

Efficiency Maine Trust Board Meeting Minutes January 15, 2014

Trust Board Members:

- James Atwell, Chair
- Al Hodsdon, Vice-Chair
- Brent Boyles
- Naomi Mermin
- John Rohman
- John Gallagher
- Lisa Smith for Patrick Woodcock

Efficiency Maine Trust (EMT) Staff:

- Elizabeth Crabtree
- Dana Fischer
- Rick Meinking
- Andy Meyer
- Constance Packard
- Anne Stephenson
- Michael Stoddard

Other Attendees:

- Tom Snyder, Dave Ireland Builders
- Jim Martin, Dave Ireland Builders
- Bill Bell, Maine Pellet Fuels Association

1.0 Welcome and Introductions

Mr. Atwell 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. Hodsdon) and seconded (Mr. Boyles), the Board voted unanimously to approve the draft agenda. Upon a motion duly made (Mr. Hodsdon) and seconded (Mr. Boyles) the minutes from the previous meeting were unanimously approved.

3.0 Public Comment

There were no public comments offered.

4.0 Executive Director Report

Mr. Stoddard reported that staff relied exclusively on the contractor community to spread the word about HESP incentives in the program's first months in order to ensure that the pace of program interest would not exceed the program budget. Now that that pace has been determined to be slightly under program goals, staff has begun to roll-out a marketing initiative.

Mr. Stoddard then briefed the board on the Business Program and mentioned that the program is slightly behind goal now that the program's budget has been increased. A number of tweaks are planned for the coming months. Mr. Stoddard also mentioned that the multifamily program is very close to reaching its goal of 1,800 units and that a third-party evaluation of the multifamily program will be completed this spring.

Mr. Stoddard then moved to reporting on the LiWx program. The current program is finishing the remaining electrically-heated eligible properties and will be redesigned this spring. Mr. Stoddard reported that the Large Customer Program is behind on schedule and budget and that the Large Customer Review Team and staff are working on modifying the program cap to allow for large projects to be covered by a multi-year program cap. Ms. Mermin added that such a change would be consistent with other large customer programs across the country.

Mr. Stoddard mentioned that the HESP program will be the subject of a briefing at the next meeting. Heat pumps continue to be the most popular measure installed as part of the program. Ms. Mermin asked that information about homeowners taking next steps after air sealing projects be included in the briefing. Mr. Atwell asked if seasonality is important in program uptake. Ms. Mermin added that Massachusetts has an additional incentive for boiler replacements from April through June. Mr. Stoddard concluded his briefing on HESP by sharing that there have been no low-income heating system replacements completed through the eCHIP program and that Efficiency Maine is working with MSHA to better understand why. Mr. Gallagher added that MSHA is working with the CAPs and that part of the problem is the time of year – vendors are more likely to do repairs than replacements during the heating season. He also added that MSHA's federal procurement policy which requires three bids and a written proposal may be a deterrent for vendor participation in the program.

Ms. Smith asked if the Unutil Natural Gas program budget also be added to the list of topics for the February board meeting in order to discuss the possibility of applying the Unutil rebate to measures other than air sealing. Mr. Stoddard replied that it would be added and that it was important to discuss because many states have trouble meeting cost effectiveness tests for natural gas heating equipment. Mr. Rohman asked if the other utilities were close to meeting the 5,000 customer threshold. Mr. Stoddard replied that the Omnibus bill removed the threshold and that Efficiency Maine has filed at the PUC for a study that will identify natural gas measure opportunities throughout the state and submit a proposal and budget that would be put into rates. Soon the staff will present straw proposal on what will be presented to the PUC. Ms. Smith asked why the cost-effectiveness test determines measure selection. Mr. Stoddard replied that the short answer is because the intent is to squeeze the most value out of rate payer dollars.

Efficiency programs have cost-effective conservation as their primary mission; it is part of the Efficiency Maine rules for program administration.

Mr. Stoddard concluded the Executive Director's report by sharing that there have been some staff changes. Ms. Lloyd has left to become the City Planner in Belfast; Mr. Lyle will be joining the staff soon to work as a program manager. Ms. Lloyd's Data and Research Analyst position has been posted.

5.0 Reports

a. Finance Committee

i. Committee Update

Mr. Boyles began his report by mentioning that the Finance Committee met last week and has the following report and recommendations. Page 10 of the Executive Director's Report has a good summary of the financials: December was a good month for revenues and expenditures are on track. Mr. Boyles continued by sharing that the Finance Committee is recommending an extension to the audit contract; that does not need to go out to bid, rather the committee will exercise its option to extend last year's contract.

ii. Approve annual membership in Design Lights Consortium (DLC)

Mr. Boyles directed the Board's attention to a memo from Elizabeth Crabtree dated January 8, 2014.

ACTION: Upon a motion duly made (Mr. Boyles) and seconded (Mr. Hodsdon), the Board unanimously moved to authorize the Executive Director to enroll Efficiency Maine as a 2014 member of the Design Light Consortium for the cost of \$3,900.

iii. Approve two budget adjustments to reflect actual proceeds of last two RGGI auctions and correct Maine Yankee revenues

Mr. Boyles briefed the board that this motion adjusts the budget to reflect the actual proceeds from the last two RGGI auctions and corrected Maine Yankee revenues. CMP has paid Efficiency Maine the Maine Yankee funds, but Emera has received adjustments to their revenues and will be transferring \$456,300 less to Efficiency Maine. The finance committee recommends that the budget be modified to reflect the breakdown as outlined in a January 15 memo from Constance Packard.

Mr. Atwell asked if the modified budget allocations reflect the difficulty of meeting the program objectives of the large customer program and suggested that the proportional decrease of Maine Yankee funds across all programs be examined. Ms. Mermin suggested that it would be cleaner to do the cut according to earlier allocations and do a later budget amendment to transfer

funds if necessary. Mr. Stoddard thanked Mr. Atwell and Ms. Mermin for their suggestions and added that some mid-course corrections for budget allocations will be an on-going topic over the coming months.

ACTION: Upon a motion duly made (Mr. Boyles) and seconded (Ms. Mermin), the Board unanimously moved to approve the revenue and expenditure budgets for Maine Yankee and RGGI as outlined in two January 15 2014 memos from Constance Packard.

iv. Update on change in federal underwriting standards for insured residential PowerSaver Loans

Mr. Stoddard directed the Board's attention to a memo from Elizabeth Crabtree and Dana Fischer on a change to PowerSaver underwriting standards. There is no motion to change the standards at this time, but the staff may recommend modification to underwriting standards at the next Board meeting.

b. Staff Reports

i. Website Upgrade (Dr. Anne Stephenson, Communications Manager)

Anne Stephenson shared recent upgrades to the website as well as projects that will soon be live, including modifications to the Residential Vendor Locator. Dr. Stephenson also shared information on a recently-launched Google Ad campaign for the HESP program. Mr. Hodsdon and Ms. Smith recommended that more information about the vendor categories and vendor certifications be included in the new version of the locator.

ii. Small Business Direct Install Pilot – Review (Rick Meinking, Business Program Manager)

Mr. Meinking briefed the Board on the Small Business Direct Install Pilot, including the different delivery methods attempted in Machias and Presque Isle. Mr. Meinking shared an outline of the program design for the next Direct Install Pilot to apply lessons learned from the first two locations with the hope to get more program participants at lower administrative costs in the next round, as well as to move from assessment to installation more quickly. Mr. Stoddard added that the staff was also applying lessons learned from the Boothbay Harbor Non-Transmission Alternative Pilot to the next phase of the Small Business pilot. Mr. Atwell asked if the next phase would also be geographically-focused. Mr. Meinking replied that it would.

iii. Heat Pump Water Heaters – Update (Andy Meyer, Residential Program Manager)

Mr. Meyer provided the Board with an overview of the heat pump water heater technology and shared information from the first nine months of the heat pump water heater rebate. Mr. Meyer shared the communication channels relevant to water heater decision making, including plumbers, distributors, retail outlets and social media. Ms. Mermin suggested that Mr. Meyer consider reaching out to kitchen and bathroom renovation stores and professionals since switching to a new water heating system might be considered as part of those larger projects. Mr. Meyer concluded by sharing that Efficiency Maine has aggressive goals for transforming the electric water heating market in Maine compared to other states, but that to date Efficiency Maine is on pace to rebate 2,000 units.

6.0 New Business

Mr. Stoddard reiterated those topics addressed in today's meeting which will be revisited at the next meeting including the Large Customer Program, HESP (and information on the number of RDI alums taking next stems), and underwriting standards.

7.0 Next Meeting Agenda and Scheduling

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

8.0 Adjournment

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