

Executive Director's Summary Report

to the Board of Trustees
of the
Efficiency Maine Trust

September 27, 2017

1. Communications

A) Awareness and Press

- Outreach Events:
 - Staff participated in an energy contractor event at Kennebec Valley Community College (KVCC) (August 9).
 - Staff presented at the EnergySmart Bangor Event (August 22).
 - Executive Director presented at the State Energy Roadmap Heating Task Force meeting (August 24).
 - Staff presented and exhibited at Greenfest (September 9).
 - Staff presented at the Home Energy Efficiency Forum in Camden (September 16).
 - Staff presented at the Maine Grassroots Climate Conference (September 16).
 - Staff presented at the Maine Affordable Housing Conference (September 22).
 - Staff exhibited at the Common Ground Fair (September 22-24).
 - Staff presented at the Casco Bay Heat Pump Challenge (September 23).
- Press:
 - Efficiency incentives were mentioned in several articles covering proposed changes to the regional RGGI model (<http://mainepublic.org/post/maine-and-8-other-states-pledge-reduce-emissions-another-30-percent#stream/0>).
 - The Bangor Energy Expo was mentioned in several Bangor outlets (<http://www.wabi.tv/content/news/Bangor-Energy-Expo-441437443.html>).
 - Efficiency Maine's participation in other efficiency events was mentioned in The Forecaster (<http://www.theforecaster.net/maine-cities-towns-hope-to-pump-up-demand-for-air-sourced-heat/>).
- Website and Outreach (August)
 - 25,789 website visits (compare with 23,147 visits in July)
 - 16,689 unique visits
 - 9,297 visits driven through digital ads
 - Facebook:
 - 2,977 fans of page (33 new)
 - 174,608 Facebook users reached through advertising

B) Call Center (August)

- 1,436 inbound phone calls (99% answered within 20 seconds)
- 384 inbound emails
- 853 inbound mail (mostly rebate claims)

C) Government Relations

- Public Utilities Commission (PUC) Activities:
 - EMT's Executive Director filed a brief in the Non-Transmission Alternatives (NTA) Coordinator docket and participated in the hearing on September 7.
 - PUC Staff asked the Trust to file a memo in the Triennial Plan's Phase II docket on Transmission and Sub-Transmission (T&ST) Customers summarizing the docket and its findings which is expected to lead to the Commission closing the docket.
 - The PUC closed the inquiry into the Trust's Technical Reference Manuals (TRMs). The Order noted, "The Trust's filings in this docket indicate the Trust has made substantial improvements related to the substance and process of its TRMs." The Trust was Ordered to file its TRMs ahead of the Fourth Triennial Plan.
 - EMT Staff and the authors of the Avoided Energy Supply Costs (AESC) study answered questions at a technical conference about the AESC 2015 Report and December 2016 Update (September 13). The Trust is preparing a second set of responses to data requests due this week.
 - EMT Staff attended a technical conference on the recently completed LED Pricing Trial. The Trust incorporated the results of the Pricing Trial into its TRMs.
 - The Commission voted to approve the Trust's Low-Income Stipulation this week.
 - The Commission voted to approve the Trust's adjustment to the allocation of RGGI funds in FY18, effective at such time as the amended RGGI law goes into effect.

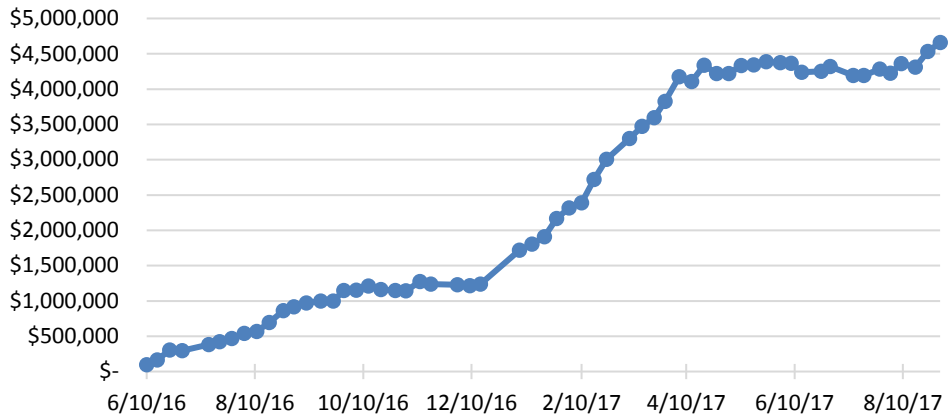
2. Program Highlights¹

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

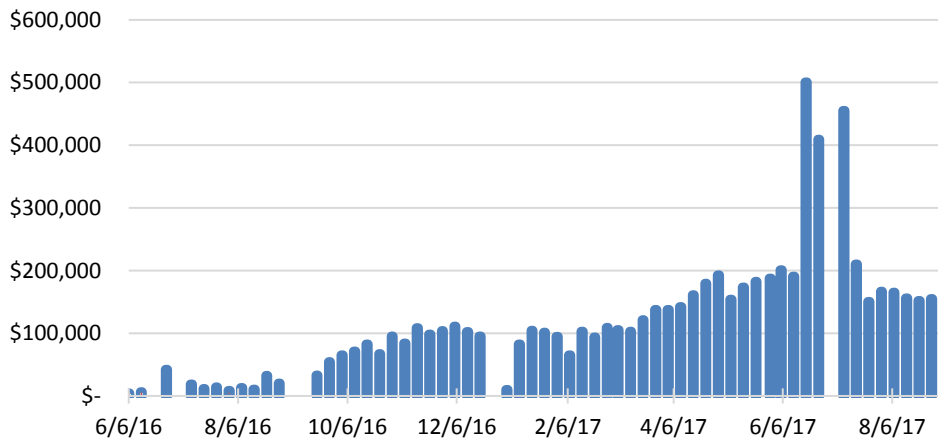
- The program for FY2018 is starting with essentially the same program design, measures and incentives as offered at the end of FY2017.
- The number of pending projects ("pipeline") has remained consistent with the incentive payments. The current pipeline is \$4,658,782.
- Transition of the distributor screw-in LED initiative from the Consumer Products Program to the C&I Prescriptive Program will be complete on October 1.

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 September 20, 2017, to capture the progress for the year through the most recent complete month of reported actual results (i.e., through the end of August 2017).

C&I Prescriptive Program Electric Measures Pipeline



C&I Prescriptive Program Electric Measures Incentives Paid



Updated Financials	Program Investment
FY2018 Program Budget	\$7,483,981
7/1 to 8/31 Spending	\$1,674,814
Percent of Budget Spent to Date	22%
Percent of Year Passed	17%

Summary Program Update	kWh Savings	Participants
Start of fiscal year to 8/31	5,295,461	378

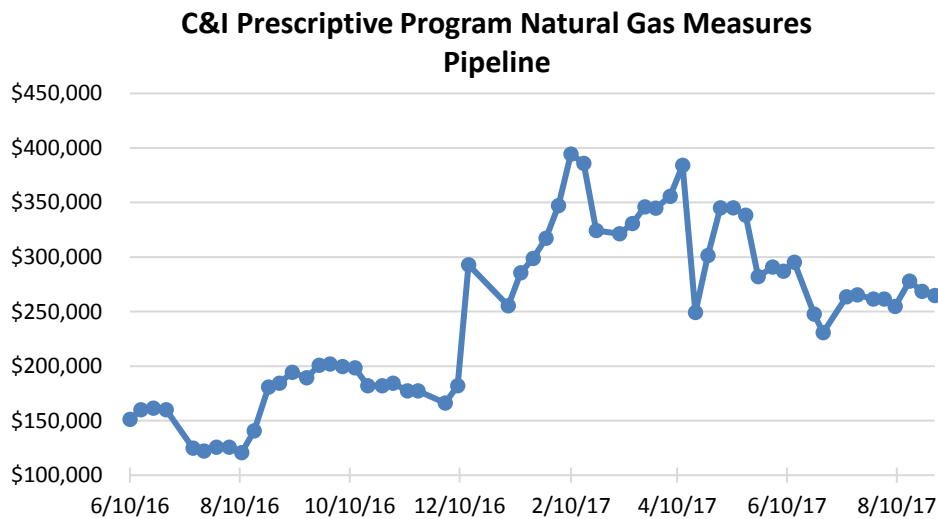
Project Type (through 8/31)	Participants
Lighting Solutions	283

Heating and Cooling Solutions	83
Compressed Air Solutions	11

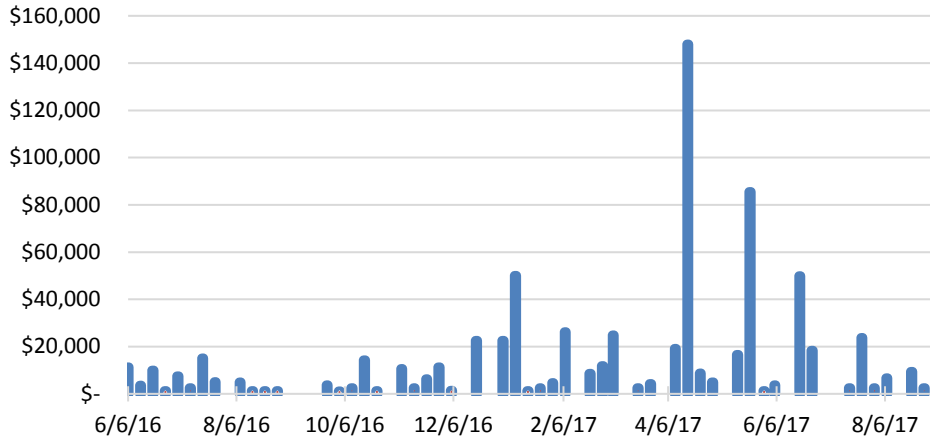
Additional Details on FY2018 Financials	Program Investment
Budget without FY2017 carryforward	\$7,483,981
Expenses through 8/31	\$1,674,814
Committed: Projects Pre-approved + Projects under final inspections + projects completed pending payment through 8/31	\$3,581,698
Total Invested + Committed	\$5,256,512

B) C&I Prescriptive Program – Natural Gas Measures

- The current pipeline equals \$264,758 in incentives.
- As with Propane and Compressed Natural Gas measures (see All Fuels section below), similar Natural Gas measures have been shifted to a Heating Solutions Distributor Discount approach. Given that this approach involves an instant discount, we will no longer have information on pending projects for applicable measures. As a result, the pipeline trend is expected to decrease; incentives paid should increase over time, due to the reduced paperwork with instant discounts.



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



Updated Financials	Program Investment
FY2018 Program Budget	\$1,298,692
7/1 to 8/31 Spending	\$83,099
Percent of Budget Spent to Date	6%
Percent of Year Passed	17%

Summary Program Update	MMBtu Savings	Participants
Start of fiscal year to 8/31	4,122	11

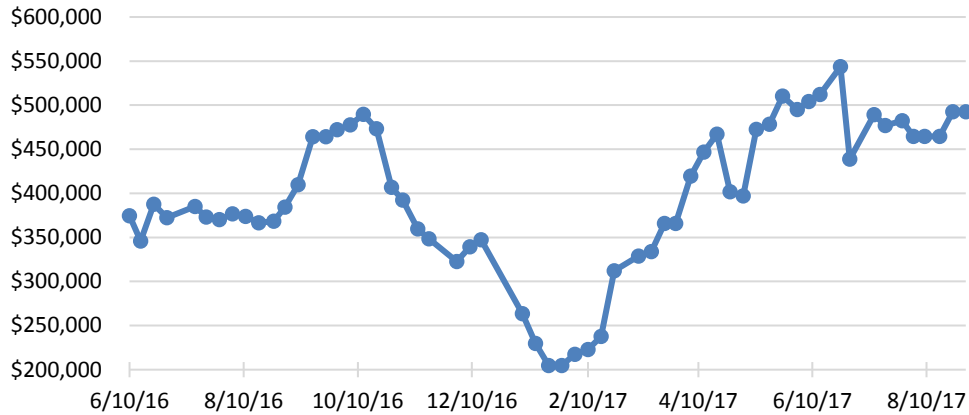
Additional Details on FY2018 Financials	Program Investment
Budget without FY2017 carryforward	\$1,298,692
Expenses through 8/31	\$83,099
Committed: Projects Pre-approved + Projects under final inspections + projects completed pending payment through 8/31	\$261,225
Total Invested + Committed	\$344,324

C) C&I Prescriptive Program – All Fuels (Oil, Propane, Compressed Natural Gas) Measures / Heating Solutions

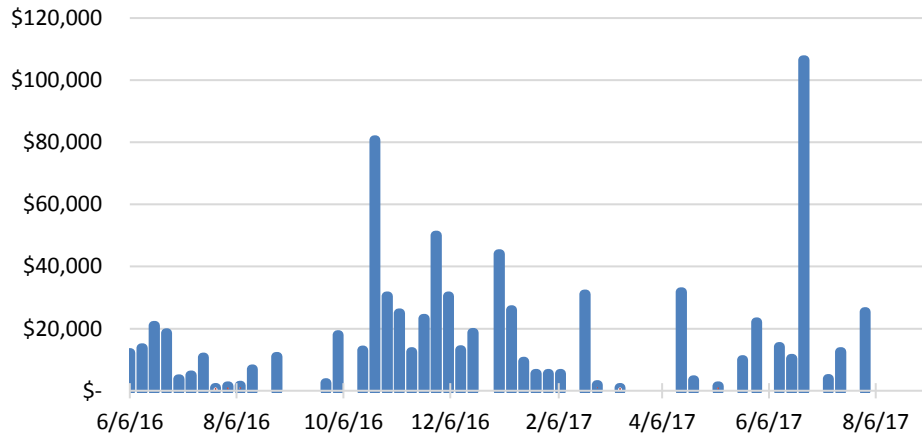
- The current pipeline represents \$492,561 in incentives.
- The program is continuing support efforts to distributors participating in the Heating Solutions Distributor Discount initiative. Given that this approach involves an instant discount, we will no longer have information on pending projects for applicable measures.

As a result, the pipeline trend is expected to decrease; incentives paid should increase over time, due to the reduced paperwork with instant discounts.

C&I Prescriptive Program All Fuels Measures Pipeline



C&I Prescriptive Program All Fuels Measures Incentives Paid



Updated Financials	Program Investment
FY2018 Program Budget	\$337,769
7/1 to 8/31 Spending	\$105,522
Percent of Budget Spent to Date	31%
Percent of Year Passed	17%

Summary Program Update	MMBtu Savings	Participants
Start of fiscal year to 8/31	1,465	68

Additional Details on FY2018 Financials	Program Investment
Budget without FY2017 carryforward	\$337,769
Expenses through 8/31	\$105,522
Committed: Projects Pre-approved + Projects under final inspections + projects completed pending payment through 8/31	\$399,907
Total Invested + Committed	\$505,429

D) C&I Custom Program

- Since the last Board meeting, the pipeline of small custom projects has grown modestly, adding 4 new projects worth \$242,000 in incentive offers. The total small custom pipeline now consists of 28 projects worth \$1.3 million in incentive offers.
- The Review Committee did not meet in August. The committee met on September 21; two projects worth \$1.28 million in incentives were awarded.
- Program staff is reaching out to newly eligible large natural gas customers to inform them of incentive offerings and encourage investment in efficiency.
- 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 Trust is seeking Board guidance regarding the eligibility of these customers at the September Board Meeting.

Updated Financials	Program Investment
FY2018 Program Budget	\$5,216,918
7/1 to 8/31 Spending	\$528,243
Percent of Budget Spent to Date	10%
Percent of Year Passed	17%

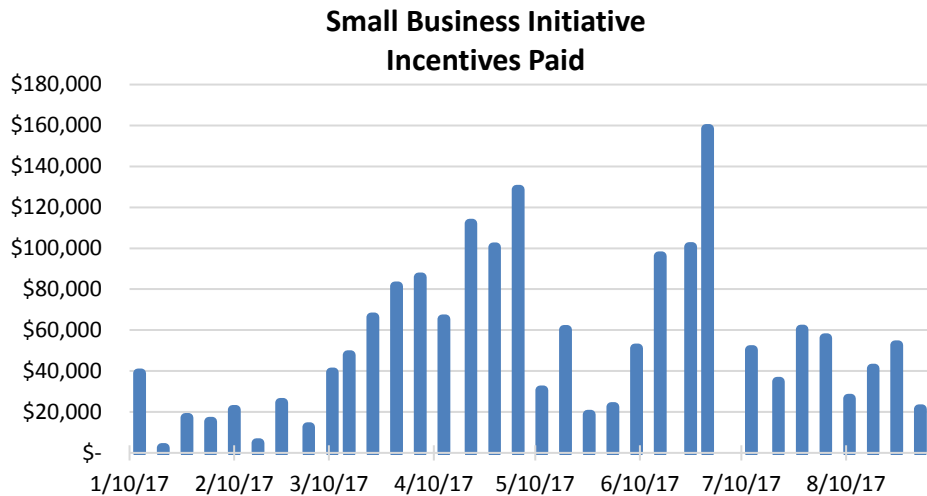
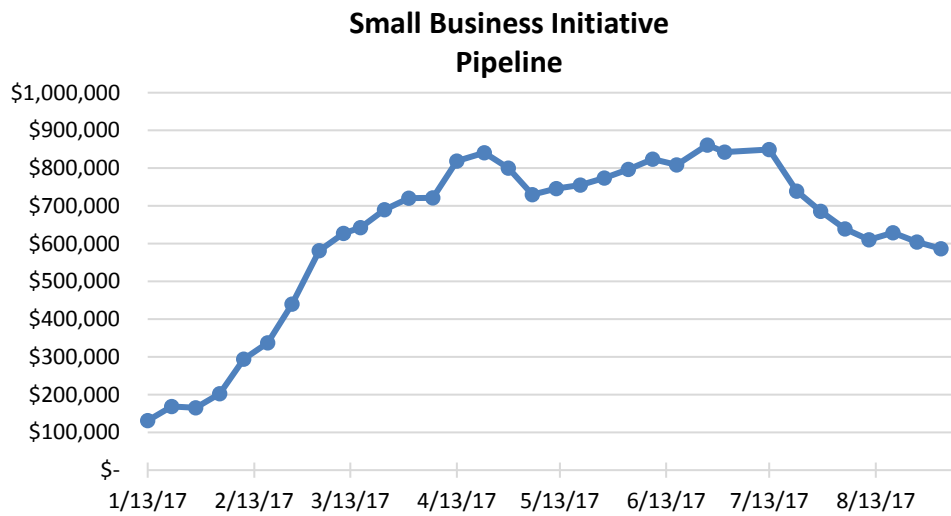
Additional Details on FY2018 Financials	Program Investment
Encumbrances (under contract)	\$6,136,681
Awards (pending contracts)	\$500,000
Pipeline	\$1,279,905
Total Expenditures, Encumbrances, Awards & Pipeline	\$8,444,829
Percent of Budget ²	147%

² Approved FY2018 budget as of 9/20/2017 (without carryforward). Including proposed carryforward, percent of budget = 78%.

Summary Program Update	MMBtu Savings	kWh Savings	Participants
Start of fiscal year to 8/31	1,142	644,894	2

E) Small Business Initiative

- Regions 5 and 6 are no longer accepting new projects and the team anticipates completing pending projects by October 30.
- The team is using Central Maine Power (CMP) customer data for small businesses (SGS rate classes) to plan and conduct targeted outreach in Region 7.
- The team is exploring an additional region for a January 2018 rollout.



Updated Financials	Program Investment
FY2018 Program Budget	\$2,126,073
7/1 to 8/31 Spending	\$337,334
Percent of Budget Spent to Date	16%
Percent of Year Passed	17%

Summary Program Update	kWh Savings	Participants
Start of fiscal year to 8/31	240,513	47

Additional Details on FY 2018 Financials	Program Investment
Budget without FY2017 carryforward	\$2,126,073
Expenses through 8/31	\$337,334
Committed: Projects Pre-approved + Projects under final inspections + projects completed pending payment through 8/31	\$588,019
Total Invested + Pipeline	\$925,353
Percent of Budget	44%

F) Commercial New Construction – Maine Advanced Buildings Program

- The delivery team is concentrating direct outreach activities in the natural gas service territories.

Updated Financials	Program Investment
FY2018 Program Budget	\$676,453
7/1 to 8/31 Spending	\$2,951
Percent of Budget Spent to Date	0%
Percent of Year Passed	17%

Additional Details on FY2018 Financials	Program Investment
Budget without FY2017 carryforward	\$676,453
Expenses through 8/31	\$2,951
Committed: Projects Pre-approved + Projects under final inspections + projects completed pending payment through 8/31	\$957,483
Total Invested + Committed	\$960,434

G) Home Energy Savings Program (HESP)

- The program had a strong start this fiscal year:
 - 2,131 total rebates submitted (55% more than the 1,370 in the first two months of FY2017)
 - 1,146 heat pump rebates submitted (30% more than the 880 in the first two months of FY2017)
- The program continues to focus on ductless heat pumps as well as measures for natural gas customers (weatherization and heating systems), the latter of which have seen relatively less uptake than anticipated.

Updated Financials	Program Investment
FY2018 Program Budget	\$8,699,865
7/1 to 8/31 Spending	\$938,767
Percent of Budget Spent to Date	11%
Percent of Year Passed	17%

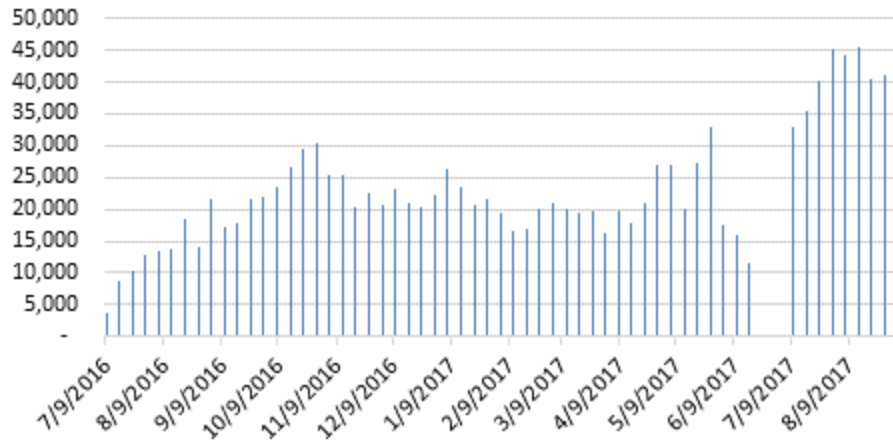
Summary Program Update	kWh Savings	MMBtu Savings	Measures
Start of fiscal year to 8/31	3,240,883	9,446	1,515

Project Type (through 8/31)	Units
Electric Measures	1,194
All Fuels Measures	321

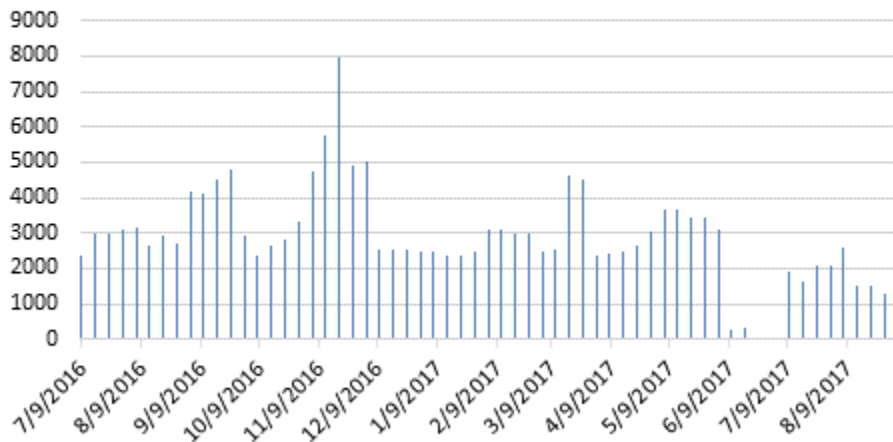
H) Consumer Products Program

- The program is forecasting higher LED sales this year compared to last, anticipating investing all funds and exceeding the energy savings target. Off-shelf marketing fee paid to stores that feature our bulbs in-aisle and/or on end-cap displays has increased volume.
- Sales of screw-in LEDs that are discounted at distributors are on track. This program will be administered by the Commercial and Industrial Prescriptive team starting October 1.
- Appliance rebates are on track. In order to stay within budget, the program is reducing the heat pump water heater instant and mail-in rebates.

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



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



Updated Financials	Program Investment
FY2018 Program Budget	\$8,705,138
7/1 to 8/31 Spending	\$1,844,504
Percent of Budget Spent to Date	21%
Percent of Year Passed	17%

Summary Program Update	kWh Savings	Appliance Rebates	Light Bulbs
Start of fiscal year to 8/31	10,679,145	2,558	318,568

I) Low-Income Initiatives

- As of September 21, a total of 1,204 low income customers have joined the Arrearage Management Program since it started October 2, 2015. Of these, 567 (47%) have received DIY kits with LEDs and/or low-flow devices.
- Between March and September 21, the team sent DIY kits to 19,789 low-income families that participate in the Low-Income Home Energy Assistance Program (LIHEAP). These families represent about 64% of the most recent year’s LIHEAP list. In addition, LED bulbs and kitchen aerators continue to be available through participating food pantries.
- The team has installed 187 heat pump water heaters (HPWHs) in low-income homes this fiscal year. Since January 2017, a total of 997 have received HPWHs through this initiative.
- Market-based weatherization and ductless heat pump (DHP) initiatives:
 - Available funding in FY2018 for ductless heat pumps has been fully invested. As a result, incentives for this measure were suspended as of September 1, 2017. Interested applicants are being directed toward the HESP heat pump incentive. From July to September, 392 homes had installed DHPs through the initiative.
 - Significant DHP activity over the summer also drove weatherization projects, given that customers of ductless heat pump are required by our program guidelines to concurrently install the Energy Bundle (home energy assessment and basic weatherization). This fiscal year, 446 homes received basic weatherization under the Low Income Home Energy Savings Program (LIHESP). We are on track to see weatherization projects double in this fiscal year as compared to 398 homes in FY2017.

Updated Financials	Program Investment
FY2018 Program Budget	\$4,797,568
7/1 to 8/31 Spending	\$928,202
Percent of Budget Spent to Date	19%
Percent of Year Passed	17%

Summary Program Update	kWh Savings	Direct Installs
Start of fiscal year to 8/31	7,138,561	150

Other Initiatives (through 8/31)	Units
LIHESP	548
AMP DIY Kits	0
Direct Mailings (DIY Kits) to LIHEAP participants	896
Food Pantries	22,272

J) Strategic Initiatives (Cross Cutting)

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

- Staff participated in a kickoff meeting for the Office of the Public Advocate’s Low-Income Baseline Study. The Trust will be involved with the study and is funding a small portion.
- The Trust received hourly usage data for all of CMP’s AMP customers and is reviewing it as part of the AMP Evaluation.
- West Hill Energy is recruiting participants for the heat pump water heater impact evaluation. The first round of outreach for customers who purchased a heat pump water started in September with a plan to begin visiting homes in October.
- The Trust received 24 responses to the Efficiency Maine Trust Request for Qualifications to Provide Various Research, Evaluation, and Verification Support Services (RFQ EM-005-2018).

II. Forward Capacity Market

- The Trust continued to work with ISO New England staff to resolve issues surrounding the qualifications of the Forward Capacity Auction (FCA) 12 resource.

III. Innovation

- The Trust received six responses to the Low Income Behavioral Pilot RFP. A review panel to evaluate the proposals will be scheduled soon.

3. Administration and Finance Highlights

A) Administration

- The Trust’s annual audit, prepared by RKO, was presented to the Finance Committee.
- The Trust is happy to welcome two new members of the Staff:
 - The Trust filled the Receptionist/Administrative Assistant position recently vacated by the retirement of Karen Bickerman. Michelle Fenlason, who has past administrative experience working for municipal government in Winslow and Waterville, started on August 21.
 - The Trust filled the Senior Accountant position with Monté Haynes who started on August 28. Monté’s prior work was as a Senior Accountant at Bates College.

B) Financial

Revenues

- The new revenues from state and regional sources through the end of August were \$7.18 million. Approximately \$31,000 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 \$39.6 million for the fiscal year, not including interfund transfers.

- RGGI revenues received in September, while not reflected in the end-of-August revenue report, were significantly higher than previously forecast and represented the first time that auction prices increased in more than a year.
- Next month's financial reports will reflect whatever budget adjustments are made at the September Board meeting. These adjustments are expected to reflect incorporation of carried forward fund balances from FY2017.

Expenditures

- Total expenditures through the end of August were \$7 million. An additional \$43.8 million is encumbered, and \$78,320 has been awarded to new projects the contracts for which are pending.
- The pace of spending is stronger than at this 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.