

Executive Director's Summary Report

to the Board of Trustees
of the
Efficiency Maine Trust

June 28, 2017

1. Communications

A) Awareness and Press

- Outreach Events:
 - i. Residential Program Manager presented at the Casco Bay Heat Pump Challenge. (June 10)
 - ii. Program Assistant presented information on low income programs to the Winslow Town Council Meeting. (June 12)
- Press:
 - i. Several media outlets discussed Efficiency Maine's budgets in coverage of the Conservation Law Foundation's appeal of the PUC's decision on the Trust's budget. (www.pressherald.com/2017/06/02/court-upholds-puc-ruling/)
 - ii. Summary of Efficiency Maine programs serving non-residential customers, including mini-case studies, included in the June, 2017 "Energy Issue" of *MaineBiz*.
- Website and Outreach (May 2017)
 - i. 24,486 website visits (compared to 24,242 visits in April 2017)
 - a. 17,704 unique visits
 - b. 8,329 visits were driven through digital ads
 - ii. Facebook:
 - a. 2,886 fans of page (including 42 new fans)
 - b. 28,310 Facebook users reached through advertising

B) Call Center (May)

- 1,406 inbound phone calls (97% answered within 20 seconds)
- 444 inbound emails
- 956 inbound mail (mostly rebate claims)
- 613 outbound calls made in order to complete 33 Appliance Rebate evaluation surveys

C) Government Relations

- EMT Staff tracked the following bills out of Committee:
 - i. LD 1313: An Act to Establish Energy Policy in Maine (RGGI) – passed the House and Senate, awaiting Governor's decision as of this writing.

- ii. LD 755: An Act to Amend the Law Regarding NTA Investigations – signed into law.
- iii. LD 1482: An Act to Implement Right to Know Advisory Committee Recommendations Concerning Existing Public Records Exceptions – signed into law.
- iv. LD 1151: An Act to Allow Promotional Allowances by Gas Utilities – signed into law.
- v. LD 1392: An Act to Allow Municipalities to Opt Not to Enforce the Maine Uniform Building and Energy Code – killed.
- PUC Activities:
 - vi. EMT Staff presented at the Arrearage Management Program Stakeholder meeting. (June 9)
 - vii. The Commission did not approve EMT’s proposed Low-Income Stipulation.
 - viii. PUC decided not to require Summit to revise its current rateplan that includes collection of funds to be used for energy conservation; PUC also decided that Efficiency Maine may not use ratepayer conservation funds for fuel conversion measures (absent some cost-effective gain in efficiency).

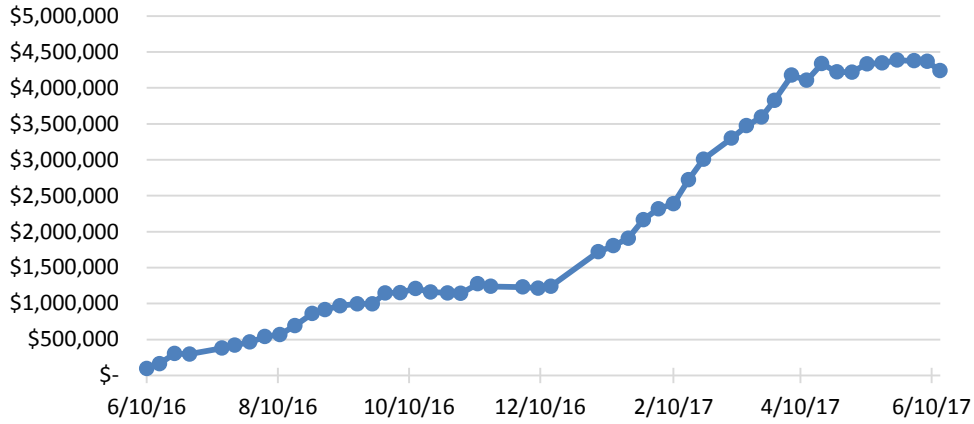
2. Program Highlights¹

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

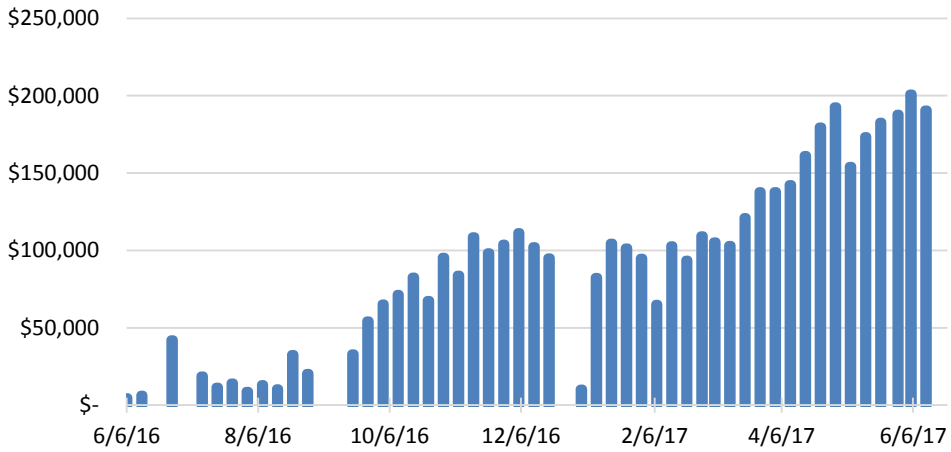
- Growth in the weekly incentive payments and pipeline continues. The current pipeline equals \$4,238,895 in incentives. After a slow start to the year, due to the relaunch of the program after a year’s suspension, the program is operating at a strong weekly pace.
- Staff pre-approved 16 projects to date for the Automobile Parking Lot Lighting Promotion (to replace 1000W metal halides), representing \$461,980 in additional incentives. Thirteen projects for \$312,400 have been paid to date. Two remaining projects will be closed out in June.
- EMT is hosting Qualified Partner Annual Certification sessions and is on track for record attendance.
- The program now has 773 Qualified Partner companies (931 individuals), representing an increase of 40 new companies within the last month.

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 on June 19, 2017 to capture the progress for the year through the most recent complete month of reported actual results (i.e., through the end of April, 2017).

C&I Prescriptive Program Electric Measures Pipeline



C&I Prescriptive Program Electric Measures Incentives Paid



Updated Financials	Program Investment
FY2017 Program Budget	\$8,574,935
7/1 to 5/31 Spending	\$4,775,229
Percent of Budget Spent to Date	56%
Percent of Year Passed	92%

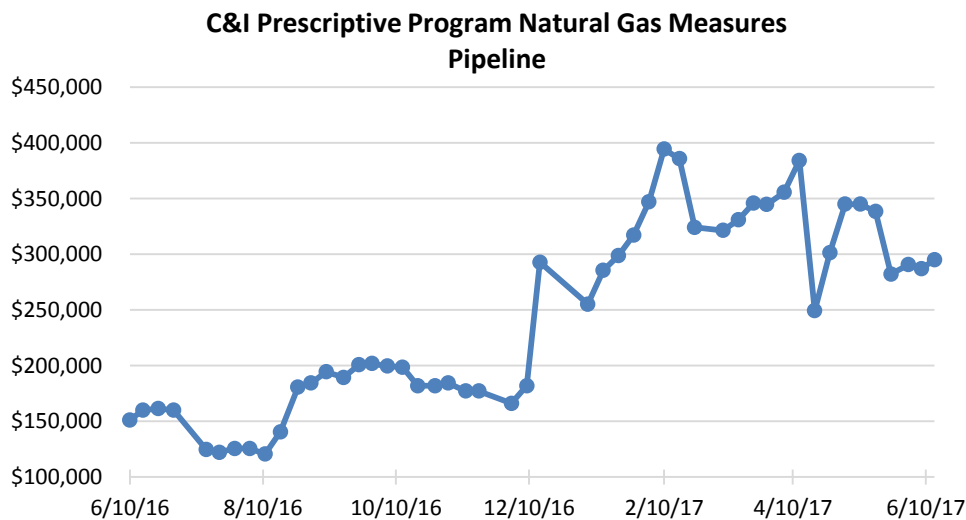
Summary Program Update	kWh Savings	Participants
Start of fiscal year to 4/30	14,700,918	1,156

Project Type (through 4/30)	Participants
Lighting Solutions	786
Heating and Cooling Solutions	345
Compressed Air Solutions	25

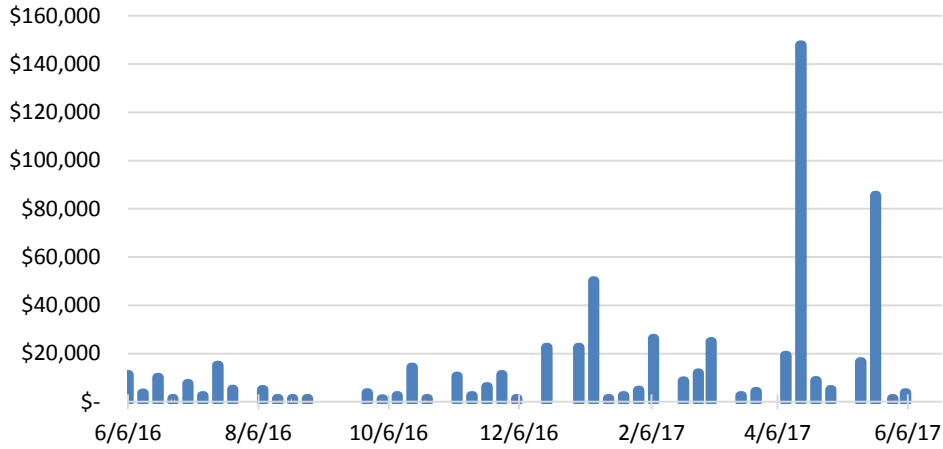
Additional Details on FY 2017 Financials	Program Investment
Budget	\$8,574,935
Expenses through 5/30/17	\$4,775,229
Projects Pre-approved + Projects under final inspections + projects completed and under final management review pending payment through 6/22/17	\$3,309,805
Total Expenditures, & Encumbrances	\$8,085,034
Percent of Budget	94%

B) C&I Prescriptive Program – Natural Gas Measures

- The current pipeline represents \$295,192 in incentives.
- The Restaurant Spray Nozzle promotion is coming to an end; the team has delivered 375 nozzles to date.
- Some natural gas measures were moved into the Heating Solutions Distributor Discount Program; units sold through distributors will not be reflected in pipeline estimates, given that they are discounted at the point of sale (i.e., there are no pre-project enrollments).



**C&I Prescriptive Program Natural Gas Measures
Incentives Paid**



Updated Financials	Program Investment
FY2017 Program Budget	\$1,255,720
7/1 to 5/31 Spending	\$592,804
Percent of Budget Spent to Date	47%
Percent of Year Passed	92%

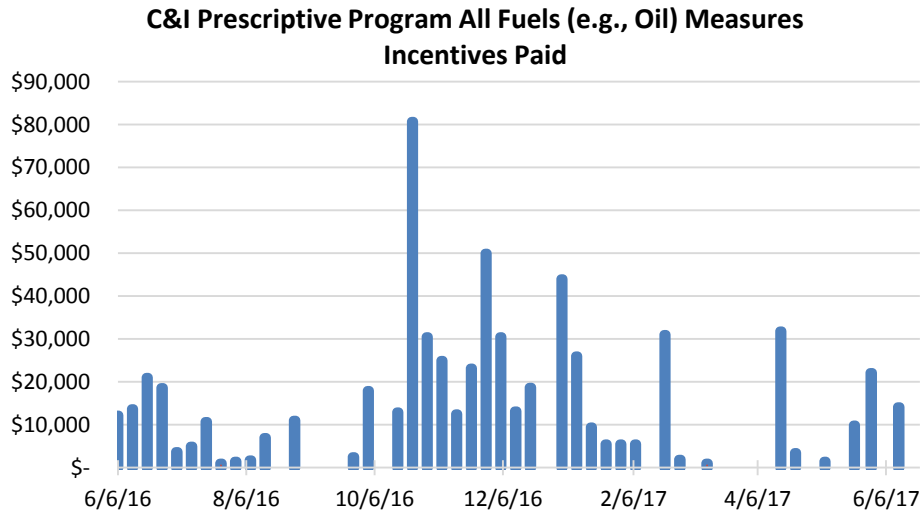
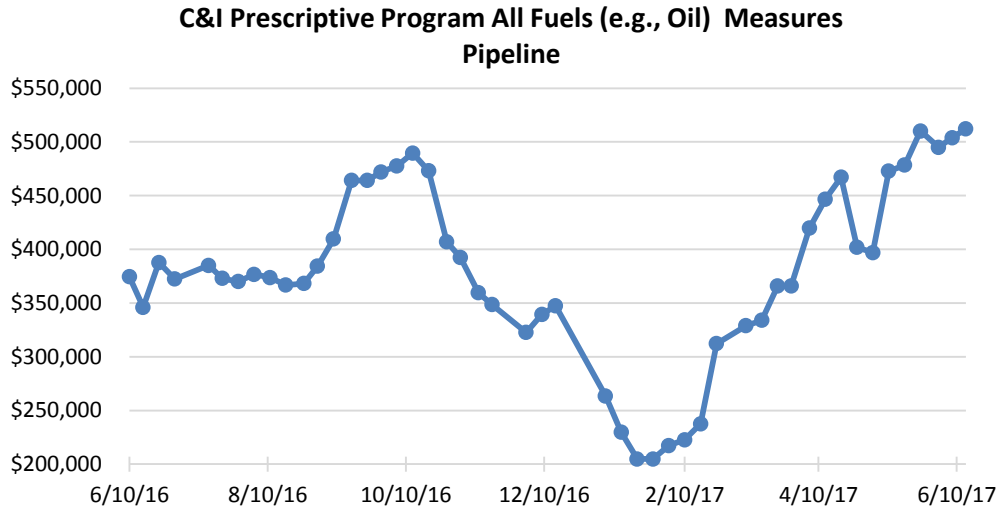
Summary Program Update	MMBtu Savings	Participants
Start of fiscal year to 4/30	26,430	53

Additional Details on FY 2017 Financials	Program Investment
Budget	\$1,255,720
Expenses through 5/30/17	\$592,804
Projects Pre-approved + Projects under final inspections + projects completed and under final management review pending payment through 6/22/17	\$229,871
Total Expenditures, & Encumbrances	\$822,675
Percent of Budget	66%

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

- The current pipeline represents \$512,034 in incentives, and continues to grow with boiler ancillary equipment installations.
- The Heating Solutions Distributor Discount Program (mid-stream) launched in late March.
 - i. Thirty-one locations are under MOU.

ii. Team continues to provide field support to distributors.



Updated Financials	Program Investment
FY2017 Program Budget	\$1,139,855
7/1 to 5/31 Spending	\$633,536
Percent of Budget Spent to Date	56%
Percent of Year Passed	92%

Summary Program Update	MMBtu Savings	Participants
Start of fiscal year to 4/30	27,317	41

Additional Details on FY 2017 Financials	Program Investment
Budget	\$1,139,855
Expenses through 5/30/17	\$633,536
Projects Pre-approved + Projects under final inspections + projects completed and under final management review pending payment through 6/22/17	\$527,541
Total Expenditures, & Encumbrances	\$1,161,007
Percent of Budget	102%

D) C&I Custom Program

- Since the last Board meeting, the pipeline of small custom projects has grown modestly, adding 6 new projects worth \$230,000 in incentives. The total small custom pipeline now consists of 35 projects worth \$1.49 million in incentives.
- The limited-time bonus incentive for Distributed Generation projects (closed May 1) drove interest in the program. Staff received 10 project applications, 6 of which moved forward to the Review Committee. The Review Committee met in May and awarded incentives to 5 of these projects. EMT ultimately executed contracts with 3 of them, totaling \$1.7 million in incentives.
- Due to declining Regional Greenhouse Gas Initiative (RGGI) revenues, the program is no longer offering incentives for “other fuels” projects in FY2017. The program’s remaining RGGI budget (~\$1.2 million) will be reserved for potential reallocation in FY2018 pending enactment of LD1313, as amended.

Updated Financials	Program Investment
FY2017 Program Budget	\$17,200,113
7/1 to 5/31 Spending	\$5,806,808
Percent of Budget Spent to Date	34%
Percent of Year Passed	92%

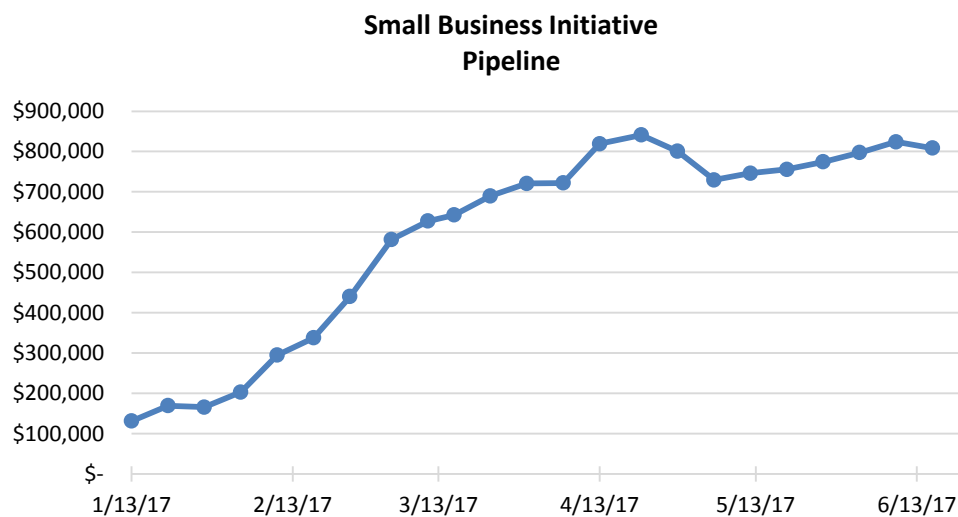
Additional Details on FY 2017 Financials	Program Investment
Encumbrances (under contract)	\$4,447,331
Awards (pending contracts)	\$2,207,700

Pipeline (for FY2017 close)	\$0
Total Expenditures, Encumbrances, Awards & Pipeline	\$12,461,839
Percent of Budget	72%

Summary Program Update	MMBtu Savings	kWh Savings	Participants
Start of fiscal year to 4/30	203,087	16,507,962	24

E) Small Business Initiative

- EMT currently has 5 participating contractors on board for Region 7 (the “Berwicks” and Sanford area); continuing discussions with additional contractors for Region 7.
- The delivery team has been working with Gilman representatives from the Biddeford and Portland locations to support their ramp up to supply materials for Region 7 projects.
- The first Region 7 project was completed and paid out June 12, and the project pipeline is growing.
- The SBI pipeline has been steady over the past month (see chart below). As of June 16, there were 124 projects in the pipeline for all regions representing \$808,462.80 in incentives, broken out by region below:
 - Region 5: 32 projects in pipeline (representing \$171,610.67 in incentives and 239,683.60 kWh savings).
 - Region 6: 74 projects in pipeline (representing \$531,575.26 in incentives and 847,433.64 kWh savings).
 - Region 7: 18 projects in pipeline (representing \$105,276.87 in incentives and 169,192.69 kWh savings).
- Customer outreach is underway in Region 7. The delivery team is utilizing CMP customer data for small businesses (SGS rate classes) to plan and conduct targeted outreach.



Updated Financials	Program Investment
FY2017 Program Budget	\$2,203,926
7/1 to 5/31 Spending	\$1,297,835
Percent of Budget Spent to Date	59%
Percent of Year Passed	92%

Summary Program Update	kWh Savings	Participants
Start of fiscal year to 4/30	562,286	113

Additional Details on FY 2017 Financials	Program Investment
Budget	\$2,203,926
Expenses through 5/30/17	\$1,297,835
Projects Pre-approved + Projects under final inspections + projects completed and under final management review pending payment through 6/22/17	\$808,461
Total Expenditures, & Encumbrances	\$2,106,296
Percent of Budget	95%

F) Commercial New Construction – Maine Advanced Buildings Program

- Fourteen projects are under MOU, representing \$1,108,291 in incentives.
- Eight additional projects are pending MOU, representing \$95,760 in incentives (weighted estimate).
- Three projects are nearing the end of construction, including the Gieger project in Lewiston, the Cornerspring Montessori School in Belfast, and the Jewish Alliance Community Center in Portland. The delivery team plans to expedite the review of submittals as soon as they are received from the design teams to close out these projects, where possible, before the end of the program year.

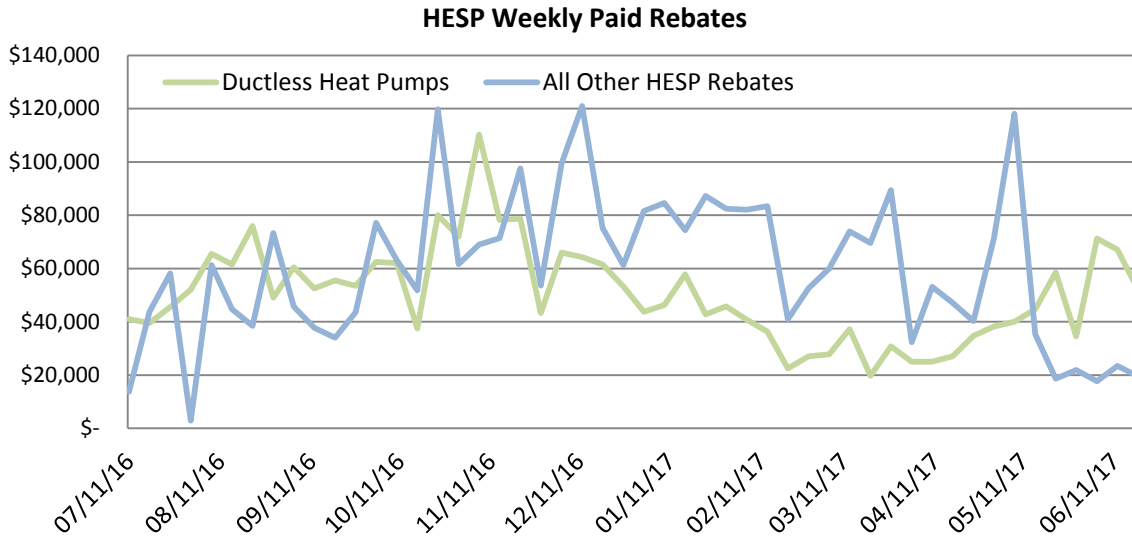
Updated Financials	Program Investment
FY2017 Program Budget	\$1,853,073
7/1 to 5/31 Spending	\$387,921
Percent of Budget Spent to Date	21%
Percent of Year Passed	92%

Additional Details on FY 2017 Financials	Program Investment
Budget	\$1,853,073
Expenses through 5/30/17	\$387,921
Under MOU	\$1,593,089
Total Expenditures, & MOU	\$1,981,010
Percent of Budget	106%

Summary Program Update	MMBtu Savings	kWh Savings	Participants
Start of fiscal year to 4/30	1,330	644,580	3

G) Home Energy Savings Program

- May is typically when we see a modest rebound in activity from the slower early springtime. This year it coincided with a surge of weatherization projects related to the deadlines for receiving old incentive levels on RGGI-funded rebates.
 - i. More than 788 residential projects were supported in May, bringing the annual total up to more than 7,600 homes with one month remaining in the fiscal year.
 - ii. Rebates were issued toward the installation of 412 “first” and 184 “second unit/zone ductless heat pumps in May, the highest rate of uptake since December and a sign of possibly elevated volume in months ahead.
- Thirty-one loans were closed in May, supporting \$221,000 in efficiency projects. New application PACE loan underwriting continues to be temporarily suspended, but anticipated to resume by September. Unsecured Energy Loans continue to be available and remain a popular product offering.
- A total of 382 loans have been closed this fiscal year, supporting more than \$2.9 million in residential projects.
- We anticipate that the budget for RGGI-funded HESP projects will be nearly fully expended by the end of the fiscal year; uptake of ductless heat pumps and natural gas measures has been slow, reducing the percentage of electrically-funded and gas-funded budgets spent to date in this program.



Updated Financials	Program Investment
FY2017 Program Budget	\$11,350,695
7/1 to 5/31 Spending	\$7,180,261
Percent of Budget Spent to Date	63%
Percent of Year Passed	92%

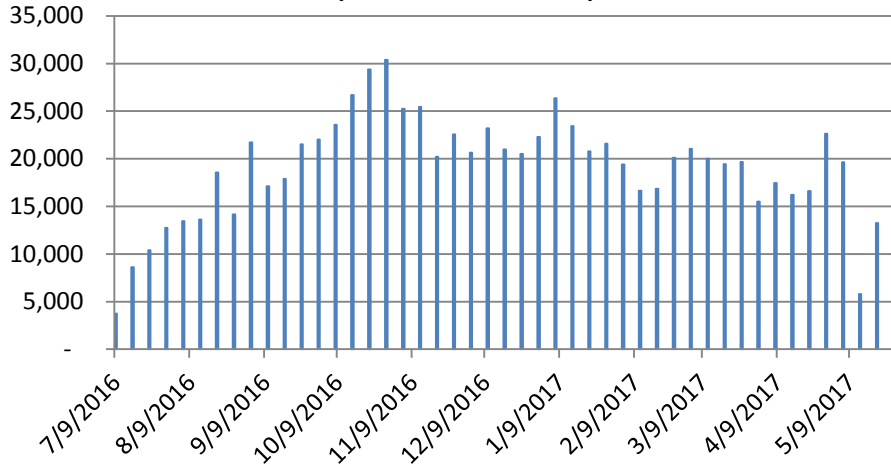
Summary Program Update	kWh Savings	MMBtu Savings	Measures
Start of fiscal year to 4/30	8,857,543	84,388	6,632

Project Type (through 4/30)	Units
Electric Measures	4,016
All Fuels Measures	2,616

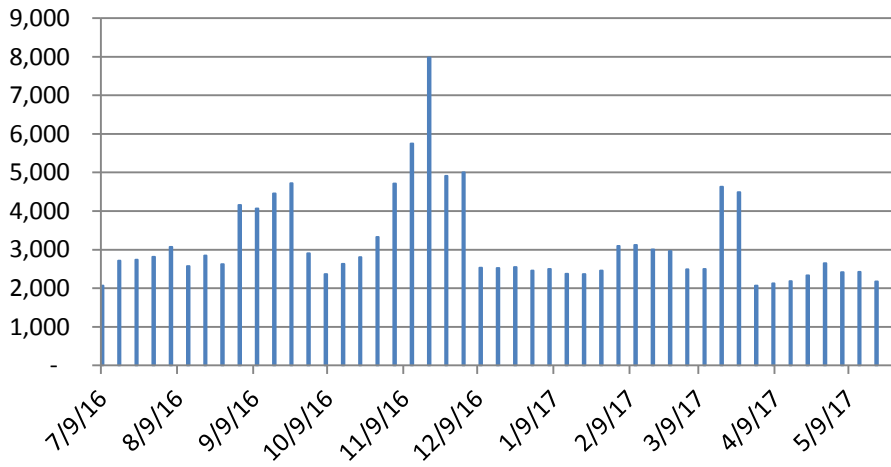
H) Consumer Products Program

- The program began offering an instant rebate for heat pump water heaters through distributors on March 1. Manufacturers are also providing limited-time discounts. Volume has significantly increased as a result.
- The program is providing a promotional incentive, above the base incentive, for retailers that provide preferential off-shelf placement (in-aisle and end cap displays) of certain LED bulbs. Sales volumes for these bulbs appear to be increasing.
- We are forecasting starting FY2018 at a pace that could fully invest the budget, including carryforward.

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



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

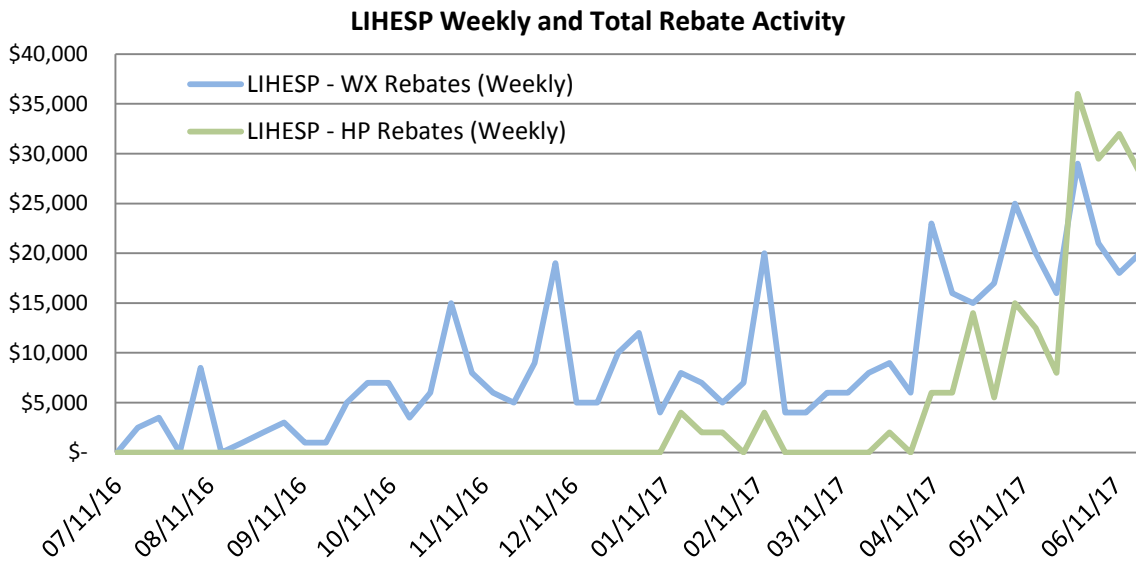


Updated Financials	Program Investment
FY2017 Program Budget	\$11,405,310
7/1 to 5/31 Spending	\$6,248,201
Percent of Budget Spent to Date	55%
Percent of Year Passed	92%

Summary Program Update	kWh Savings	Appliance Rebates	Light Bulbs
Start of fiscal year to 4/30	28,105,282	10,897	964,565

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

- The Food Pantry Program has been successful at distributing LED bulbs and kitchen aerators.
- As of May 31, a total of 1,114 low income customers have joined the Arrearage Management Program since it started October 2, 2015. 529 (47%) have received DIY kits with LEDs and/or low flow devices.
- The Low Income Direct Mail program that kicked off in March has now sent DIY kits to 10,824 low income families as of May 31.
- As a result of the Low Income Direct Install Program that started in January, 156 heat pump water heaters were installed in low income homes in May bringing the YTD total to 513.
- LIHESP highlights:
 - i. May activity continued an acceleration in LIHESP activity. Eighty-four homes received basic weatherization under LIHESP bringing the total this fiscal year to 319 homes receiving weatherization services. June is on track to have a similar number of upgrades, potentially pushing program participation for the year to around 400 homes.
 - ii. LIHESP heat pumps continue to also surge with 52 homes taking advantage of our “80% up to \$2,000” heat incentive in May, bringing the total since January to 77. We are seeing partnerships emerge between weatherization crews and heat pump installers to make combination offers.
 - iii. With the jump in activity in recent months, we had 37 contractor companies complete measures in LIHESP homes in 122 different towns from Eagle River to Starks to York.



Updated Financials	Program Investment
FY2017 Program Budget	\$5,846,418
7/1 to 5/31 Spending	\$2,430,620
Percent of Budget Spent to Date	42%
Percent of Year Passed	92%

Summary Program Update	kWh Savings	Direct Installs
Start of fiscal year to 4/30	19,734,581	226

Other Initiatives (through 4/30)	Units
LIHESP	278
AMP DIY Kits	290
Direct Mailings	8,793
Food Pantry Bulbs	335,578

J) Strategic Initiatives (Cross Cutting)

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

- Demand Side Analytics completed the LED Pricing Trail report. Results were presented to the EMT Board. (June 28) .

II. Forward Capacity Market

- Staff submitted a qualification package for Forward Capacity Auction 12.

3. Administration and Finance Highlights

A) Administration

- The FY2017 audit by RKO kicked off this month.
- Performance reviews are on track to be completed for staff by the end of the fiscal year.
- Job postings were issued to replace one past and one future retirement (the senior accountant and the receptionist/administrative assistant, respectively).
- Staff reviewed whether a potential state “shut down” would impact Trust operations and concluded that, other than the furlough of the organization’s lone state employee, there would be no other immediate adverse impact.

- Staff is moving forward with upgrades to its server system, computer operating system, and related software.

B) Financial

Revenues

- Total new revenues from state and regional sources through the end of April were \$47.3 million, up from \$45.5 million last month. An additional \$1.17 million in revenue has been received year-to-date on interest from outstanding loans, the NTA pilot project, and other miscellaneous revenues. \$446,405 in the form of interfund transfers to the Administration Fund has been accounted for as “revenue” year-to-date, representing no change from last month. The outstanding balance for revenues is \$1.06 million for the remainder of the fiscal year, not including interfund transfers.
- RGGI revenues received through the end of May remained at \$5.6 million (out of a full-year forecast of \$7 million), but the June 7 auction is complete and expected proceeds will, once received, bring the year’s total revenues to \$6.9 million.

Expenditures

- Total expenditures through the end of May were \$35.8 million, up from \$31 million last month. An additional \$24.2 million is encumbered (some of which constitutes carried-forward commitments from FY2016), and \$65,000 has been awarded to new projects the contracts for which are pending.
- Staff expects to have year-end spending and other commitment totals calculated by the end of July for purposes of refining carryforward amounts to be added to the FY18 budget.