

Efficiency Maine Trust Board Meeting Minutes February 26, 2014

Trust Board Members:

- Al Hodsdon, Vice-Chair
- Brent Boyles
- Naomi Mermin
- John Rohman
- John Gallagher
- Patrick Woodcock

Efficiency Maine Trust (EMT) Staff:

- Elizabeth Crabtree
- Dana Fischer
- Constance Packard
- Anne Stephenson
- Michael Stoddard

Other Attendees:

- Tom Snyder, Dave Ireland Builders
- Jim Martin, Dave Ireland Builders
- Steve Ward, Perkins Point Energy Consulting
- Dylan Voorhees, NRCM
- Richard Burbank, Evergreen Home Performance
- Bill Bell, Maine Pellet Fuels Association

1.0 Welcome and Introductions

Mr. Hodsdon called the meeting to order at 9:35 a.m. The Board and attendees introduced themselves.

2.0 Approve Draft Agenda and Minutes

ACTION: Upon a motion duly made (Mr. Boyles) and seconded (Mr. Rohman), the Board voted unanimously (Ms. Mermin not present) to approve the draft agenda but to reorder the agenda to ensure that there was a quorum present for the two motions that require board action. Upon a motion duly made (Mr. Boyles) and seconded (Mr. Rohman) the minutes from the previous meeting were unanimously approved (Ms. Mermin not present) with a note to correct a spelling error.

3.0 Reports

a. Strategic Planning Committee

i. Annual Membership Dues Consortium for Energy Efficiency

ACTION: Upon a motion duly made (Mr. Boyles) and seconded (Mr. Gallagher), the Board voted unanimously (Ms. Mermin not present) to authorize the Executive Director to enroll Efficiency Maine as a member of CEE with annual dues in the amount of \$17,069.

ii. PowerSaver Loan-to-Value underwriting modification

Mr. Stoddard directed the Board's attention to a memo regarding a recommended change to PowerSaver underwriting standards.

ACTION: Upon a motion duly made (Ms. Mermin) and seconded (Mr. Rohman), the Board voted unanimously to approve the recommendation to increase the minimum Combined Loan to Value for PowerSaver loans to 120%.

4.0 Public Comment

There were no public comments offered.

5.0 Executive Director Report

Mr. Stoddard began the Executive Director's Report by recounting recent press coverage, including recent pellet boiler projects in the news as well as a *Bangor Daily News* editorial on weatherization services.

Mr. Stoddard also added that the communications office had recently awarded a contract to Vreeland Marketing and Design and acknowledged the recent passing of Midge Vreeland.

Mr. Stoddard shared a Government Relations update and current filings at the Public Utilities Commission. Mr. Boyles asked how the PUC will manage Non-Transmission Alternatives (NTA) moving forward and if Efficiency Maine will take a larger role in NTA analysis. He continued that Efficiency Maine was an independent organization and had an unbiased view of NTA alternatives and that he would be in favor of the Trust working with the Commission. Mr. Stoddard offered to look in to a more detailed briefing for the Board.

Mr. Stoddard invited Mr. Woodcock to give an update on the Governor's appointments to the Efficiency Maine Trust Board. Mr. Woodcock thanked Ms. Mermin, Mr. Rohman and Mr. Atwell for their service and experience in energy efficiency. He continued that the Governor has made three appointments: Ms. Burke from Norway Savings Bank, Dr. Dunning of the University of Maine, and Mr. Fletcher, a previous member of the Board.

Mr. Stoddard continued his report with program highlights. The Multifamily Program is close to reaching its goal of 1,800 units and has achieved an estimated 26% in energy savings per unit. The staff will be recommending that the program be continued with RGGI funding after the DOE funds are expended. Mr. Gallagher mentioned that he would be interested in additional program results from EMT on ductless heat pumps in multi-unit properties.

Mr. Stoddard next reported on the Large Customer Program. The program investment is picking up since the program design changes that were introduced in recent months. The initiative to use a portion of the RGGI funds to support upgraded heating systems for low-income customers is moving slowly and Trust staff is working with CAP agencies and MSHA to understand the administrative hurdles to investing in high-efficiency heating systems. Efficiency Maine has convened a low-income advisory group and will be working on modifications to the program in the coming months. Mr. Stoddard added this effort will explore ways to tie the low-income program offerings in with an emerging initiative to weatherize homes in CMP territory as provided for in the Maine Power Reliability Program settlement.

Mr. Stoddard concluded the briefing by mentioning that the staff is exploring office spaces since the current office lease is nearing its completion. Ms. Packard and Mr. Leclair on the Staff have been reviewing multiple properties in the Greater Augusta area and comparing prices and functionality.

Efficiency Maine recently completed the 8th Forward Capacity Market auction for capacity resources to be delivered in the 2017-2018 time period. The scarcity of power and efficiency resources drove up the price for resources bid in this auction. Mr. Boyles asked if Efficiency Maine could leverage NTAs to have additional capacity to sell into the market. Mr. Woodcock asked to know more about how Efficiency Maine chose to bid its resources. Mr. Stoddard answered that the strategies Efficiency Maine uses have differed through the years depending on the circumstances. In the 8th auction, Efficiency Maine used a conservative bidding approach, relying on the lower range of budget estimates and savings estimates to avoid the risk of a penalty for overbidding. It was acknowledged that if the Trust were comfortable assuming larger risk, it could have estimated higher savings and offered a more aggressive bid. Mr. Woodcock pointed out that additional Forward Capacity Market revenues would reduce the SBC. Ms. Mermin commented that as Efficiency Maine invests more RGGI funds into thermal efficiency measures, the Trust reduces the electric resources biddable into the Forward Capacity Market.

6.0 Reports

a. Finance Committee

Mr. Boyles directed the Board's attention to a memo from Ms. Packard providing an overview of revenues and expenditures to date. He added that there are no actions

required for this meeting but there will be budget adjustments proposed at the next Board meeting. Mr. Boyles also mentioned that the FY15 budget will be added to the May agenda.

b. Staff Reports: HESP Status and Update (Dana Fischer)

Mr. Fischer began his report with a brief background on the Home Energy Savings Program and the RGGI Stakeholder process. The program was launched in September 2013 but began in earnest in mid-October after contractors completed projects previously booked in the RDI program. Mr. Fischer provided an overview of the incentives currently offered through the program and reported that there has been an uptake in loan applications. The team is now processing between 25 and 45 loan applications a week.

Participation in the program has been boosted by a marketing campaign that employs Google Ad words, radio, internet display ads, and more. Efficiency Maine will be rolling out a campaign for HESP around “good choices” in the coming month.

Mr. Fischer continued his briefing by mentioning that prior participants in the air sealing or RDI program have been six times more likely to participate in the new HESP program; preliminary evidence demonstrates that engaging in air sealing up front leverages additional investments in energy efficiency. Mr. Fischer then briefed the board on the cost of average projects and the number of incentives processed to date. Mr. Fischer explained that 20% of all HESP projects are being inspected as part of the quality assurance process. The pass rate is more than 95% and any projects requiring additional work are handled in collaboration with the installing contractor and homeowner. Mr. Hodsdon asked about the program’s relationship with local code enforcement officers. Mr. Fischer replied that he would like to work more closely with local code enforcement officers; the program has heard from some officials and has clarified the wiring requirements for ductless heat pump installations as a result.

Mr. Fischer concluded his report by sharing that Staff recently solicited feedback from participating contractors. The overwhelming majority of comments were to keep program incentives constant – where they are now - and to sustain the program for the next year. Maintaining continuity is of primary importance for the contractor community. Mr. Woodcock asked when Mr. Fischer was planning on making changes to the Unifit incentive program. Mr. Fischer mentioned that modest changes to the Unifit incentive program were likely to be launched over the next month.

7.0 New Business

There was no new business.

8.0 Next Meeting Agenda and Scheduling

ACTION: The Board set the date to meet on Wednesday March 26th at 9:30 a.m. with committee meetings scheduled in the interim.

9.0 Additional Public Comment

Mr. Burbank commented that the HESP program was working well and appreciated that the Trust was working to keep incentives and program delivery steady and for the long-term.

10.0 Adjournment

ACTION: Upon a motion duly made (Ms. Mermin) and seconded (Mr. Boyles) the Board voted unanimously to adjourn at 11:57 a.m.