

**Efficiency Maine Trust
Board Meeting Minutes
January 14, 2015**

Trust Board Members:

- Al Hodsdon, Chair
- David Barber, Vice Chair
- Kenneth Fletcher, Secretary
- Brent Boyles, Treasurer
- Lennie Burke
- Scott Dunning
- John Gallagher
- Donald Lewis
- Patrick Woodcock

Efficiency Maine Trust (EMT) Staff:

- Peter Eglinton
- Dana Fischer
- Constance Packard
- Rick Meinking
- Anne Stephenson
- Michael Stoddard

Other Attendees:

- Will Beck, MEMA
- Bill Bell, MPFA
- Adam Gifford, CSG
- Tom Snyder, P-S Performance Group
- Dylan Voorhees, NRCM

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 (Ms. Burke) and seconded (Mr. Lewis), the Board voted unanimously to approve the draft agenda and approve the November minutes.

3.0 Public Comment on Agenda Items

There were no public comments offered.

4.0 Executive Director Report

Mr. Stoddard began the Executive Director's Report with an overview of some of the recent press coverage on managing business energy costs through energy efficiency. He mentioned that the Communications Team has been busy handling press inquiries and that those inquiries and the traffic to the website are two indications that many more

people are turning to Efficiency Maine than in the past. Mr. Stoddard then briefed the Board on the Multifamily Program which has seen more activity in the last month. The Program has shifted its focus on benchmarking and custom solutions to streamlined prescriptive measures to encourage additional participation in the program.

The Large Customer Program is close to achieving its goal of investing all of its budgeted funds if known projects close to beginning are authorized in this fiscal year. Mr. Stoddard thanked the Large Customer Team for its efforts. Mr. Stoddard indicated that a number of cogeneration projects are coming through the Large Customer Program, which will take advantage of all-fuels funding. The briefing then moved to the Small Business Initiative that was recently launched in the Waterville/Winslow area. Mr. Stoddard mentioned that this region will be closely evaluated because it is also an area of grid constraint.

Mr. Stoddard then briefed the Board on the current status of the Maine Advanced Building program. The Maine Advanced Building program incentivizes high-efficiency new construction and has a number of buildings in the pipeline. One challenge of the program is that as building budgets shift, high-energy saving measures sometimes get cut and buildings drop out of the program. Mr. Woodcock mentioned that his office is dealing with a related issue – how municipalities can ensure that new homes are meeting the MUBEC code -- which was briefly discussed.

Mr. Stoddard then briefed the Board on the Home Energy Savings Program, which is forecasted to end the year with the budget fully expended. The program is on pace to incentivize 8,000 heat pumps this fiscal year and the number of pellet boilers installed continues at a steady pace. The demand for home energy loans is rapidly growing; Efficiency Maine has lent \$3 million in the first half of the fiscal year. Mr. Stoddard mentioned that the Staff will need to work with the Board to capitalize the loan fund in the next fiscal year.

Mr. Stoddard concluded the Executive Director's Report with two issues related to lighting. The Trust has recently received a preliminary lighting evaluation that suggested a revised benefit-to-cost calculation to address the phase-in of federal EISA standards. Staff decided to implement this more stringent savings calculation for the final printing of the FY14 Annual Report. Even after adjusting the savings, the lighting program still delivers the highest overall benefit-to-cost results of all the programs in our portfolio. Lastly, Mr. Stoddard briefed the Board on the recent news story about CFL bulbs that were purchased in bulk for resale in other parts of the country. Mr. Stoddard assured the Board that those bulbs would not be incentivized by Efficiency Maine, explaining that the Retail Team only reimburses retailers for sales that meet the criteria dictated in a Memorandum Of Understanding (MOU). A provision of the MOU is that Efficiency Maine will not reimburse stores for purchases of more than 12 units per sale. In the recently publicized case, the customer exceeded the purchase limit and as a result Efficiency Maine will not reimburse the stores. Mr. Stoddard added that the team is instituting additional protections to ensure that future bulb purchases benefit Maine ratepayers.

5.0 Reports

a. Finance and Administration Committee

i. CONFIRM RFP Award for Audit Firm

Mr. Boyles requested that the Board confirm the Finance Committee's recommendation that the audit services RFP be awarded to Runyon Kersteen Ouellette.

ACTION: Upon a motion duly made (Mr. Boyles) and seconded (Mr. Barber) the Board voted unanimously to confirm the selection of Runyon Kersteen Ouellette (RKO) as the Trust's auditors for the term of three years with not-to-exceed pricing of \$58,430 annually and two one-year renewable years.

ii. REPORT on Revenues and Expenditures

Mr. Boyles indicated that no action was required for the Board other than some budget adjustments which will be covered under the next agenda item.

iii. APPROVE FY15 Budget Adjustments

Mr. Boyles provided an overview of a memo from Constance Packard dated January 14, 2015, detailing a larger than expected increase in loan activity. Loan interest has increased and the fund balance has decreased.

ACTION: Upon a motion duly made (Mr. Boyles) and seconded (Mr. Dunning) the Board voted unanimously to approve the budget transfers for the Better Building grant fund as described in the January 14, 2015 Budget #1 memo from Constance Packard.

Mr. Boyles next directed the Board's attention to a second budget adjustment memo describing a proposed transfer from Low Income Initiatives to Low Income Lighting/Appliances. This adjustment does not change the amount of funds going towards low income customers but rather changes the delivery channel. Mr. Boyles explained that the Staff believes that this adjustment will stretch dollars further and support more low income customers.

Mr. Woodcock mentioned that he supported the shift but hoped that there would be more conversation about low income programs and opportunity to explore new options for program delivery.

ACTION: Upon a motion duly made (Mr. Boyles) and seconded (Mr. Barber) the Board voted unanimously to approve the transfer of \$1,117,611 from the Conservation Fund's Low Income Initiatives to Low Income Lighting/Appliances.

(b) Program Committee

i. UPDATE on Business Incentive Program (Electric) Year-to-Date

Mr. Eglinton provided an overview of the Business Incentive Program, including funding sources, installed projects, and some of the program changes implemented over the past year. Mr. Dunning asked about the dramatic reduction in custom incentives. Mr. Meinking answered that most custom projects were LEDs and that many of those are now on the prescriptive incentive list. Mr. Eglinton then briefed the Board on the Business Incentive Program pipeline and budget trajectory. The Staff anticipates the need for an additional \$2.5 million to maintain program activity at current levels. Mr. Eglinton then briefed the Board on the four options the Staff is considering to address the budget shortfall including reallocating budgets from EMT-administered lines, shifting electric and RGGI funds from less active programs, using RGGI funds recently shifted from the MAB program, and scaling back Business Incentive Program activity.

Mr. Boyles asked if Maine Yankee funds were off the table. Mr. Stoddard replied that they had been earmarked for FY16 but could be pulled in to this fiscal year. Mr. Fletcher asked if these choices would be expanded by the Staff. Mr. Stoddard replied that the Staff is working on a briefing for the Program Committee at its next meeting; that discussion will take place after the Staff has evaluated all opportunities for fund transfers. Mr. Hodsdon indicated that the Board would direct the Staff to evaluate all options as preferential to stopping the program for several months. Mr. Eglinton closed the discussion by sharing that the topic will continue at the next Program Committee and Board meetings.

ii. APPROVE Authorization for Continued Participation in DesignLights Consortium

Mr. Stoddard briefed the Board on the Trust's annual renewal of its membership in the DesignLights Consortium. Mr. Meinking added that the membership allows the Trust to point to a third-party approved list of high-efficiency lights rather than research and test individual makes and models of bulbs.

ACTION: Upon a motion duly made (Mr. Lewis) and seconded (Ms. Fletcher) the Board voted unanimously (Mr. Woodcock was absent for the

vote) to authorize the Executive Director to enroll Efficiency Maine as a 2015 member of the Design Light Consortium for the cost of \$46,000.

iii. Timeline for Triennial Plan – 3

Mr. Eglinton provided an overview of the Triennial plan timeline and opportunities for Board and stakeholder input.

6.0 New Business

Mr. Hodsdon briefed the Board on the need to revisit Board officer appointments since some appointments were off the calendar cycle of original term appointments. Mr. Lewis proposed that the current officers remain in place through October at which time Board officers would rotate. There were no objections.

7.0 Next Meeting Agenda and Scheduling

The next Board Meeting was set for Wednesday February 25, 2015.

8.0 Adjourn

ACTION: Upon a motion duly made (Mr. Fletcher) and seconded (Mr. Lewis) the Board voted unanimously (Mr. Woodcock absent) to adjourn the public meeting at 12:00 p.m.