

Executive Director's Summary Report

to the Board of Trustees
of the
Efficiency Maine Trust

October 25, 2017

1. Communications

A) Awareness and Press

- Outreach Events:
 - Staff presented and exhibited at the Maine Healthcare Association's Fall Conference (October 4-5).
 - Staff exhibited at Maine Municipal Association Conference (October 4-5).
 - Staff presented and exhibited at Casco Bay Heat Pump Challenge in Falmouth (October 14).
 - Staff presented and exhibited at the Energy Conservation Summit for Congregations (October 16).
 - Staff presented and exhibited at the United Way of Mid Coast Maine Heating Conference (October 17).
 - The Executive Director moderated a panel at the E2Tech Forum "The Future of Fossil Fuels - Heating & Transportation Policy & Strategies" (October 19).
 - Staff presented and exhibited at the Saco Natural Gas Energy Fair (October 19).
 - Staff presented and exhibited at Casco Bay Heat Pump Challenge in Scarborough (October 21).
- Press:
 - None
- Website and Outreach (September)
 - 23,982 website visits (compare with 25,789 visits in August)
 - 17,691 unique visits
 - 8,328 visits driven through digital ads
 - Facebook:
 - 3,013 fans (including 36 new)
 - 120,746 reached through advertising

B) Call Center (September)

- 1,254 inbound phone calls (98% answered within 20 seconds)
- 520 inbound emails
- 1,096 inbound mail (mostly rebate claims)

C) Government Relations

- Legislation:
 - The Energy, Utilities, and Technology (EUT) Committee voted to approve the reappointment of Don Lewis to the EMT Board (October 18).
- PUC Proceedings:
 - Efficiency Maine hosted a meeting of the Voltage Optimization Working Group (October 13). Central Maine Power and Emera Maine gave an overview of their voltage optimization pilots and ongoing preparation to the group.
 - The Trust filed comments in the Stranded Investments and Transmission and Sub-Transmission (T&ST) docket in support of the Commission staff's stated intent to close the docket.
 - The Trust is preparing a request to support the next SBI region by requesting data for all Small General Service (SGS) customers in the region to be serviced.

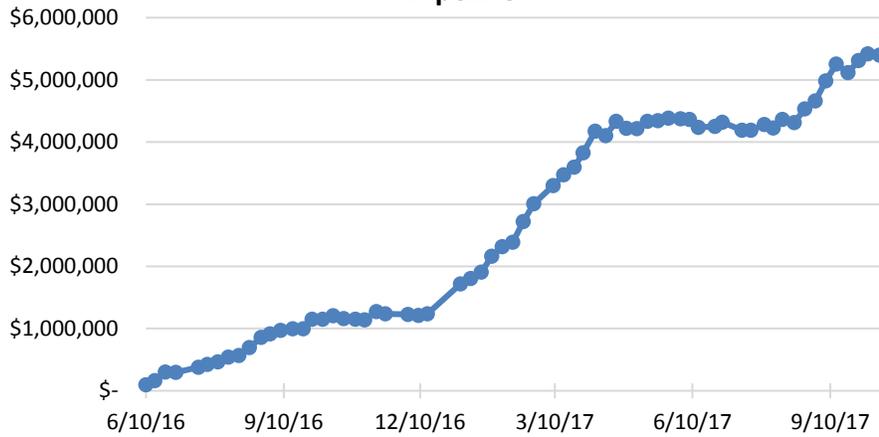
2. Program Highlights¹

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

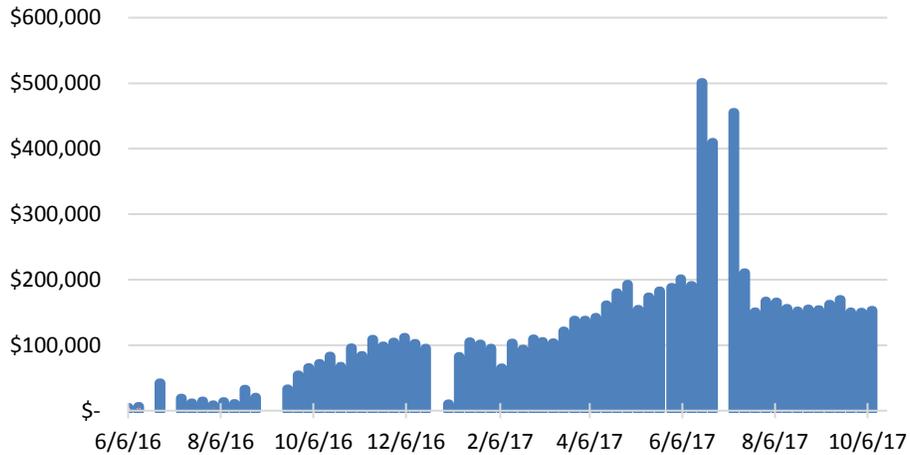
- The growth in pending projects (pipeline) has remained consistent with incentive payments, and now represents \$5,398,477 in incentives.
- The distributor screw-in LED (DSIL) initiative transitioned from being managed through the Consumer Products Program to being managed under the C&I Prescriptive Program on October 1. A total of 20 distributors have signed MOUs, and information on completed sales has started to come in. Note that the Consumer Products Program continues to reflect year-to-date sales.

¹ The Updated Financials table reported for each Program reflects data pulled from the Trust's financial management system mid-month; the Summary Program Update table is pulled from the Efficiency Maine project tracking database on October 16, 2017 to capture the progress for the year through the most recent complete month of reported actual results (i.e., through the end of September 2017).

C&I Prescriptive Program Electric Measures Pipeline



C&I Prescriptive Program Electric Measures Incentives Paid



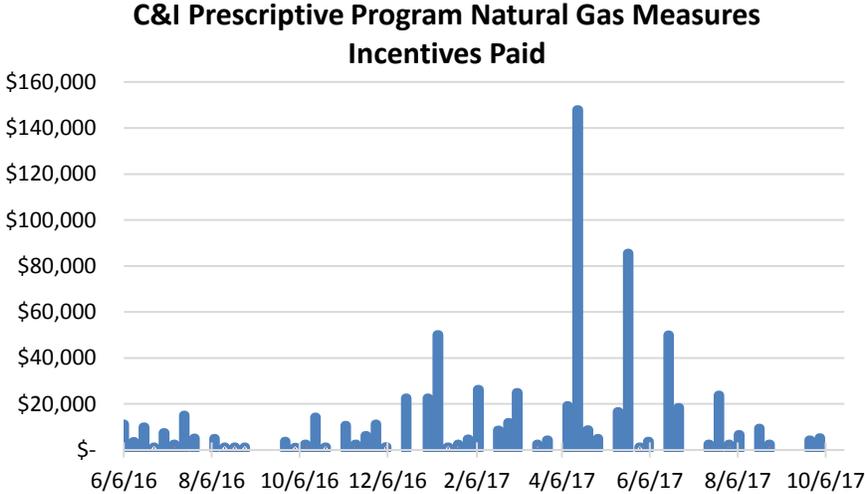
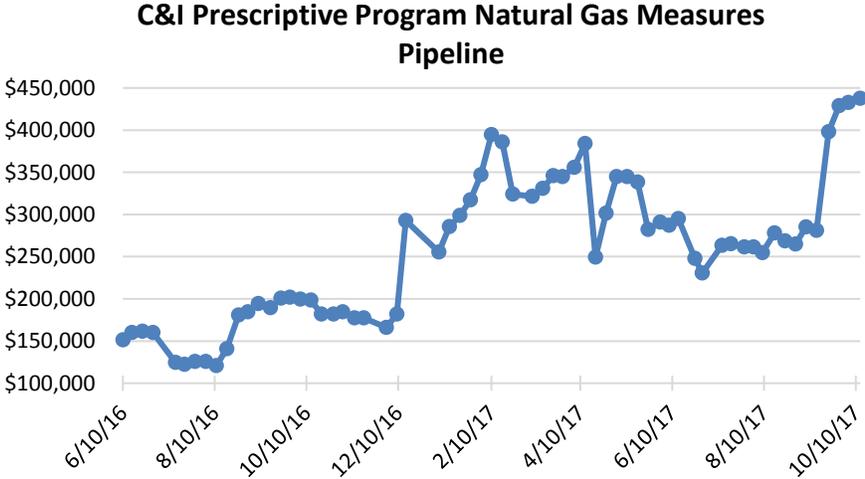
Updated Financials	Program Investment
FY2018 Program Budget	\$10,069,937
7/1 to 9/30 Spending	\$2,265,317
Percent of Budget Spent to Date	22%
Percent of Year Passed	25%

Summary Program Update	kWh Savings	Participants
Start of fiscal year to 9/30	6,818,589	551

Project Type (through 9/30)	Participants
Lighting Solutions	412
Heating and Cooling Solutions	123

B) C&I Prescriptive Program – Natural Gas Measures

- The current pipeline of pending projects represents \$437,492 in incentives.
- Distributors are continuing to submit information on mid-stream incentives for direct sales of high-efficiency heating appliances. These direct sales projects are not reflected in the graphic on the “pipeline” of measures, immediately below.



Updated Financials	Program Investment
FY2018 Program Budget	\$1,888,872
7/1 to 9/30 Spending	\$111,389
Percent of Budget Spent to Date	6%

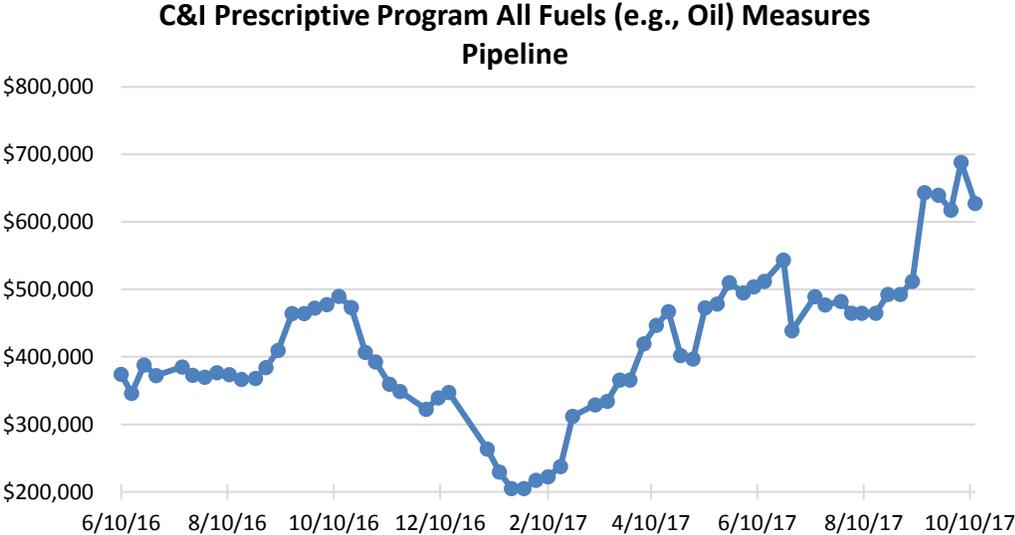
Percent of Year Passed	25%
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Summary Program Update	MMBtu Savings	Participants
Start of fiscal year to 9/30	2,844	9

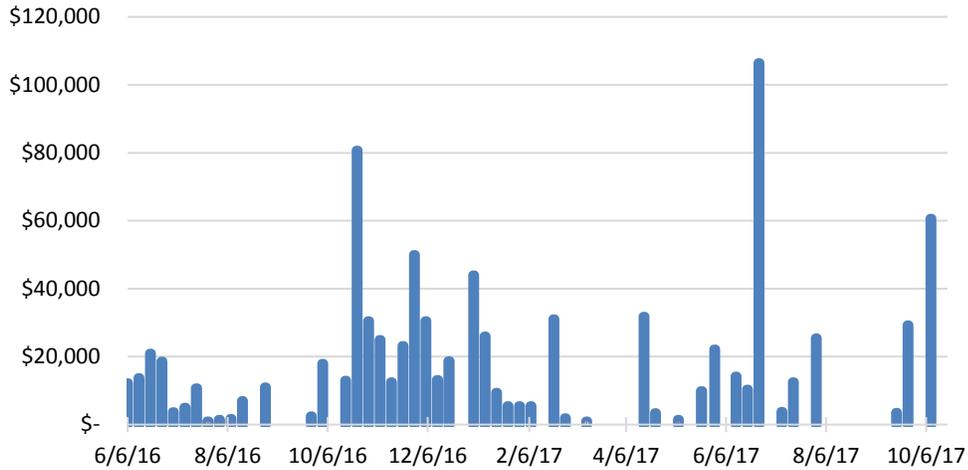
Additional Details on FY2018 Financials	Program Investment
Budget	\$1,888,872
Expenditures through 9/30	\$111,389
Committed: Projects Pre-approved + Projects under final inspections + projects completed pending payment through 10/13	\$412,820
Total Invested + Project Pipeline	\$524,209

C) C&I Prescriptive Program – All Fuels (e.g., Oil) Measures / Heating Solutions

- The current pipeline of pending projects represents \$627,622 in incentives.
- Distributors are continuing to submit information on direct sales, which are a split between natural gas and propane.



**C&I Prescriptive Program All Fuels (e.g., Oil) Measures
Incentives Paid**



Updated Financials	Program Investment
FY2018 Program Budget	\$654,025
7/1 to 9/30 Spending	\$161,862
Percent of Budget Spent to Date	25%
Percent of Year Passed	25%

Summary Program Update	MMBtu Savings	Participants
Start of fiscal year to 9/30	6,413	71

D) C&I Custom Program

- Since the last Board meeting, the pipeline of small custom projects has grown modestly, adding 10 new projects worth \$69,000 in incentive offers. The total small custom pipeline now consists of 34 projects worth \$1.2 million in incentive offers.
- The Review Committee met in September and awarded 2 projects worth \$1.28 million in incentive offers.
- Program staff completed one scoping audit that identified three distinct small custom project opportunities. Staff expects the customer to submit applications for these projects in the coming weeks.
- Program staff is reaching out to newly eligible large natural gas customers to inform them of incentive offerings and encourage efficiency investment.
- Over the past few months, program staff has received 5 applications (and several generic inquiries) from medical cannabis growers looking for assistance in installing high-efficiency equipment. The Staff is seeking Board guidance regarding the eligibility of these customers, and has referred the question to the Office of the Attorney General of Maine.

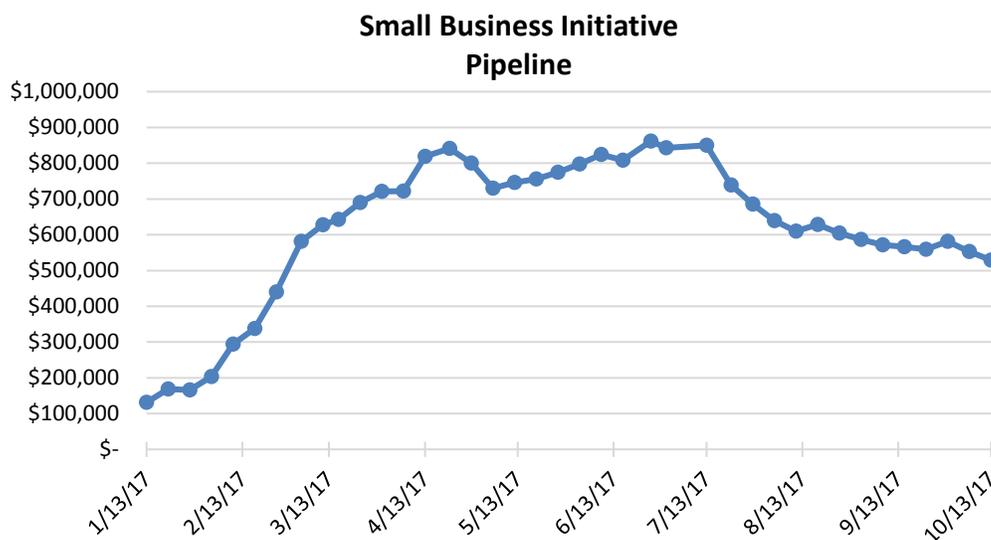
Updated Financials	Program Investment
FY2018 Program Budget	\$14,437,135
7/1 to 9/30 Spending	\$676,984
Percent of Budget Spent to Date	5%
Percent of Year Passed	25%

Additional Details on FY2018 Financials	Program Investment
Committed	\$5,120,503
Pipeline	\$2,190,726
Total Expenditures, Contracts, and Awards as Percentage of Budget	\$7,988,214
Percent of Budget	55%

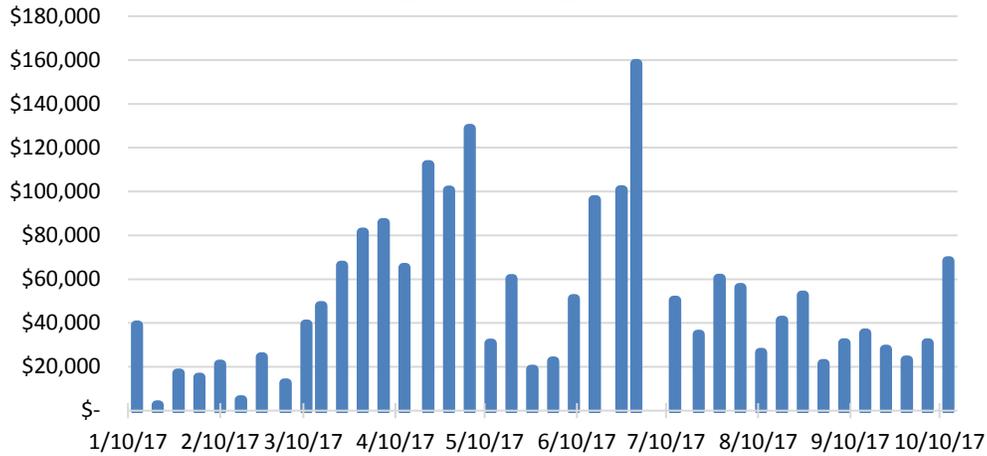
Summary Program Update	MMBtu Savings	kWh Savings	Participants
Start of fiscal year to 9/30	1,142	1,070,101	3

E) Small Business Initiative

- Regions 5 and 6 are no longer accepting new projects. The program anticipates completing the projects in the pipeline by 11/20/2017.
- The delivery team will be using CMP customer data for small businesses (SGS rate classes) to continue targeted outreach in Region 7. Seven contractors are currently participating.
- Program staff is preparing an additional region for a January 2018 rollout.



**Small Business Initiative
Incentives Paid**



Updated Financials	Program Investment
FY2018 Program Budget	\$2,556,587
7/1 to 9/30 Spending	\$454,832
Percent of Budget Spent to Date	18%
Percent of Year Passed	25%

Summary Program Update	kWh Savings	Participants
Start of fiscal year to 9/30	310,611	60

Additional Details on FY 2018 Financials	Program Investment
Budget	\$2,556,587
Expenditures through 9/30	\$454,832
Committed: Projects Pre-approved + Projects under final inspections + projects completed pending payment through 10/13	\$582,046
Total Invested + Committed	\$1,036,878
Percent of Budget	51%

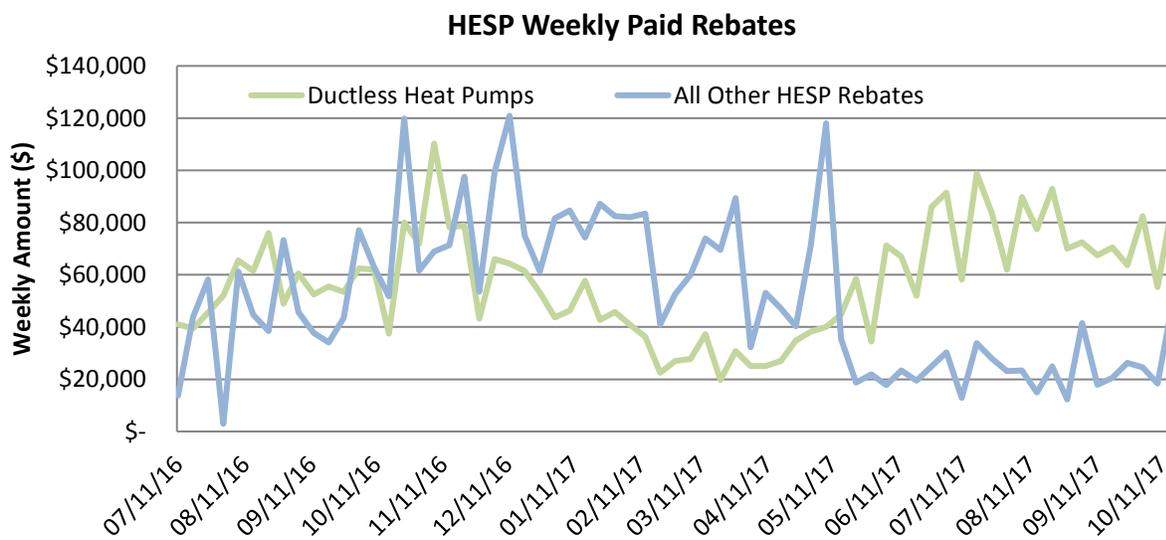
F) Commercial New Construction – Maine Advanced Buildings Program

- This program is closed to new applications while the Trust analyzes the results of the program in FY2017. The C&I Prescriptive Program will continue to offer measures that are appropriate for both new and existing facilities.

Updated Financials	Program Investment
FY2018 Program Budget	\$1,985,677
7/1 to 9/30 Spending	\$2,951
Percent of Budget Spent to Date	0%
Percent of Year Passed	25%

G) Home Energy Savings Program

- The program has seen an increase in the total number of projects year-to-date compared to the equivalent period of the prior year, but the value of rebates paid in that same period has declined. This is particularly notable in the “All Other HESP Rebates” category that reflects building envelope measures and non-electric heating systems.
- Program outreach has been extensive and many installers report a healthy backlog of work.
- The program is undergoing a review to simplify and update brochures, the website, and claim forms.



Updated Financials	Program Investment
FY2018 Program Budget	\$11,113,615
7/1 to 9/30 Spending	\$1,511,981
Percent of Budget Spent to Date	14%
Percent of Year Passed	25%

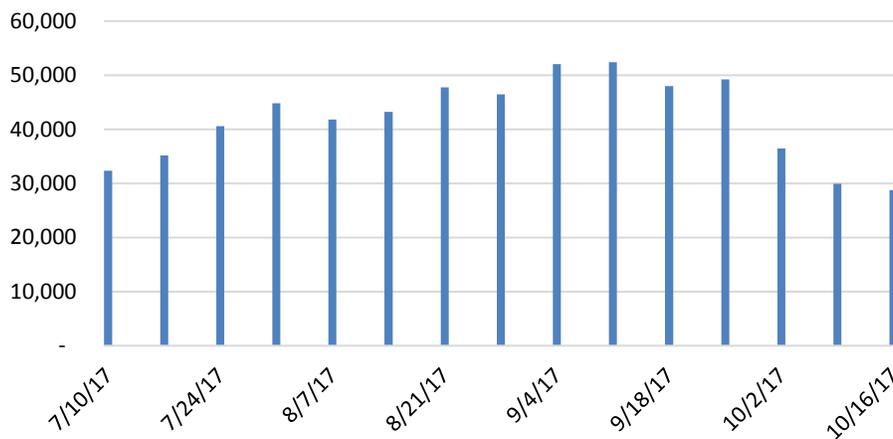
Summary Program Update	kWh Savings	MMBtu Savings	Measures
Start of fiscal year to 9/30	4,515,765	13,264	2,165

Project Type (through 9/30)	Units
Electric Measures	1,692
All Fuels Measures	473

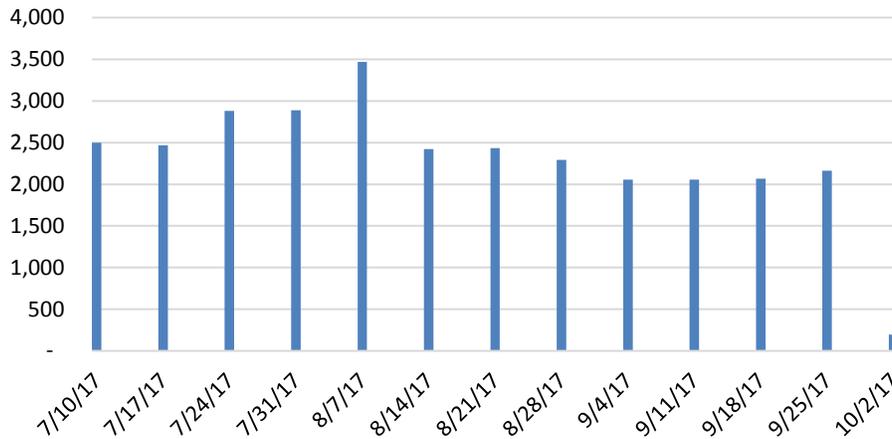
H) Consumer Products Program

- The program is forecasting higher LED sales this year compared to last and anticipates investing all funds and exceeding the energy savings target. The off-shelf marketing fee paid to stores that feature efficient bulbs in-aisle and/or on end-cap displays has increased volume.
- Effective 10/01/2017, the C&I Prescriptive Program team is now managing the discounting of LEDs through electrical distributors instead of the Consumer Products Program team. Year-to-date sales for the Consumer Products initiative are reported below.
- To stay within the Appliance rebate budget, the program reduced the heat pump water heater distributor instant rebate from \$750 to \$600 on 10/01/2017 and will do the same for the retail mail-in rebates on 01/01/2018.

**Weekly Bulb Sales YTD – Retail
(Unaudited Estimate)**



**Weekly Bulb Sales YTD – Distributor
(Unaudited Estimate)**



Updated Financials	Program Investment
FY2018 Program Budget	\$11,508,432
7/1 to 9/30 Spending	\$2,469,484
Percent of Budget Spent to Date	21%
Percent of Year Passed	25%

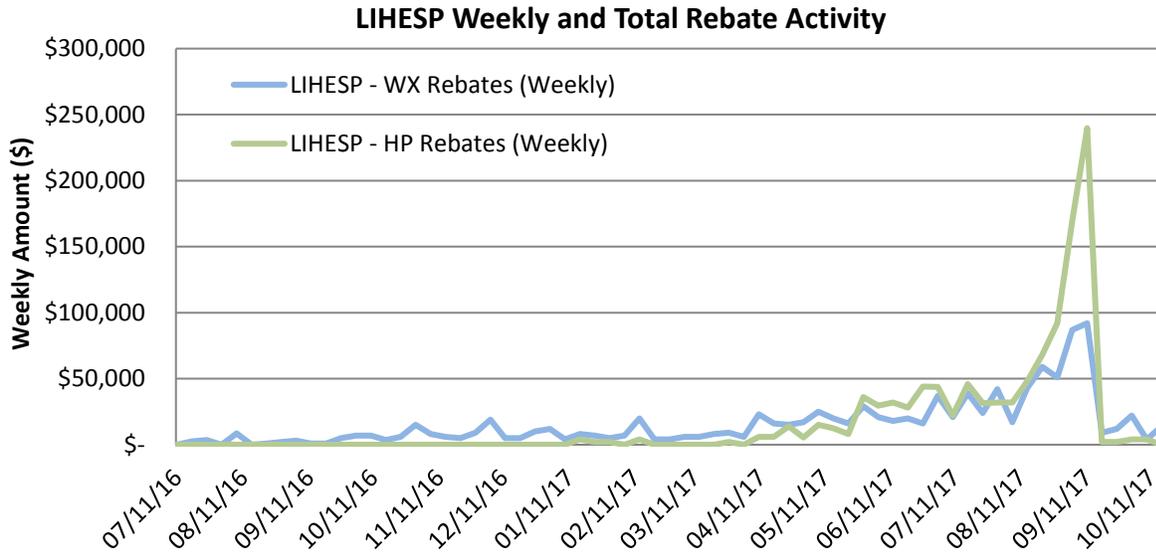
Summary Program Update	kWh Savings	Appliance Rebates	Light Bulbs
Start of fiscal year to 9/30	15,836,446	4,538	436,923

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

- The food pantry initiative is transitioning from distributing LED bulbs to Business Reply Cards (BRCs) via food pantries. These BRCs will allow participants to request efficient bulbs and other small, low-price point measures be mailed directly to their homes. This change is intended to facilitate measurement and verification (M&V), to cap the number of bulbs given to each family, and to offer additional types of energy saving devices (e.g., low flow showerheads and aerators).
- As of 10/14/2017, a total of 1,220 low income customers have joined the Arrearage Management Program since it started 10/02/2015. 567 customers (46%) have received DIY kits with LEDs and/or low flow devices through this channel.
- The Low Income Direct Mail program has sent over 1,000 DIY kits to low income families in FY2018.
- The Low Income Direct Install Program that offers installations of heat pump water heaters to eligible households, at no cost to the customer, has installed over 200 units in FY2018.

This program is on track to expend the allocated budget by fiscal year end. Program staff is reaching out to new plumbers to increase capacity.

- HESP for Low Income (LIHESP) Highlights:
 - The low income heat pump measure funded by RGGI through this channel was fully invested in September. This activity also drove the investments of weatherization budgets because of the requirement that homeowners install the Energy Bundle in order as a prerequisite for receipt of the special low-income rebate for ductless heat pumps. Weatherization projects continue at a monthly pace that is higher than last year at this time. The program is on track to fully expend the available low income weatherization funding.



Updated Financials	Program Investment
FY2018 Program Budget	\$6,796,824
7/1 to 9/30 Spending	\$1,675,647
Percent of Budget Spent to Date	25%
Percent of Year Passed	25%

Summary Program Update	kWh Savings	Direct Installs
Start of fiscal year to 9/30	11,572,413	241

Other Initiatives (through 9/30)	Units
LIHESP	766
Direct Mailings	1,267

Other Initiatives (through 9/30)	Units
Food Pantry Bulbs	87,324

J) Strategic Initiatives (Cross Cutting)

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

- The Trust published the Q2 2018 TRMs on the website.
- The heat pump water heater impact evaluation installed metering equipment in the first set of 12 homes. The equipment will be left in place for 6 weeks and will measure the HPWH’s performance in heat pump mode and in electric resistance mode. The evaluation team is preparing to recruit the next set of 12 homes for such testing.
- Program staff is currently analyzing the results of the Arrearage Management Program with the help of hourly meter data from the utilities.
- The Trust qualified 24 vendors in response to RFQ EM-005-2018, Request for Qualifications to Provide Various Research, Evaluation, and Verification Support Services. Each firm was qualified for one or more of the following service areas: Economic Modeling, Program Evaluation, Program Design, and Interval Data Analysis.

II. Forward Capacity Market

- The Trust is working with ISO-NE to resolve a disagreement about how to treat the expiration of measures from the Trust’s existing resources in the Forward Capacity Auction (FCA) 12 qualification process and for subsequent auctions.

III. Innovation

- The Trust selected TRC Energy Services to deliver a low income Behavioral Pilot using Central Maine Power’s Energy Manager. The review committee included Bridget Doxsee, James Leyko, Michael Stoddard, and Jayme Holland (CMP representative). Trustee Herb Crosby also contributed to the review process but was not available to participate in the scoring of bids.
- The Trust hired ADM Energy to help the Trust and the HESP delivery team design a pilot that incentives integrated thermostats and ductless heat pumps. This pilot will build on prior M&V work performed by the Trust.
- Response to the Advanced Rooftop HVAC Unit Controls PON was limited. The Trust is currently reviewing the applications.

3. Administration and Finance Highlights

A) Administration

- Staff submitted the FY2017 annual audit by RKO to the State.

- Staff worked in September and October to institute a variety of upgrades to the Trust's computer systems.

B) Financial

Revenues

- The new revenues from state and regional sources through the end of September were \$11 million, up from \$7.18 million as of the prior month. Approximately \$160,000 in additional revenue has been received year-to-date on interest from outstanding loans, the NTA pilot project, and other miscellaneous revenues. Year to date we have made \$0 in interfund transfers. The outstanding balance for revenues is \$34.7 million for the fiscal year, not including interfund transfers.
- RGGI revenues from the first quarterly auction of the fiscal year were \$2.25 million, received in September. This amount was significantly higher than previously forecast and represented the first time that auction prices increased in more than a year.

Expenditures

- Total expenditures through the end of August were \$10.2 million, up from \$7 million as of the end of the prior month. An additional \$40.9 million is encumbered, and \$1.4 million has been awarded to individually contracted projects the contracts for which are pending.
- The pace of spending remains stronger than at the same time last year, reflecting the continuity of program design and marketing momentum that were in place at the outset of this year as compared to last year.