

# Executive Director's Summary Report

to the Board of Trustees  
of the  
Efficiency Maine Trust

March 22, 2017

## 1. Communications

### A) Awareness and Press

- Outreach Events:
  - i. Business Program Manager Rick Meinking exhibited at the Naples Energy Fair (February 25th)
  - ii. The Executive Director presented at the E2Tech Forum: Aligning Energy Challenges with Compatible Policies (March 3).
  - iii. Residential Program Manager Dana Fischer and Program Assistant Nat Blackford exhibited at the Saco Energy Fair (March 4).
  - iv. Program Manager Bridget Doxsee spoke at the Maine Natural Gas Contractor Breakfast Lunch and Learn (March 6).
  - v. The Communications Manager exhibited at the Waterville Energy Fair (March 18).
- Press:
  - i. The Boothbay Register covered Efficiency Maine's food pantry bulb distribution (<http://www.boothbayregister.com/article/good-food-shepherds/83059>).
  - ii. The Bridgton News covered an upcoming school lighting upgrade (<http://www.bridgton.com/fixture-upgrade-bright-idea-for-sad-61/>).
- Website and Outreach (January)
  - i. 27,262 website visits in February 2017:
    - a. Compare with 29,686 visits in January 2017.
    - b. 10,122 unique visits in February 2017.
    - c. 11,326 visits were driven through digital ads in February 2017.
  - ii. Facebook:
    - a. 2,765 fans of page.
    - b. 71 new fans in February.
    - c. 77,720 Facebook users reached through advertising in February 2017.

### B) Call Center (February)

- 1,175 inbound phone calls (97% answered within 20 seconds).
- 471 inbound emails.
- 748 inbound mail (mostly rebate claims).

- 908 outbound calls made in order to complete 74 Appliance Rebate Program evaluation surveys.

### C) Government Relations

- The Executive Director testified at public hearings on the Biennial Budget to the EUT Committee (February 28) and to the Appropriations Committee (March 6).
- The Trust, jointly with the PUC and Maine DEP, delivered to the Legislature the annual report on revenues, activities and results of RGGI in Maine.
- The Executive Director submitted written testimony to the Legislature’s Marijuana Legalization Implementation Committee (February 28). The testimony advised the Committee that the Trust was seeking guidance on whether and how to implement efficiency programs in connection with future commercial growers of cannabis intended for recreational use, and also offered to work with the Committee to develop alternative paths to promoting efficient fit ups for commercial growers.
  - Subsequent analysis by the Trust Staff into legal issues surrounding cannabis revealed that federal law prohibits the Justice Department from spending funds to interfere with the implementation of state *medical* marijuana laws. The Rohrabacher–Farr amendment, which instituted this rule, was passed into law in December 2014. It must be renewed each fiscal year in order to remain in effect.
- PUC Activities:
  - i. Staff attended a technical conference (March 9) to discuss natural gas rebates and the status of the Triennial Plan III litigation. The PUC opened the Triennial Plan docket to limited discovery on the issue of Summit’s efficiency rebates.
  - ii. Staff filed a series of data responses in the NTA coordinator docket.
  - iii. The Low Income Initiatives Managers presented to the Arrearage Management Program Stakeholders Group the current status of the Trust's AMP offerings. Staff agreed to work with the utilities and the PUC to research the effectiveness of AMP.

## 2. Program Highlights<sup>1</sup>

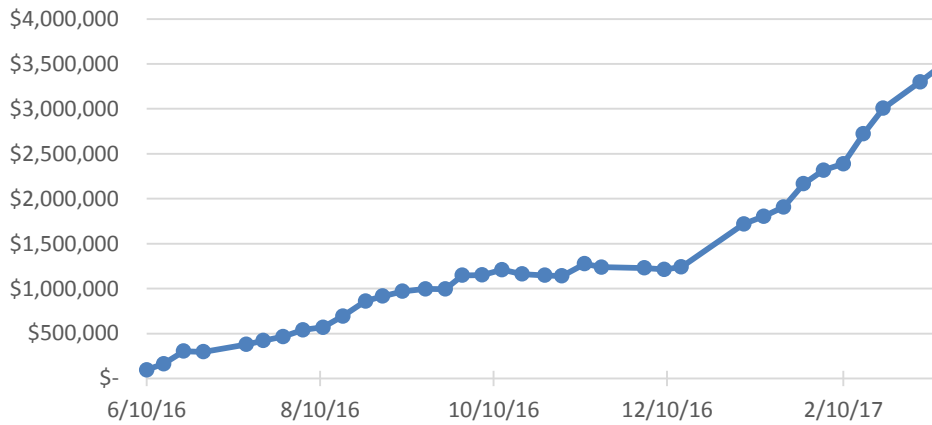
### A) C&I Prescriptive (CIP) Program – Electric Measures

- Growth in weekly incentive payments and pipeline continues. The current pipeline is \$3,471,811 of incentive offers.
- The Team pre-approved 42 projects submitted for the Classroom Lighting Promotion, representing \$1,000,645 in additional incentives.

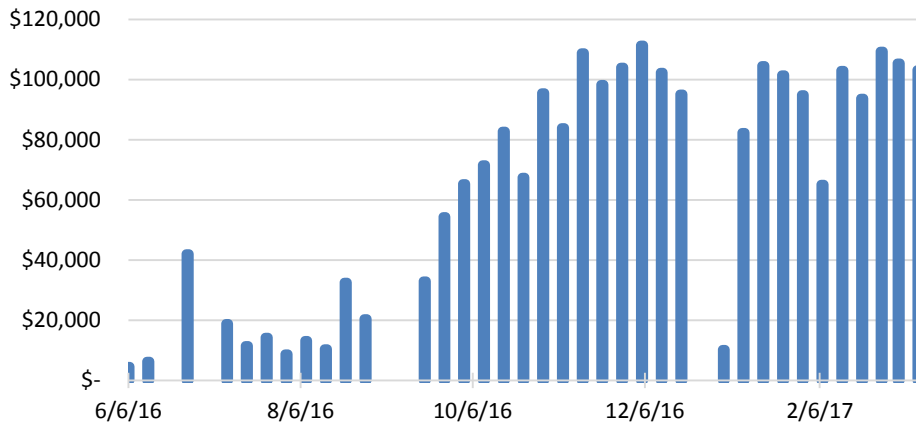
<sup>1</sup> The Updated Financials table reported for each Program reflects data pulled from the Trust’s financial management system as of mid-month; the Summary Program Update table is pulled from the Efficiency Maine project tracking database as of March 15, 2017.

- Staff is developing an Automobile Parking Lot Lighting Promotion (to replace 1000W metal halides).
- The program continues to host monthly webinars for Qualified Partners. There are currently 664 QP companies; new requests continue to come in (26 within last week).
- First Qualified Partner Lighting Advisory Group meeting scheduled for Friday, March 24.
- Incentive reviews for Q4 are underway.

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



**C&I Prescriptive Program Electric Measures Incentives Paid**



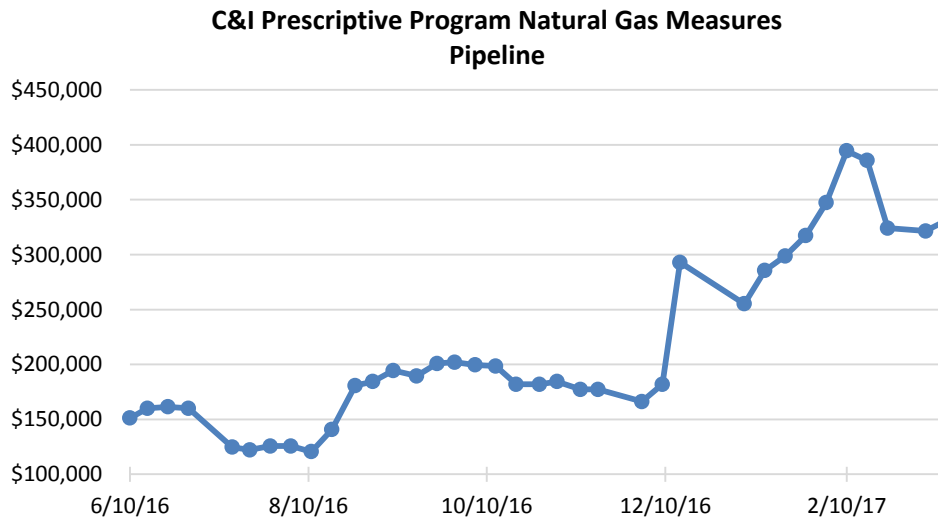
<b>Updated Financials</b>	<b>Program Investment</b>
FY2017 Program Budget	\$8,574,935
7/1 to 2/28 Spending	\$2,634,617
Percent of Budget Spent to Date	31%
Percent of Year Passed	66%

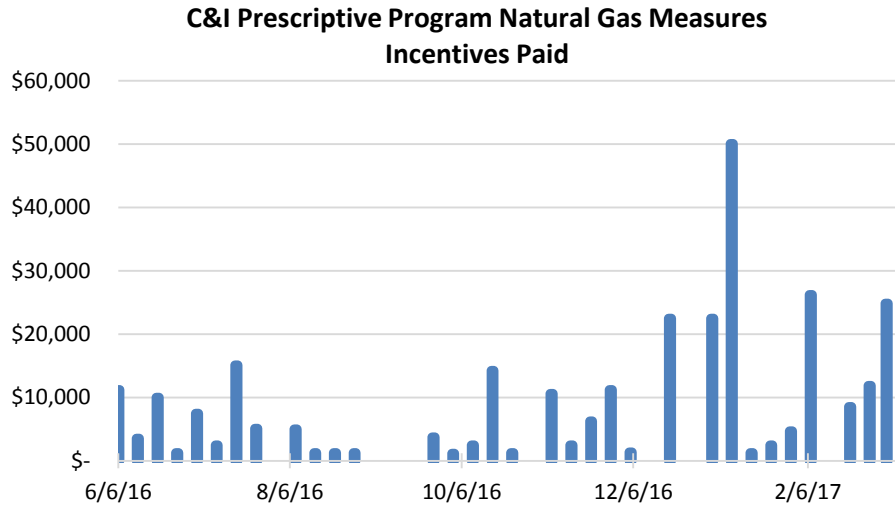
Summary Program Update	kWh Savings	Participants
Start of fiscal year to 1/31	9,513,493	753

Project Type (through 1/31)	Participants
Lighting Solutions	461
Heating and Cooling Solutions	273
Compressed Air Solutions	19

**B) C&I Prescriptive Program – Natural Gas Measures**

- Current pipeline equals \$330,877 in incentive offers and shows a continuous upward trend since December.
- Restaurant Spray Nozzle promotion mailing sent out week of January 23. The Team has received 136 nozzle requests. A second mailing is scheduled for next week.





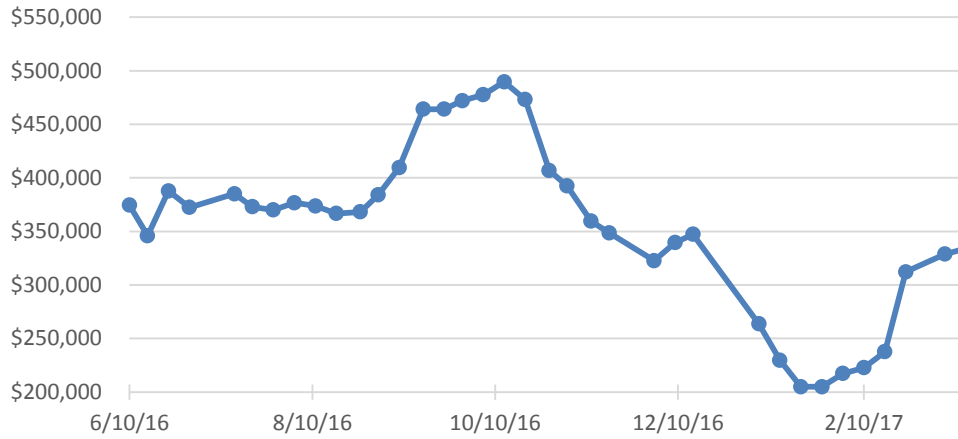
Updated Financials	Program Investment
FY2017 Program Budget	\$1,255,720
7/1 to 2/28 Spending	\$252,715
Percent of Budget Spent to Date	20%
Percent of Year Passed	66%

Summary Program Update	MMBtu Savings	Participants
Start of fiscal year to 1/31	15,971	34

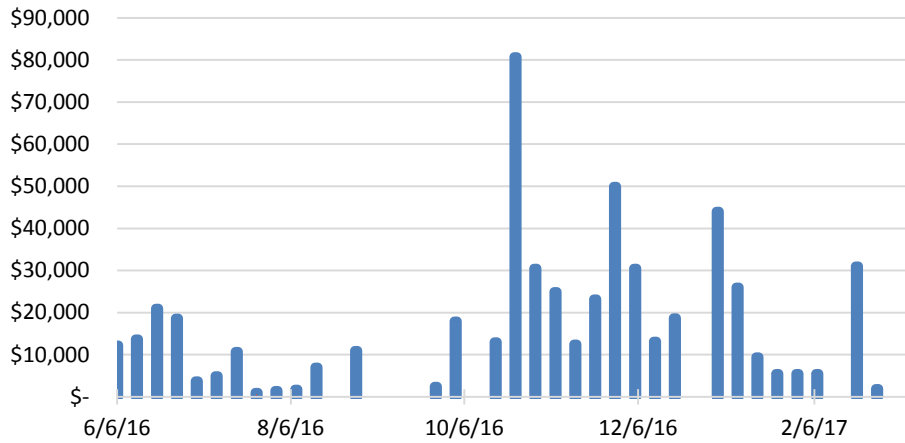
**C) C&I Prescriptive Program – All Fuels (e.g., Oil) Measures / Heating Solutions**

- Current pipeline equals \$334,039 in incentive offers and is trending upward over the last month despite being in the middle of the Heating Season.
- The Program launched the Heating Solutions Distributor Discount Program for Oil and Propane Furnaces and Boilers. There are currently 10 distributor locations under MOU.

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



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



Updated Financials	Program Investment
FY2017 Program Budget	\$1,139,855
7/1 to 2/28 Spending	\$522,318
Percent of Budget Spent to Date	46%
Percent of Year Passed	66%

Summary Program Update	MMBtu Savings	Participants
Start of fiscal year to 1/31	21,197	35

**D) C&I Custom Program**

- Since the last Board meeting, the pipeline of small custom projects has grown modestly, adding 5 new projects worth \$182,000 in incentive offers. The total small custom pipeline now consists of 26 projects worth \$1,179,000 in incentive offers.
- The Custom Team initiated 4 new Scoping Audits.
- The Review Committee did not meet in the month of February.
- The Distributed Generation projects pipeline now consists of 10 projects worth \$5.8 million in incentive offers. Staff does not expect all of these projects will meet the deadline; adjusted for probability of close there are \$2.6 million in the pipeline.
- The Program Committee discussed that the Custom Program will calculate two cost-effectiveness tests for future Distributed Generation projects: 1) the Total Resource Cost (TRC) Test, and 2) the Participant Cost test. The results of these two tests must exceed 1.00 for a project to qualify for an incentive. The TRC calculation remains unchanged, continuing to apply the methodology and assumptions approved for use in Triennial Plan III. The Participant Cost test includes such variables as operations and maintenance costs and the retail cost of electricity, and provides important information to the customer to help them determine whether a project is worth pursuing.

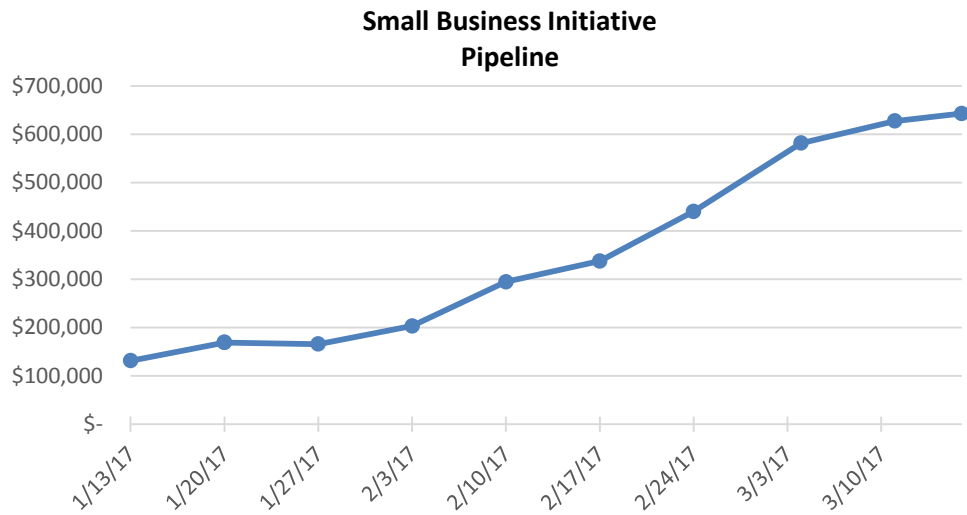
<b>Updated Financials</b>	<b>Program Investment</b>
FY2017 Program Budget	\$18,331,793
7/1 to 2/28 Spending	\$4,348,491
Percent of Budget Spent to Date	24%
Percent of Year Passed	66%

<b>Additional Details on FY 2017 Financials</b>	<b>Program Investment</b>
Encumbrances (under contract)	\$5,203,962
Awards (pending contracts)	\$1,161,054
Pipeline	\$3,475,789
Total Expenditures, Encumbrances, Awards & Pipeline	\$14,216,026
Percent of Budget	78%

<b>Summary Program Update</b>	<b>MMBtu Savings</b>	<b>kWh Savings</b>	<b>Participants</b>
Start of fiscal year to 1/31	187,616	14,327,078	15

**E) Small Business Initiative**

- Customer outreach is 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 the appropriate customers for SBI. In the past the team has relied on lists from region chambers which often include larger businesses or businesses outside the target region.
- Conducted two in-person contractor training events in Region 7 on March 1 and 8. The Program currently has three participating contractors on board; continuing discussions with additional contractors for Region 7.
- Field staff are successfully bringing in potential customers and working with contractors to move projects along faster in Regions 5 and 6.
- Pipeline growing steadily in Region 6
- As of March 16, there were 106 projects in the pipeline (broken out by region below) representing \$642,661.85 in incentive offers.
  - Region 5: 22 projects in pipeline (\$131,956 in incentives)
  - Region 6: 84 projects in pipeline (\$510,705 in incentives)
- Offering contractor bonus incentives to contractors that complete a certain number of projects between March 13 and April 30.



Updated Financials	Program Investment
FY2017 Program Budget	\$2,203,926
7/1 to 2/28 Spending	\$254,181
Percent of Budget Spent to Date	12%
Percent of Year Passed	66%



Summary Program Update	kWh Savings	Participants
Start of fiscal year to 1/31	32,055	10

**F) Commercial New Construction – Maine Advanced Buildings Program**

- Nine projects are under MOU representing \$774,769 in incentive offers.
- Two new projects have been submitted (MOUs being prepared) representing \$101,500 in incentives.
- Eleven additional projects being tracked not yet under MOU, representing \$158,235 in incentives (weighted estimate).
- Avesta Bayside 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 2/28 Spending	\$309,410
Percent of Budget Spent to Date	17%
Percent of Year Passed	66%

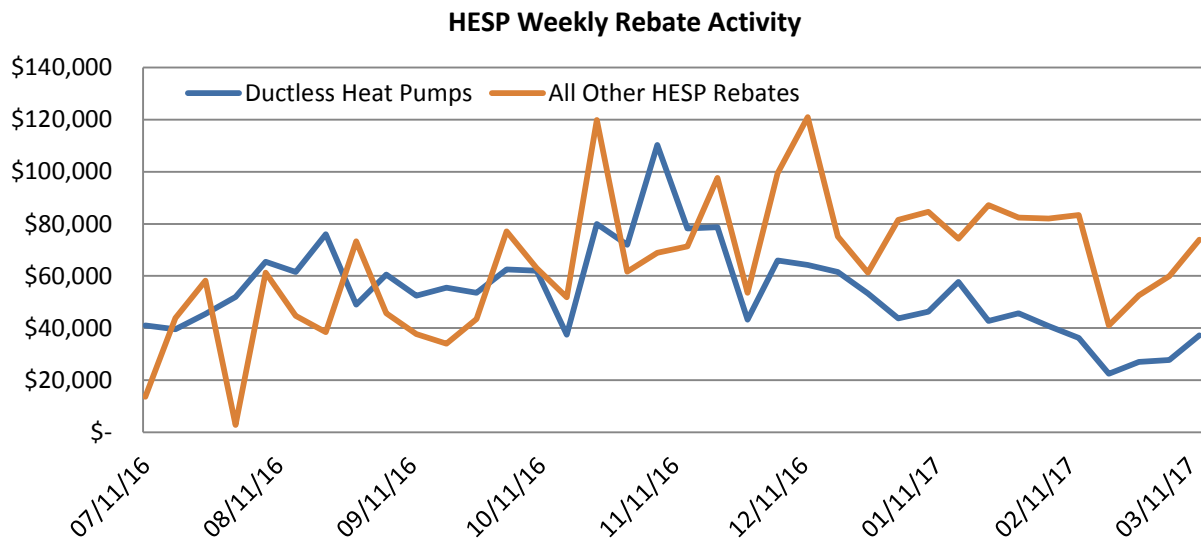
Additional Details on FY 2017 Financials	Program Investment
Encumbrances (under contract)	\$1,042,290
Awards (pending contracts)	\$876,269
Pipeline	\$158,235
Total Expenditures, Encumbrances, Awards & Pipeline	\$1,346,048
Percent of Budget	73%

Summary Program Update	MMBtu Savings	kWh Savings	Participants
Start of fiscal year to 1/31	1,330	517,552	2

**G) Home Energy Savings Program**

- Overall February activity was 10% lower than February 2016, consistent with trending so far in FY17.

- More than 500 residential projects were supported in February bringing the total to more than 5,700 homes.
- HESP rebate amounts accompanied private investment leading to \$3.2 million worth of efficiency measures in February bringing fiscal year total investment in residential energy efficiency projects statewide through HESP to \$33.1 million.
- Rebates were issued toward the installation of 212 “first” and 88 “second” unit/zone ductless heat pumps in February, similar to prior years and consistently the slowest month of sales for heat pumps.
- Thirty-three loans were closed in February, supporting \$222,000 in efficiency upgrades installed by 30 different companies totaling 7% of all projects processed through HESP rebates during the month. A total of 300 loans have been closed this fiscal year supporting more than \$2.28 million in residential projects.



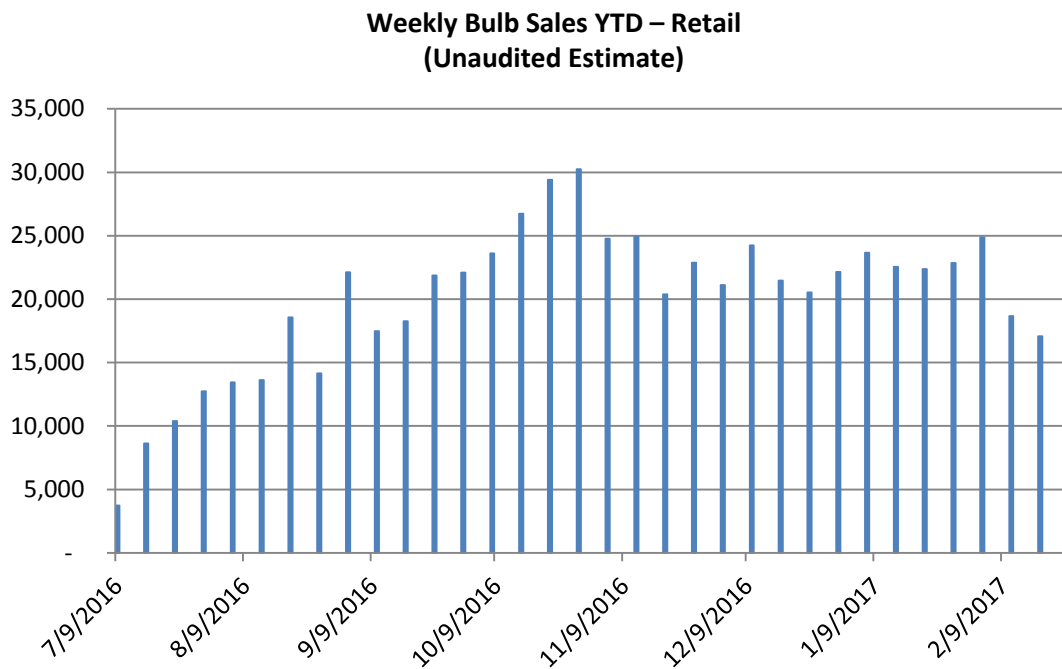
Updated Financials	Program Investment
FY2017 Program Budget	\$10,327,632
7/1 to 2/28 Spending	\$5,427,646
Percent of Budget Spent to Date	53%
Percent of Year Passed	66%

Summary Program Update	kWh Savings	MMBtu Savings	Measures
Start of fiscal year to 1/31	7,142,153	55,813	7,138

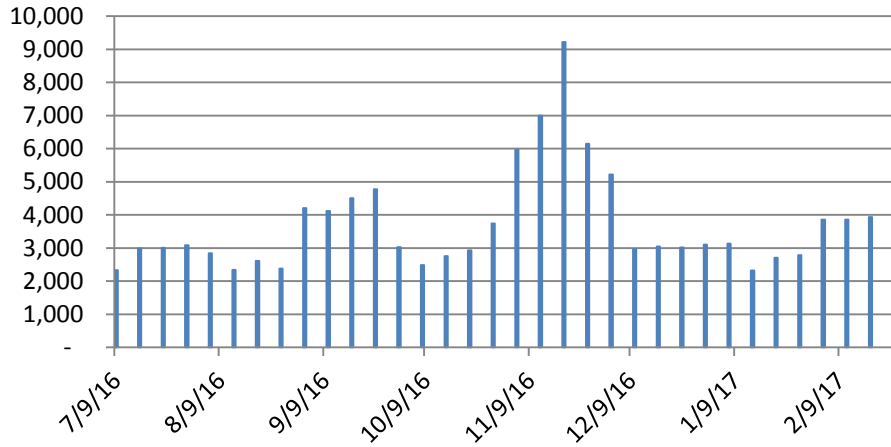
Project Type (through 1/31)	Units
Electric Measures	3,857
All Fuels Measures	3,281

#### H) Consumer Products Program

- The program began offering an instant rebate (no waiting for a check) for heat pump water heaters through distributors on March 1.
- Retail LED sales remain slower than the pace that was modeled in the Triennial Plan, despite introduction of a small incentive increase and extensive field support.
- The Trust’s 5-month pricing trial for retail LEDs is demonstrating a strong price elasticity of demand.
- A \$50 rebate for room air purifiers was re-started on March 1.



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



Updated Financials	Program Investment
FY2017 Program Budget	\$11,405,310
7/1 to 2/28 Spending	\$3,765,540
Percent of Budget Spent to Date	33%
Percent of Year Passed	66%

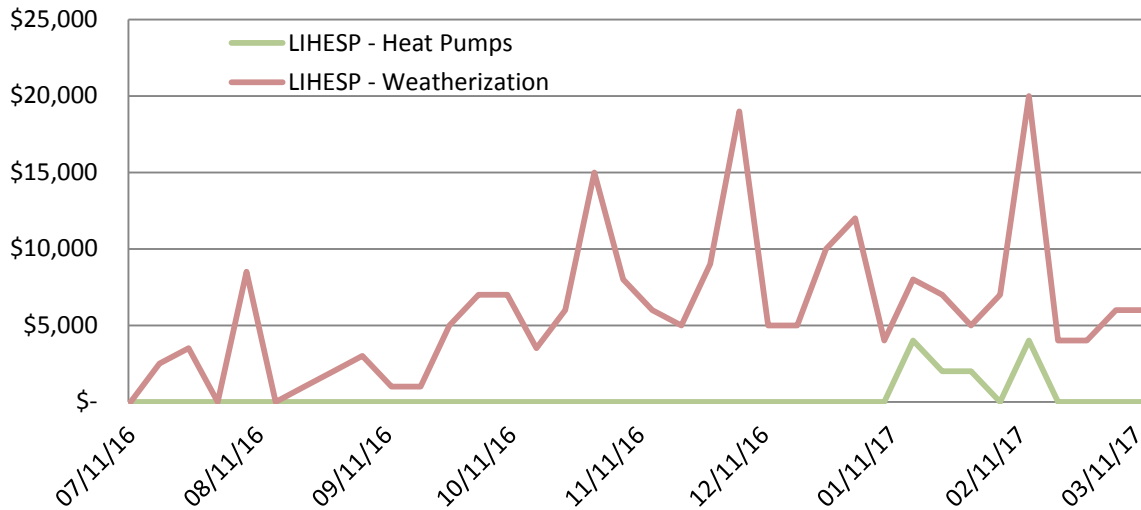
Summary Program Update	kWh Savings	Appliance Rebates	Light Bulbs
Start of fiscal year to 1/31	18,941,136	7,455	624,689

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

- In February, the utilities enrolled another 34 participants in the PUC’s Arrearage Management Program (AMP) for low-income customers with outstanding electric bills, bringing the total to 973 homes from seven utilities since its October 2015 inception. Since inception, 49% 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 19,908 pieces of mail have identified 336 qualified prospects. Installations began in February and 42 have been completed towards a goal of 666.
- The Low Income Direct Mail Program launched March 1, offering LEDs and low flow devices to LIHEAP participants at no charge.

- Food Pantries have distributed nearly 400,000 LEDs since July 1 and are on track to distribute 500,000 bulbs by the end of April.
- LIHESP Highlights:
  - Twenty-five homes received basic weatherization under LIHESP in January bringing the total this fiscal year to 171 participating homes. February provided our highest month rebate outflow to date at \$39,000.
  - Two LIHESP homes took advantage of the “80% up to \$2,000” heat pump incentive in February.
  - So far in FY2017 we have had 25 contractor companies complete measures in LIHESP homes in 73 different towns from Eastport to Wells.

**LIHESP Weekly Rebate Activity**



Updated Financials	Program Investment
FY2017 Program Budget	\$5,846,418
7/1 to 2/28 Spending	\$1,239,284
Percent of Budget Spent to Date	21%
Percent of Year Passed	66%

Summary Program Update	kWh Savings
Start of fiscal year to 1/31	4,422,515

Other Initiatives (through 1/31)	Units
LIHESP	184

<b>Other Initiatives (through 1/31)</b>	<b>Units</b>
AMP DIY Kits	237
Food Pantry Bulbs	289,338

**J) Strategic Initiatives (Cross Cutting)**

**I. Forward Capacity Market**

- The Trust is participating in ISO-NE’s Energy Efficiency Forecasting group.
- Staff is preparing the Show of Interest for FCA 12.
- Staff is engaged with compliance reporting associated with completing the Trust’s FCA 8 resource.

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

- The RFP review team for the HPWH Impact Evaluation met on March 15 and reviewed 7 proposals. The review team included Peter Eglinton, Laura Martel, Dana Fischer, Rick Meinking, and James Leyko. The team recommended awarding a contract for the evaluation to West Hill Energy and Computing.
- The HESP evaluation team has started meeting with the electric and natural gas utilities in order to get billing data to support the ongoing evaluation.
- The Food Pantry study, Appliance Survey review, FCM M&V Compliance review, and DHP study of low income homes and multifamily units are all ongoing.

**III. Innovation**

- The Trust is planning to hold an Innovation Working Group meeting in April.

**3. Administration and Finance Highlights**

**A) Administration**

- Staff developed an update to the Personnel Manual for non-state employees. The last updates to the Manual were made in 2014. The new draft expands and clarifies the operation of the Trust’s policies to keep the workplace free from harassment; removes specific dollar or percentage references in the discussion of fringe benefits so that management has flexibility to make adjustments from year to year without amending the Manual; and updates rules regarding use of social media.
- Staff is reviewing estimates for a series of IT purchases including the acquisition of a new server to replace the current server which is nearing the end of its engineered life. It is also looking at updating software operating systems for its computers, as Microsoft has announced that it will discontinue supporting Windows, which is currently in use on all EMT equipment, and updating from its current Microsoft Office suite (v. 2010).

- Staff is reviewing options for telecommunications services (phone, internet, etc.) for next fiscal year.

## **B) Financial**

- Revenues
  - Total new revenues from state and regional sources through the end of February were \$34.3 million. An additional \$547,000 in revenue was received on interest from outstanding loans, the NTA pilot project, and other sources. \$446,405 has been received in the form of interfund transfers. The outstanding balance for revenues is \$14 million for the remainder of the fiscal year.
  - RGGI revenues through the end of February were \$4.04 million (out of a full-year forecast of \$7 million). On March 20, 2017, the Trust received notice that the results of the third auction this fiscal year will deliver \$1.555 million in additional RGGI revenues to the Trust for the year, putting us on track to finish the year at the \$7 million revised forecast.
- Expenditures
  - Total expenditures through the end of February were \$23.1 million. An additional \$32 million is encumbered (some of which constitutes carried-forward commitments from FY2016), and \$800,000 has been awarded and the finalization of the contracts are pending.