

Executive Director's Summary Report

to the Board of Trustees
of the
Efficiency Maine Trust

February 22, 2017

1. Communications

A) Awareness and Press

- Outreach Events:
 - i. The Efficiency Maine Annual Symposium was held January 27:
 - a. 170 attendees.
 - b. Recognition of top performing companies in Business Programs, Residential Programs, Innovation, and Marketing.
 - c. Philip C. Hastings Award presented to Hannaford Supermarkets.
 - d. Keynote address: Laney Brown, Modern Grid Partners.
 - e. Developed FY2016 highlights video for use at symposium and other events.
 - ii. Residential Program Manager Andy Meyer attended the Falmouth Energy Fair
 - iii. (January 28).
 - iv. Residential Program Manager Dana Fischer attended the South Portland Energy Fair (February 4).
 - v. Program Manager Bridget Doxsee spoke at the Sanford Chamber of Commerce Lunch and Learn (February 14).
- Press:
 - i. The *Lakes Region Weekly* covered local participation in the Small Business Initiative (<http://news.keepmecurrent.com/small-businesses-get-help-from-efficiency-maine/>).
 - ii. York's efforts to coordinate participation in the Low-Income Home Energy Savings Program were covered by *Seacoast Online* (<http://www.seacoastonline.com/news/20170206/efficiency-maine-helps-warm-york-homes>).
- Website and Outreach (January)
 - i. 29,687 website visits in January 2017:
 - a. Compare with 29,297 visits in December 2016.
 - b. 21,991 unique visits in January 2017.
 - c. 11,009 visits were driven through digital ads in January 2017.

- ii. Facebook:
 - a. 2,694 fans of page.
 - b. 48 new fans in January.

B) Call Center (January)

- 1,181 inbound phone calls (98% answered within 20 seconds).
- 618 inbound emails.
- 901 inbound mail (mostly rebate claims).
- 971 outbound calls made in order to complete 89 Appliance Rebate Program evaluation surveys.

C) Government Relations

- Staff provided two required reports to the Legislature
 - i. Title 5 reporting by quasi-state agencies on contributions, memberships, contracts;
 - ii. Title 35-A, Sec. 10104(12) Budget Transparency
- PUC Activities:
 - i. Ian Burnes filed testimony regarding the Commission's investigation into the designation of a non-transmission alternative coordinator.
 - ii. The Voltage Optimization Working Group is negotiating a stipulation that approves two conservation voltage reduction (CVR) pilots.
 - iii. EMT Staff attended a Settlement Conference on its T&ST customers and volunteered to draft a settlement that includes reporting sector equity in the annual report, committing to addressing sector equity in future annual updates and triennial plans, and to develop a process for implementing realization rates in the C&I Custom program.

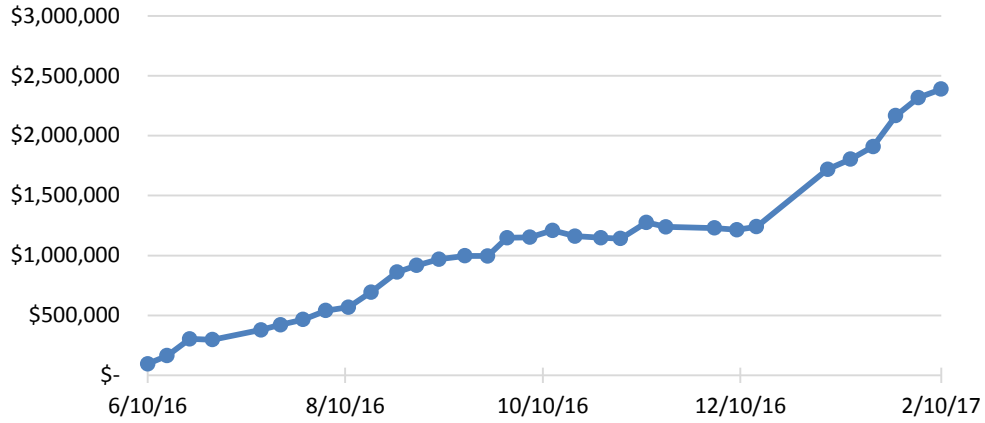
2. Program Highlights¹

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

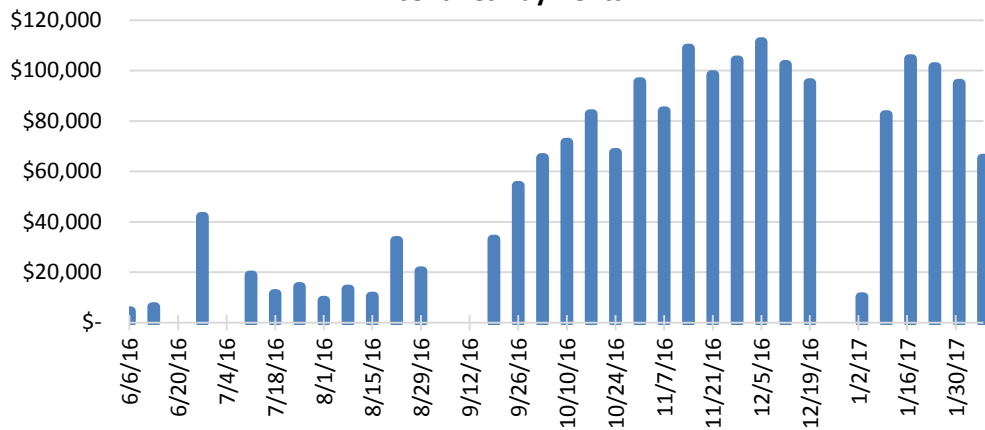
- Growth in weekly incentive payments and the project pipeline continues. The current pipeline represents \$2,387,586 of incentives.
- Pre-Approved 18 projects submitted for the Classroom Lighting Promotion, represents \$377,430 in additional incentives. There are at least 6 more projects pending.
- The team hosted the monthly webinar for Qualified Partners with 95 QPs in attendance.
- Currently 637 Qualified Partner companies including 780 individuals, new QP requests are ongoing.

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 February 13, 2017.

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



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



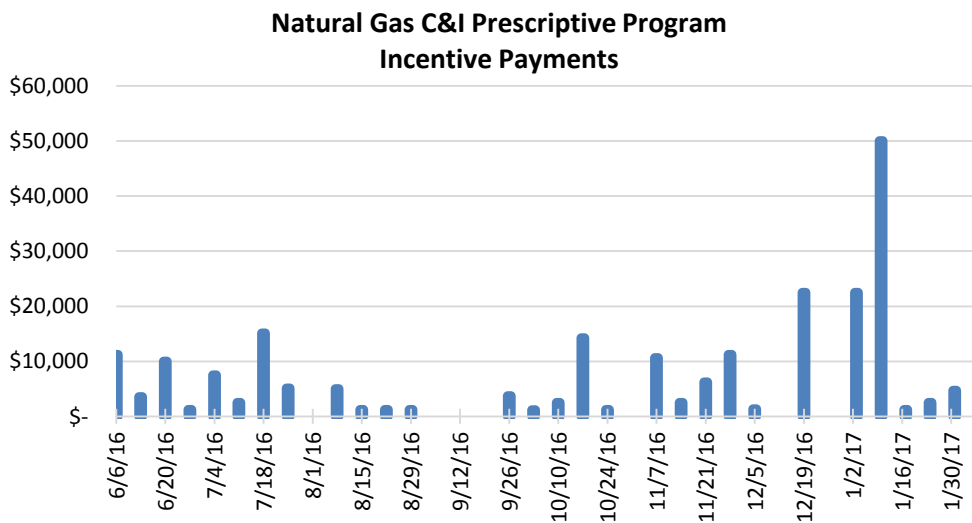
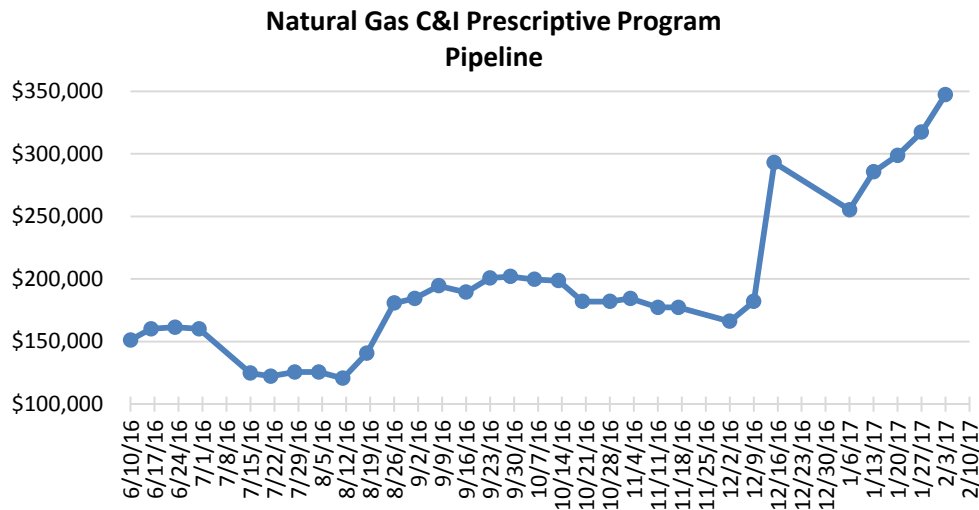
Updated Financials	Program Investment
FY2017 Program Budget	\$8,829,935
7/1 to 1/31 Spending	\$2,261,856
Percent of Budget Spent to Date	26%
Percent of Year Passed	59%

Summary Program Update	kWh Savings	Participants
Start of fiscal year to 12/31	6,954,169	583

Project Type (through 12/31)	Projects
Lighting Solutions	338
Heating and Cooling Solutions	232
Compressed Air Solutions	13

B) C&I Prescriptive Program – Natural Gas Measures

- The current pipeline equals \$394,516 in incentives, continuous upward trend since December.
- Restaurant Spray Nozzle promotion mailing sent out week of January 23.
- Presented available measures and Qualified Partner program to contractors at a Summit Natural Gas event.

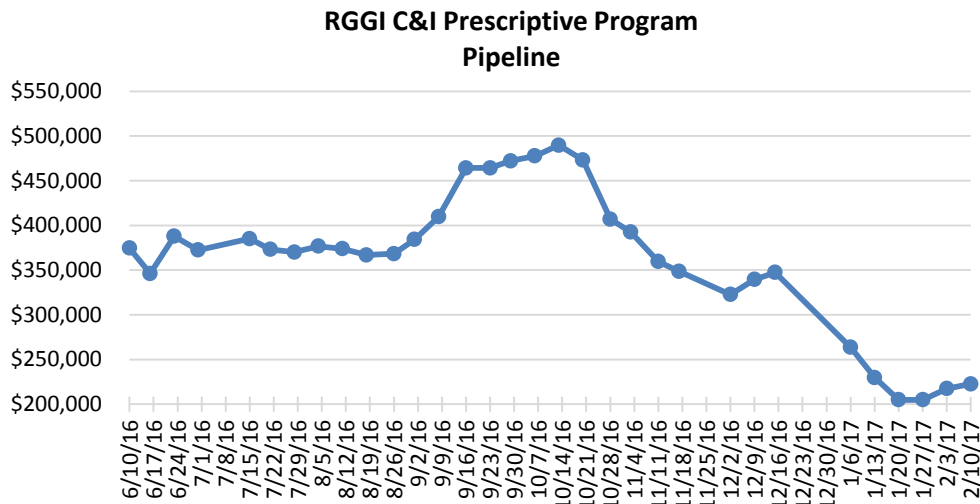


Updated Financials	Program Investment
FY2017 Program Budget	\$1,255,720
7/1 to 1/31 Spending	\$210,273
Percent of Budget Spent to Date	17%
Percent of Year Passed	59%

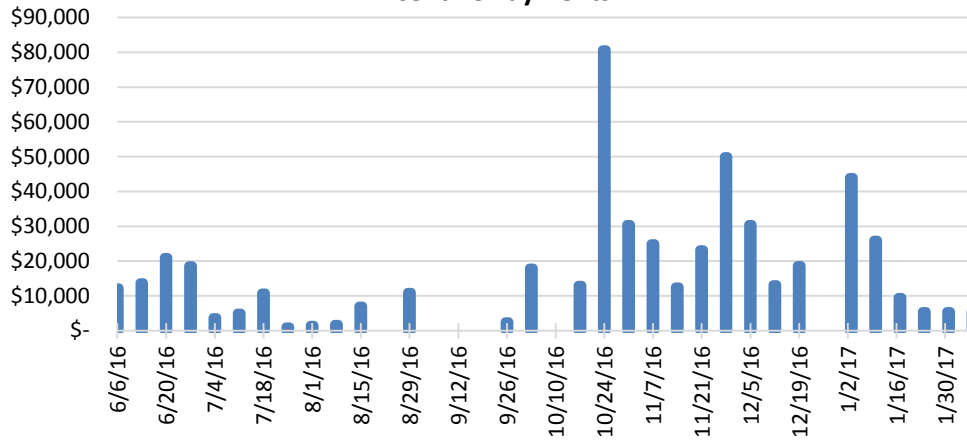
Summary Program Update	MMBtu Savings	Participants
Start of fiscal year to 12/31	5,985	26

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

- The current pipeline equals \$222,685 in incentives, slight trend up over last month despite being in the middle of the Heating Season.
- Finalizing our process to move heating systems to mid-stream (distributor point-of-sale). Oil and Propane Furnaces and Boilers anticipate being available mid-stream soon.



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



Updated Financials	Program Investment
FY2017 Program Budget	\$1,139,855
7/1 to 1/31 Spending	\$484,074
Percent of Budget Spent to Date	42%
Percent of Year Passed	59%

Summary Program Update	MMBtu Savings	Participants
Start of fiscal year to 12/31	16,051	26

D) C&I Custom Program

- Since the last Board meeting, the pipeline of small custom projects has grown modestly, adding 3 new projects worth \$104,000 in incentive offers. The total small custom pipeline now consists of 22 projects worth \$1,001,000 in incentive offers.
- The Review Committee did not meet in the month of January.
- The Custom Team opened a new Technical Assistance (TA) study for a Distributed Generation project.
- The limited-time bonus incentive for Distributed Generation projects (initiated December 7) is driving considerable interest in the Program. The pipeline now consists of 10 projects worth \$2.86 million in incentive offers.
- The Custom team has recently acquired access to billing data from CMP and Emera for certain customers. This will help inform the Program’s customer outreach efforts by identifying facilities that are likely to have eligible custom measures.

- The Custom Team conducted some preliminary research into the potential energy impacts of Maine’s burgeoning cannabis industry.

Updated Financials	Program Investment
FY2017 Program Budget	\$18,331,793
7/1 to 1/31 Spending	\$3,557,000
Percent of Budget Spent to Date	19%
Percent of Year Passed	59%

Additional Details on FY 2017 Financials	Program Investment
Encumbrances (under contract)	\$5,995,453
Awards (pending contracts)	\$1,161,054
Pipeline	\$2,382,930
Total Expenditures, Encumbrances, Awards & Pipeline	\$13,096,438
Percent of Budget	67%

Summary Program Update	MMBtu Savings	kWh Savings	Participants
Start of fiscal year to 12/31	206,051	12,029,698	11

E) Small Business Initiative

- There is increased contractor activity in Regions 5 and 6.
- The team is working on Region 7 outreach to potential contractors and has held three informational webinars. Will be conducting in-person contractor training late February.
- Field staff are successfully bringing in potential customers and working with contractors to move projects along faster.
- As of 2/13/17, there were 48 projects in the pipeline (broken out by region below) representing \$289,556.45 in incentives.
 - i. Region 5: 19 projects in pipeline.
 - ii. Region 6: 29 projects in pipeline.
- Pipeline growing more rapidly in Region 6.
- Customer outreach underway in Region 7. The SBI Team received customer data from CMP for small businesses (SGS rate classes) in Region 7. The data will allow the team to target SBI at the appropriate customers. In the past the team has relied on lists from region chambers which often include larger businesses or businesses outside the target region.

Updated Financials	Program Investment
FY2017 Program Budget	\$2,203,926
7/1 to 1/31 Spending	\$183,297
Percent of Budget Spent to Date	8%
Percent of Year Passed	59%

Summary Program Update	kWh Savings	Participants
Start of fiscal year to 12/31	15,773	5

F) Commercial New Construction -- Maine Advanced Buildings Program

- 9 projects under MOU (1 in process of being executed) representing \$774,769 in incentive offers.
- 13 additional projects being tracked, but not yet under MOU, representing \$175,735 in incentives offers (weighted estimate).
- Avesta Bayside (Mix-use project – Multifamily/Retail) project completed and just waiting on final documentation.
- The Delivery Team is continuing to follow up on new project leads as identified.

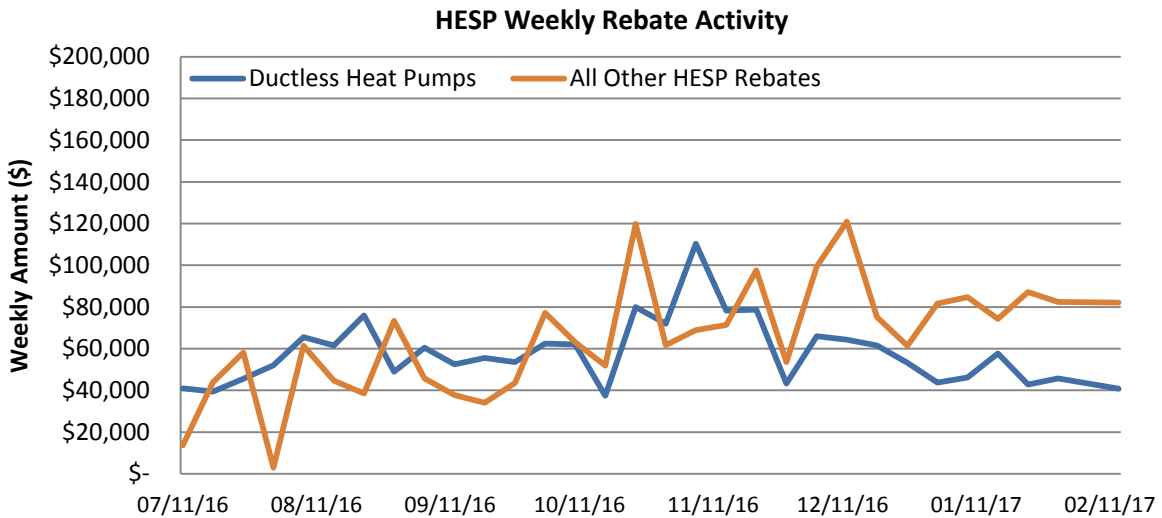
Updated Financials	Program Investment
FY2017 Program Budget	\$1,853,073
7/1 to 1/31 Spending	\$309,410
Percent of Budget Spent to Date	17%
Percent of Year Passed	59%

Additional Details on FY 2017 Financials	Program Investment
Encumbrances (under contract)	\$1,042,290
Awards (Project MOU's)	\$774,769
Pipeline	\$175,735
Total Expenditures, Encumbrances, Awards & Pipeline	\$1,259,914
Percent of Budget	68%

Summary Program Update	kWh Savings	Participants
Start of fiscal year to 12/31	907,211	2

G) Home Energy Savings Program

- January activity was lower than previous months as the program heads into the seasonal slowdown, but still remained on par with August and September.
 - i. More than 700 residential projects were supported in January, bringing the fiscal year to date total to more than 5,600 homes.
- HESP rebate amounts accompanied private investment leading to \$4.2 million worth of efficiency measures in January bringing fiscal year to date total investment (EMT and participants combined) in residential energy efficiency projects statewide through HESP to \$32 million.
- Rebates were issued toward the installation of 320 “first” and 133 “second unit/zone ductless heat pumps in January. The total number of first zone rebates provided since the launch of HESP now exceeds 17,000 statewide.
- 47 loans were closed in January, supporting \$401,000 in efficiency upgrades installed by 34 different companies. A total of 267 loans have been closed this fiscal year supporting more than \$2.0 million in residential projects.



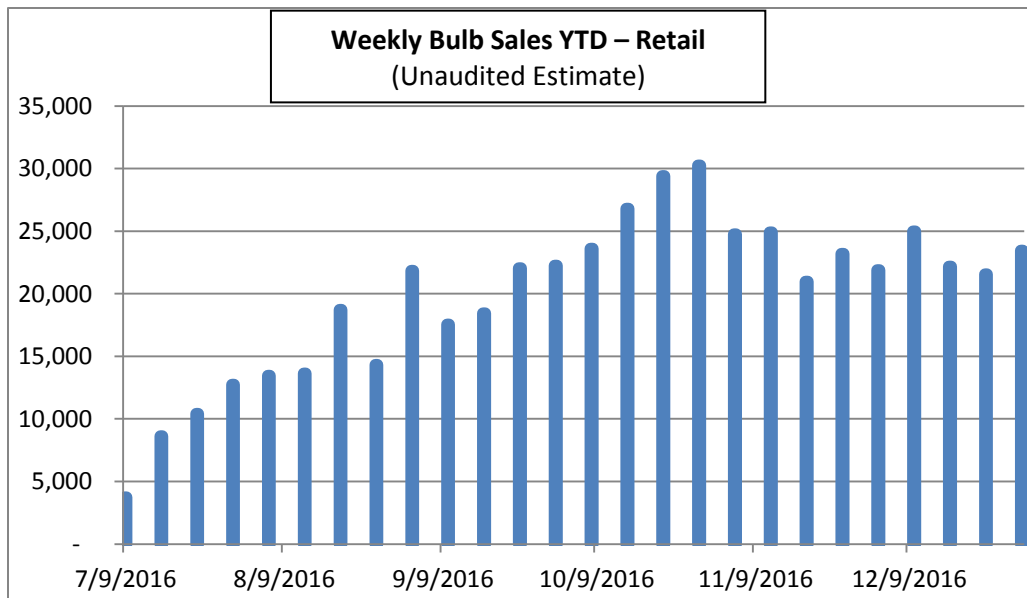
Updated Financials	Program Investment
FY2017 Program Budget	\$9,854,578
7/1 to 1/31 Spending	\$4,866,716
Percent of Budget Spent to Date	49%
Percent of Year Passed	59%

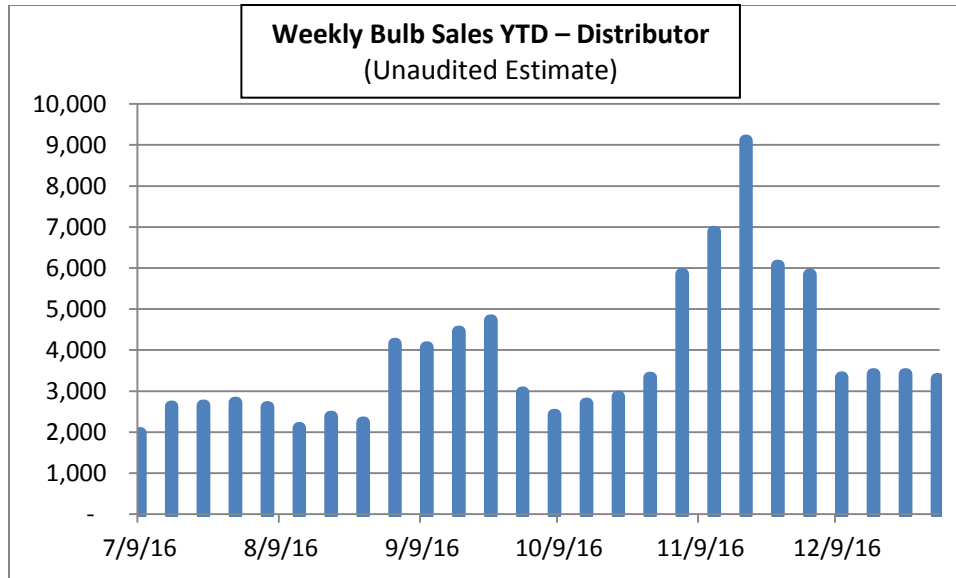
Summary Program Update	kWh Savings	MMBtu Savings	Measures
Start of fiscal year to 12/31	6,245,010	51,152	4,953

Project Type (through 12/31)	Units
Electric Measures	2,924
All Fuels Measures	2,029

H) Consumer Products Program

- The program moved 260 heat pump water heaters in Q1 and another 876 in Q2. The rebate level was adjusted to \$750 January 1 but results of this change have not yet been tabulated.
- Retail LED sales are slower than originally modeled in the Triennial Plan and staff is rolling out a small incentive increase, simplified reporting requirements, and extensive field support.
- EMT is running a 5-month pricing trial for retail LEDs to document how the market responds to various incentive levels.





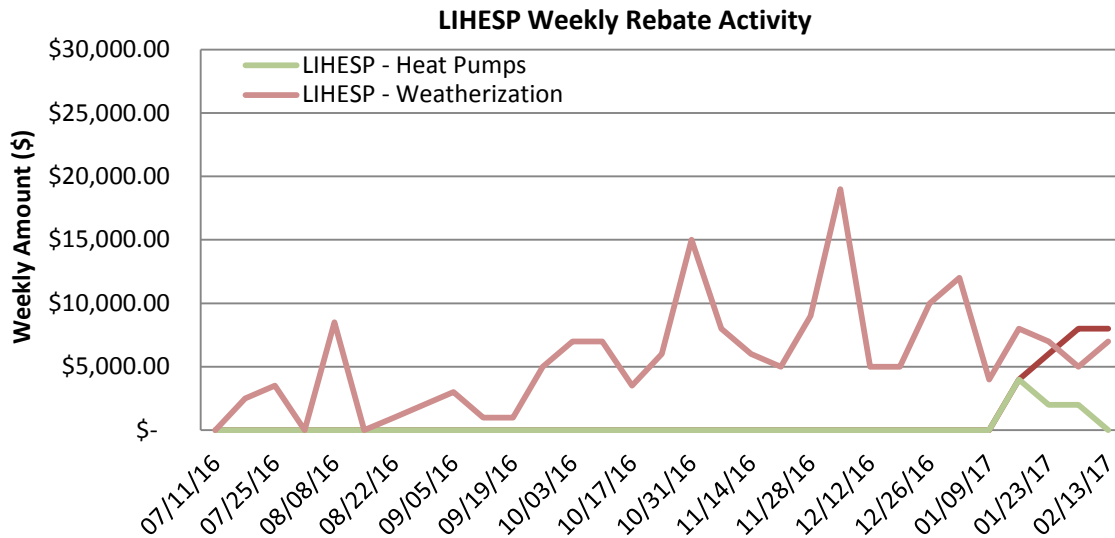
Updated Financials	Program Investment
FY2017 Program Budget	\$11,733,364
7/1 to 1/31 Spending	\$3,189,428
Percent of Budget Spent to Date	27%
Percent of Year Passed	59%

Summary Program Update	kWh Savings	Appliance Rebates	Light Bulbs
Start of fiscal year to 12/31	16,296,234	6,567	483,952

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

- In January, utilities enrolled another 25 participants in the PUC’s Arrearage Management Program (AMP) for low-income customers with outstanding electric bills, bringing the total to 939 homes from seven utilities since its October 2015 inception. Since inception, 50% 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 5,908 pieces of mail have identified 177 qualified prospects. Installations began in February and 16 have been completed.
- A Low Income Direct Mail Program is about to launch. 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. 24 homes received basic weatherization under LIHESP in January bringing the total this fiscal year to 129 participating homes. February is on pace to be our best month.
- ii. 5 LIHESP homes took advantage of the new “80% up to \$2,000” heat pump incentive.
- iii. So far in FY17 the program has had 25 contractor companies complete measures in LIHESP homes in 73 different towns from Eastport to Wells.



Updated Financials	Program Investment
FY2017 Program Budget	\$6,246,418
7/1 to 1/31 Spending	\$770,671
Percent of Budget Spent to Date	12%
Percent of Year Passed	59%

Summary Program Update	kWh Savings
Start of fiscal year to 12/31	2,255,351

Other Initiatives (through 12/31)	Units
LIHESP	38
AMP DIY Kits	30
Food Pantry Bulbs	142,650

J) Strategic Initiatives (Cross Cutting)

I. Forward Capacity Market

- The Trust participated in the ISO-NE's 11th Forward Capacity Auction on February 6th. The Trust qualified 139 MW total including 17 MW of new resources. The auction cleared at \$5.297 per kW-month. This is forecasted to lead to total revenues in FY2020 of about \$9 million (or about a 40% reduction from FY2019). This change is driven largely by a drop in the clearing price but also by about 33 MW of measures reaching the end of their useful lives and expiring out of our portfolio.

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

- Meters were installed in 19 homes for the HESP evaluation in Dover-Foxcroft and Waterville to monitor power use, temperature and air flow of ductless heat pumps for 6 months.
 - EMT Staff filed a data request with the Commission for access to utility data to support the evaluation.
- The first two contracts under the M&V RFQ were issued to review near real-time Appliance Survey script and protocol (Michaels Energy) and to perform a study of food pantry LED bulb recipients (NMR Group).
- In the Low Income DHP Study two test cases have been implemented in the field. Test case 1 is enhanced training on the use of the DHP remote and strategies for optimum use. Test case 2 is the "disablement" of the central heating system's zone co-located with the heat pump through closure of the local register/vent.
- Retail/Residential TRM 2017.3 published for 3rd quarter with updated measure categories and costs for LED bulbs.

3. Administration and Finance Highlights

A) Administration

- The Staff is reviewing options for certain loan services, including underwriting, origination, and loan servicing.

B) Financial

- New revenues received from Maine and regional sources are \$34.28 million through January, 2017. Another \$490,000 has been received from miscellaneous sources, primarily loan interest payments. Fund balance available for FY2017 adds \$21.8 million to the budget.
- The Trust has expended \$19.58 million on programs and associated costs through January, 2017. An additional \$35.21 million is encumbered, and just under \$1 million has been set aside for contracts that are not yet signed.