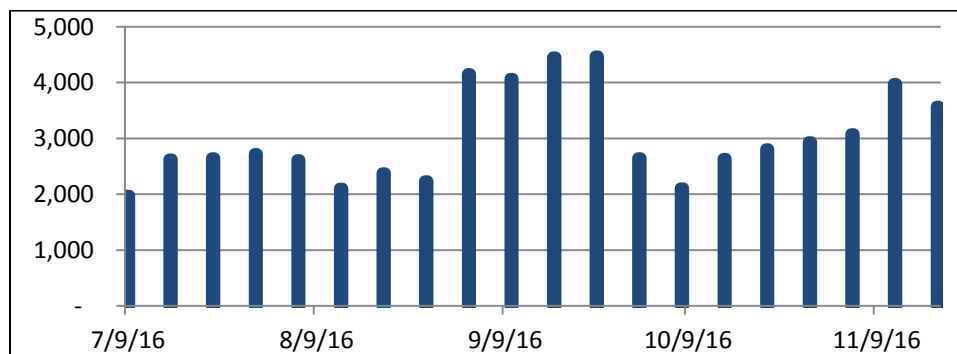
H) Consumer Products Program

- The Program provided 254 rebates for Heat Pump Water Heaters from activity in Q1 and another 807 rebates from activity in Q2. A \$750 mail-in rebate was launched January 1.
- Retail LED sales are slower than expected and staff is rolling out a small incentive increase, simplified reporting requirements, and extensive field support.

Weekly Bulb Sales YTD – RETAIL



Weekly Bulb Sales YTD – DISTRIBUTOR



- The Trust is running a 5-month pricing trial for retail LEDs to document how the market responds to various incentive levels.

Updated Financials	Program Investment
FY2017 Program Budget	\$11,733,364
7/1 to 12/31 Spending	\$2,246,776
Percent of Budget Spent to Date	19%
Percent of Year Passed	50%

Summary Program Update	kWh Savings	Appliance Rebates	Light Bulbs
Start of fiscal year to 11/30	13,500,021	5,578	393,362

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

- Food pantries have distributed over 300,000 LEDs through mid-January.
- In December, utilities enrolled 18 new participants into the PUC’s Arrearage Management Program (AMP) for low-income customers with outstanding electric bills, bringing the total to 929 homes from seven utilities since its October 2015 inception. Since inception, 51% of participants have requested and received free LEDs and water saving devices through the program.
- The Low Income Direct Install Initiative for Water Heaters launched November 15 and 3,000 pieces of mail have driven 92 qualified prospects; installations are pending.
- 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. 32 homes received basic weatherization under LIHESP in December, exceeding the monthly activity in November and October.
 - ii. Interest continues to grow, including new municipal inquiries. At least two towns are seeking to raise property tax amounts to cover co-pay contributions for eligible residents in the coming year.

Updated Financials	Program Investment
FY2017 Program Budget	\$6,449,634
7/1 to 12/31 Spending	\$471,066
Percent of Budget Spent to Date	7%
Percent of Year Passed	50%

Summary Program Update	kWh Savings

Summary Program Update	kWh Savings
Start of fiscal year to 11/30	2,031,164

Other Initiatives (through 11/30)	Units
LIHESP	27
AMP DIY Kits	30
Food Pantry Bulbs	142,650

J) Strategic Initiatives (Cross Cutting)

I. Forward Capacity Market

- EMT extended the Evergreen Economics contract to perform this year’s FCM M&V Compliance Review.

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

- The Commercial, Industrial, Multifamily TRM 2017.4 has been published with updated measure costs for lighting measures.
- A limited study of ductless heat pumps in low income and multifamily homes has 79 in-home meters installed.
- EMT posted a RFP for an impact evaluation of the heat pump water heater initiatives.

III. Innovation

- The team completed 7 walkthroughs for the Building Tune-up (Pay-for-Performance) Pilot.

3. Administration and Finance Highlights

A) Administration

- Staff filed an annual report required by the Secretary of State for all Quasi-State Agencies by Title 5.
- Staff prepared a bi-annual report on year-to-date financials and the budget for the Legislature, as required by Title 35-A and Title 5.

B) Financial

- Revenues for FY2017 are on track with one notable exception. RGGI proceeds, as previously discussed, are well below estimate through the first two auctions of the fiscal year. At this time, Staff recommends adjusting the budgeted RGGI revenues downward, and adjusting expenditures accordingly. Electric Procurement and Natural Gas Assessment payments for the first two quarters have been received. The next quarterly

payments are due from the utilities in January. All other funding sources are trending as anticipated. Staff also recommends adding \$87,000 from the ARRA –SEP RLF Fund Balance to the budget to fund the Biomass Study completed by the Governor’s Energy Office.

- Expenditures year-to-date are behind expectations due in part to getting a slow start in the first quarter and to low avoided costs, but have improved in recent months. C&I Custom and the Home Energy Savings Program (HESP) continue to perform well; Low-Income HESP is starting to show greater activity; and incentives per week and the pipeline of pending projects have grown in each of the C&I Prescriptive Program, the C&I New Construction/MAB Program and the Consumer Products Program. The recent increase mail-in rebate value for heat pump water heaters under the Consumer Products Program is boosting interest among retailers and manufacturers.