



# FY 2024 Mid-Year Program/Budget Update

EMT Board Meeting

January 24, 2024

# C&I Custom Program

## Highlights

- Significant RGGI investment in large electric projects at T&ST customers
- ARPA/MJRP awards made to a good variety of projects and customers

## Challenges

- Slow electric procurement budget investment (forecasting 30% by end of year, T&ST not eligible)

## Plans

- Spur electric project investment with enhanced incentives (e.g., for non-T&ST participants or for specific measures less relevant to T&ST customers)
- Launch compressed air leak detection offering

# C&I Prescriptive Initiatives

## Highlights

- Vendors becoming familiar with whole-building heat pump designs/head load calculation
- Increased VRF incentives based on higher evaluated installed costs

## Challenges

- Slower-than-anticipated electric procurement budget investment (forecasting 93% by end of year/\$1.3 M carryforward)

## Plans

- Accelerate commercial HPWH with targeted outreach and education
- Broaden VRF solutions to include hybrid VRF and hybrid VRF with domestic hot water

# Distributor Initiatives

## Highlights

- ECM circulator pump promotion drove share from 52% to 68% of top-selling circulator pumps

## Challenges

- HPWH share dropped to 65% in Q2 (vs. 73% in FY23 Q2)
- Slower-than-anticipated electric procurement budget investment (forecasting 80% by end of year/\$2.3 M carryforward)

## Plans

- Launch bulk purchase special pricing for HPWHs to compete with special pricing electric resistance water heater manufacturers

# Retail Initiatives

## Highlights

- Maine continues to see the lowest HPWH prices in the country
- HPWH price parity with electric resistance water heaters at Lowe's
- Continued successful instant discounts and expanded tech support hours to cover all retail hours

## Challenges

- Slower-than-anticipated electric procurement budget investment (forecasting 81% by end of year/\$1.4 M carryforward)

## Plans

- Continue and expand email, postal mail, and digital marketing

# Home Energy Savings Program

## Highlights

- Transitioned to whole-home heat pump program design 9/18 (summarized on a later slide)
- Continued and expanded live webinars with heat pump and weatherization vendors

## Challenges

- Slower-than-anticipated overall budget investment (forecasting 88% by end of year/\$3.1 M carryforward)
- Considerable uncertainty:
  - Shift of moderate-income to Low Income Initiatives
  - Transition to whole home heat pumps to reach full potential
  - Reduction in discretionary spending on home improvement (from pandemic levels)
  - Economic factors (consumer outlook, energy costs, etc.)

## Plans

- Significantly increase marketing for weatherization and heat pumps, including new direct outreach to 150,000 former rebate recipients to push heat pumps
- Ongoing vendor support/feedback

# Low-Income Initiatives

## Highlights

- Whole-home heat pump (WWHP) program participation is high (97 LI homes, 173 MI homes)
- Weatherization activity continues at high pace set in FY2023
- Growing interest from new vendors for the manufactured home WWHP offering

## Challenges

- Slower-than-anticipated electric procurement budget investment (21% committed YTD)
- Income-eligibility verification gaps (certain retirees who do not file taxes, certain veterans)

## Plans

- Consider new tool for instant eligibility verification
- Target HPWH marketing to households with an electric resistance unit

# Electric Vehicle Initiatives – Rebates

## Highlights

- Procured delivery team to support administration of EV rebate program
- Launched EV rebate increases to drive demand

## Challenges

- Slower-than-anticipated investment in low-income sector
- Dealing with continued lack of model diversity and availability; decrease in number of models eligible for federal tax credits

## Plans

- Recruit more EV dealerships to become Efficiency Maine Participating EV Dealers
- Increase marketing to drive demand for EVs

# Electric Vehicle Initiatives – Public Charging

## Highlights

- Continuing to manage rounds of RFPs, invest various funding streams on schedule

## Challenges

- Lack of public charging infrastructure for those without access to charging at home/work

## Plans

- Leverage recently-awarded \$15M FHWA Charging and Fueling Infrastructure (CFI) grant to target gaps (workplaces, multi-unit dwellings, rural service centers)

# Demand Management Program

## Highlights

- Demand Response Initiative (DRI) exceeded 2023 enrollment goal in the original Triennial Plan filing by 15% (actual reductions TBD)
- Considerable program design progress toward Load Shifting Initiative (LSI) launch

## Challenges

- Ramping up to meet new 30 MW goal for 2024 DRI season
- Fine-tuning customer enrollment process for LSI (Virtual Peaker, DERMS platform)

## Plans

- Remove some behind-the-meter generation prohibitions for DRI
- Launch “bring-your-own-device” small battery management incentive through LSI and EV managed charging to a day-ahead approach

# Efficiency Maine Green Bank (EMGB)

## Highlights

- Continued to grow C-PACE Program, enrolling 7 municipalities and 3 capital providers
- Participated in national discussions and negotiations for federal Greenhouse Gas Reduction Fund applications, laying the groundwork for significant infusion of capital

## Challenges

- Registering local lenders in the C-PACE program
- Increasing demand for the municipal lease offering

## Plans

- Launch RFPs for lending platform and lending services to support expanded EMGB activity in FY2025/Triennial Plan VI

# Whole Home Heat Pump Installations

**FY 2024 YTD Total = 536 (since 9/18/2023)**

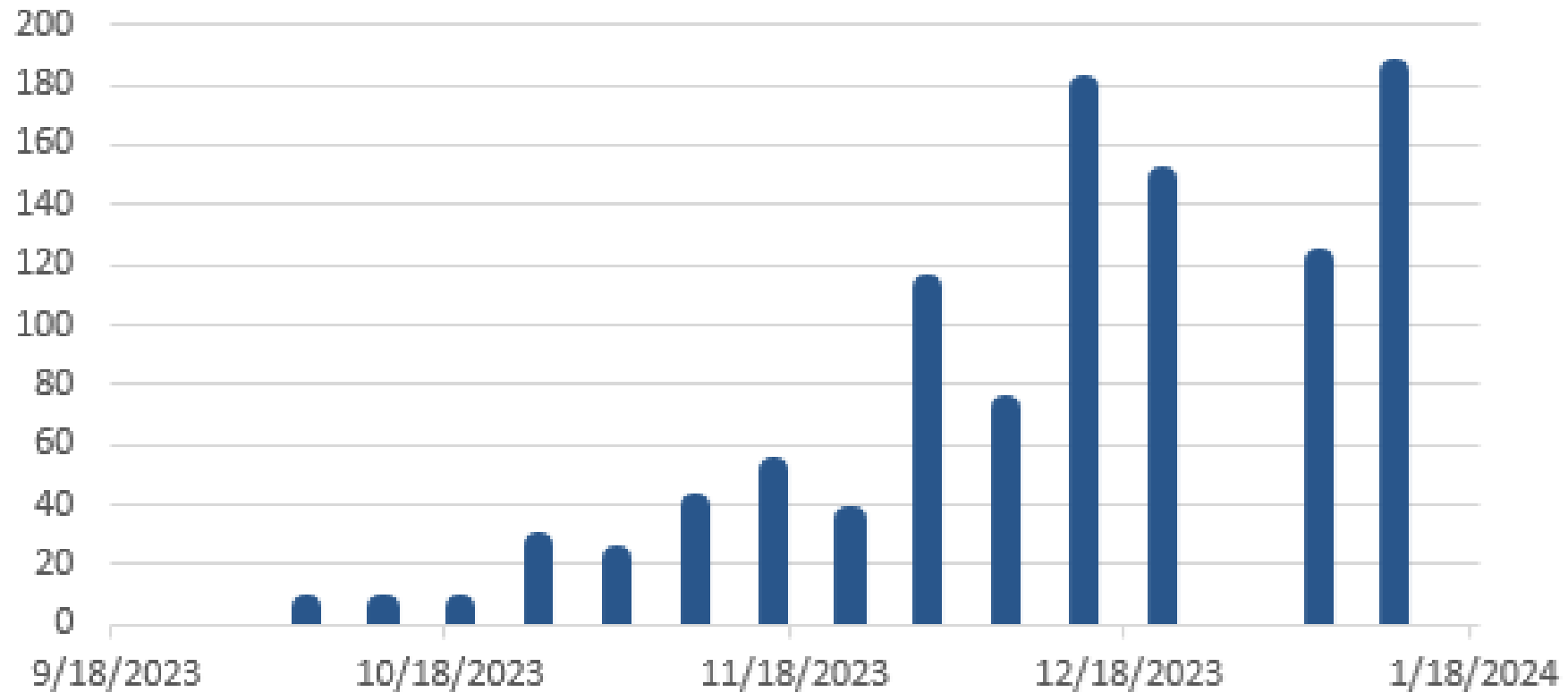
- All-Income: 213
- Moderate-Income: 173
- Low-Income: 97
- Manufactured Homes: 53

## Expenditure Summary – Residential Heat Pumps

Program	FY2023 – Full Year	FY2024 – Q1-2	FY2024 – Forecast Full Year
HESP	\$15 million	\$7.6 million	\$15 million
LMI	\$3.9 million	\$4 million	\$12 million

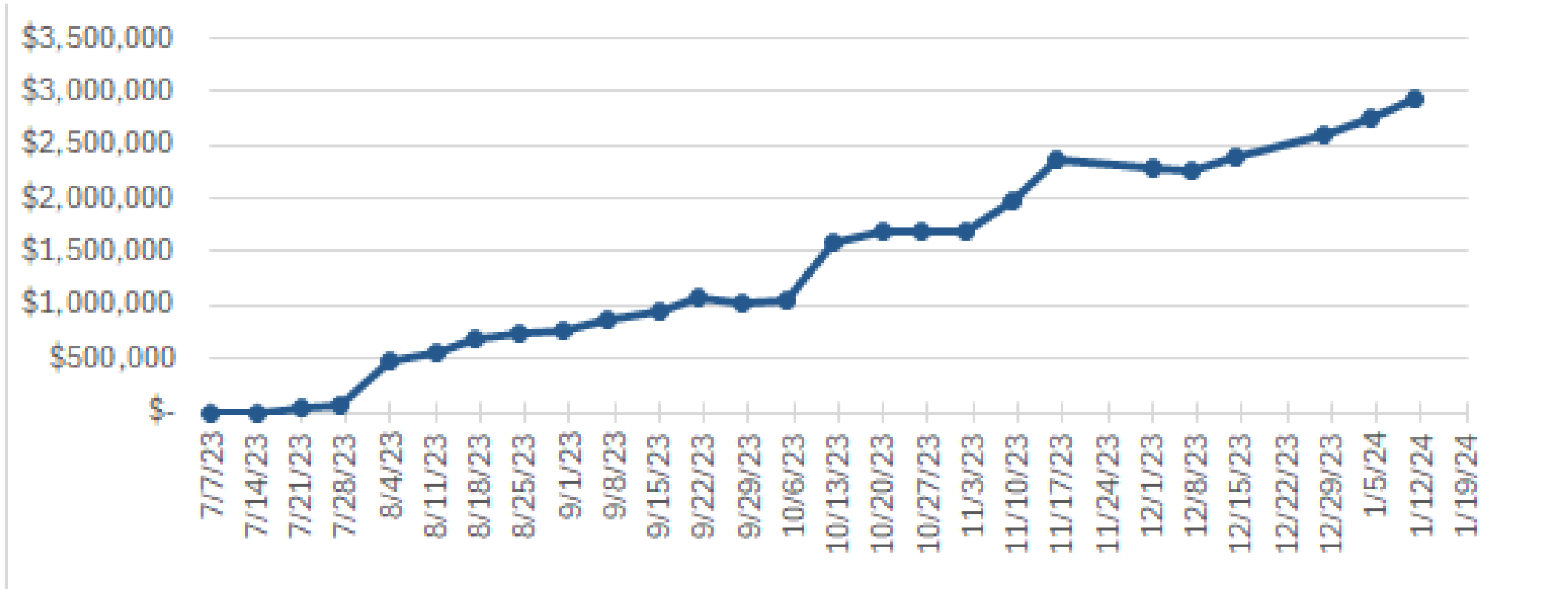
Notes: LMI includes low- and moderate-income owners of single-family homes, duplexes, and manufactured homes.

## Indoor units rebated under the Whole Home Heat Pump measure



Note: average of 1.75 indoor units per project

# Commercial Whole-Building Heat Pump Pipeline



# Whole Home Heat Pumps – Post-Launch Communications

- **Website updates** – Heat pump hub, updated FAQs, updated installation considerations
- **Events** – E2Tech Heat Pump Program Update (90 attendees, 1/17/24), New England Electricity Roundtable (550 attendees, 12/8/23)
- **Press** – more than 12 media interviews with coverage in *Portland Press Herald*, *WGME*, *Maine Public*, *News Center Maine*, *Fox News*, *WAGM Ch. 8*, *WERU-FM radio*, *Bangor Daily News*, and *Energy News Network*.
- **Trade Ally support** – 4 virtual Q&A sessions with vendors, office visits with vendors, feedback via email/phone
- **Customer Testimonials** – continue to refer customer contacts for media inquiries; continue to distribute "Cold Snap" brochure at community presentations and events
- **Example Marketing** –
  - Mailers to 150,000 former rebate recipients
  - Direct mail campaign to 15,000 manufactured homeowners

**Whole-Home Heat Pump Solutions**

**The Most Efficient Way to Heat and Cool**

Over 100,000 heat pumps have been installed in Maine and they are now more common than oil heat in new homes. They are the most popular heating system across all of Efficiency Maine's rebates because they offer highly efficient heating, air conditioning, and dehumidification.

**Why Whole-Home Heat Pumps?**

There are several reasons that Efficiency Maine focuses on the focus to **whole-home heat pumps**. The more money on their heating bill.

**efficiency MAINE**

**Heat Pump Cold-Weather Performance**

**Cold Snap 2023**

Efficiency Maine is partnering with homeowners in several communities across the state to assess the cold-weather performance of heat pumps. During the first weekend of February 2023, Maine experienced some of the coldest temperatures it had seen in more than five decades, with wind chills reported as low as -60 °F. Residents braced themselves for the cold. And heat pump owners wondered:

**Will my heat pump keep me warm?**

**The short answer is YES!**

Here's what Mainers who use heat pumps as their sole source of heat say about their experiences.

"I live on the top of a mountain in Waterford, Maine, where it gets pretty windy. That's not a challenge for my heat pumps, which during the February cold snap kept me warm without backup even during -49 °F wind chill! I'm also saving around \$300 a month using heat pumps instead of propane." **Frank D., Waterford, ME**

"I've saved thousands of dollars by heating my entire home with two heat pumps. In fact, I haven't had an oil delivery since the fall of 2021." **Paul N., Van Buren, ME**

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# ARPA/MRJP Investment

Initiative	Budget	Invested + Committed	Remaining	Notes
Low- and Moderate-Income	\$25 M	\$11.3 M	\$13.8 M <b>(55%)</b>	Expanded eligibility to supplemental heat pumps early December.
Hospitality	\$4 M	\$3 M	\$1 M <b>(25%)</b>	<ol style="list-style-type: none"> <li>1. Launching Round II FON in February.</li> <li>2. Increasing VRF incentives.</li> </ol>
Local Government, Public Schools, Congregate Housing	\$15 M	\$3.4 M	\$11.6 M <b>(78%)</b>	<ol style="list-style-type: none"> <li>1. Launched Round II FONs in October.</li> <li>2. Launching Targeted FON to Local Gov Round I participants that did supplemental HPs, offering incentives to go to whole building.</li> <li>3. Increasing VRF incentives.</li> </ol>
Manufacturers	\$6 M	\$4.5 M	\$1.5 M <b>(25%)</b>	Robust pipeline of 15 projects.
EV Charging	\$8 M	\$4.7 M	\$3.3 M <b>(41%)</b>	<ol style="list-style-type: none"> <li>1. RFP for DC Fast Chargers launched 12/2023</li> <li>2. RFP for Level 2 chargers scheduled for mid-2024</li> </ol>