

**Efficiency Maine Trust
Board Meeting Minutes**

July 20, 2010

Room 211, Cross Building, Augusta, ME

Approved September 22, 2010

Trust Board Members

✓ Adam Lee, Chair	✓ Dale McCormick
✓ Naomi Mermin, Vice Chair	✓ John Kerry
✓ James Atwell, Secretary	Glenn Poole
✓ Michelle Atherton, Treasurer	✓ John Rohman
	✓ Tom Tietenberg

Efficiency Maine Trust Staff/Consultants:

- Michael Stoddard
- John Quartararo
- Jean Guzzetti
- Elizabeth Crabtree
- Linda Pistner
- Cindy Talbot

Partial List of Other Attendees:

- Kendall Kurz, Burgess Advertising
- Judy Katzel, Burgess Advertising
- Dylan Voorhees, NRCM
- Bruce Harrington, ERS
- Paulina Collins, PUC
- Pam McTigue, TESM
- Shelby Wright, MGEA
- Seth Murray, MGEA
- Ann Goggin, Green Oak
- Don Perkins, GMRI
- Alan Lishness, GMRI
- Charlie Woodworth
- Barbara DiBiase, Next Century Energy

1.0 Approve Draft Agenda and Minutes

Chair Lee called the meeting to order at 9:32 a.m.

ACTION: Upon a motion duly made (Tietenberg) and seconded (McCormick) the Board voted unanimously to approve the minutes of the June 23 Board Meeting with the following changes requested by Michael Stoddard:

- Under Item 2.0: Executive Director Report; Bullet 3: State Energy Office Designation, Memorandum of Understanding, Office of Energy Independence and Security – revise the as follows (additional text in *italics*):
Upon a motion duly made (Mermin) and seconded (Atwell) the Board voted unanimously to authorize allocation of funds from the Trust’s budget *from the State Energy Program funded by the federal government*, to support the OIES Deputy Director positions with an amount not to exceed \$190,000.
- Under Item 2.0: Executive Director Report; Bullet 4: Triennial Plan Docket, second paragraph – revise the first sentence as follows:

The reviewers did not believe that the plan was compliant with the funding restrictions of the statute in some areas, such as limits of how much RGGI funding could be used for *administrative costs* ~~different programs~~.

- Under Item 3.0: Program Updates; Bullet 1: Competitive Grant Updates and due diligence, revise the last sentence as follows:
At the present time, five of the awardees are ~~the Staff~~ is having difficulty meeting contract requirements.

ACTION: Upon a motion duly made (Rohman) and seconded (Tietenberg) the Board voted unanimously to approve the agenda for this meeting.

2.0 Executive Director Report – Michael Stoddard

- **Triennial Plan Approval Update**

Stoddard reported that the PUC approved the plan late the previous afternoon (July 19, 2010). At the time of this meeting, he was not able to provide information on any conditions of approval from the PUC but he will report back to the Board on this matter when he is able to review the notice.

- **Regional Conference**

Stoddard participated in a panel discussion at the New England Governor's and Eastern Canada Premiers meeting. Maine's plan was well received.

3.0 Financial Update

- **Proposed Board Resolutions**

The Board discussed and acted on the following three items detailed in the memorandum from John Quartararo, Efficiency Maine Trust Chief Financial Officer (CF) dated July 15, 2010:

ACTION: Upon a motion duly made (Atwell) and seconded (Mermin) the Board voted unanimously to add Elizabeth Crabtree as an additional signer on the Camden National accounts and to authorize John Quartararo to make decisions regarding the banking relationship, services, and to sign contracts for banking services. This resolution does not extend to the CFO the ability to terminate the banking relationship with Camden National Bank or to enter into a new relationship with another bank without approval of the Board.

Rohman abstained.

ACTION: Upon a motion duly made (Atherton) and seconded (Tietenberg) the Board voted unanimously to open an account at BlackRock for use a financial assurance for ISO-New England.

ACTION: Upon a motion duly made (McCormick) and seconded (Mermin) the Board voted unanimously to increase the letter of credit to \$1,250,000.

- **FY 2011 Budget**

Quartararo presented a draft budget for FY 2011 to the Board Members and discussed the current status and differences in state and Trust reporting (i.e., cash vs. accrual basis accounting). Most of the funds remaining from FY 2010 have been committed but are not yet spent due to the different reporting methods.

McCormick noted that when all programs are detailed in the budget, it is important to be sure that the \$600,000 committed to developing ECOS and the data repository be included as a distinct line item. Stoddard explained that Quartararo is working with the program team to identify all the pieces and that such details will be worked into the next draft.

Mermin explained that this is a preliminary budget needing approval to keep a working budget in place, and that a board committee (discussed later in the meeting) will continue to work through the details and will bring the revised budget back to the full Board.

ACTION: Upon a motion duly made (Mermin) and seconded (Atherton) the Board voted unanimously to approve the draft budget prepared by staff as an interim budget of \$62 million with the expectation that it will be revised at the next meeting and that expenditures would be consistent with the provisions of the Triennial Plan with the exception of funds from the Retrofit Ramp-up program which would be spent over a 3-year period.

4.0 Rulemaking Report

Linda Pistner presented information on the process of rulemaking and rules that the Trust may wish to modify as well as rules that the Trust may wish to adopt. Some of these were inherited from the PUC and Energy and Carbon Savings Trust. Stoddard reported that the staff has compiled an extensive list of possible rule changes and additions. They will file them with the state by this year's deadline of July 22. It is important to include all possible rulemaking items even if they are not addressed in the next year. The staff also has prioritization of what rules are most important, such as those associated with the PACE program.

In response to a question from Tietenberg, Stoddard indicated that he intends to have public hearings for most of the proposed rules, with the possible exception of the rules inherited from the PUC where the only change might be in the name from PUC to the Trust.

Stoddard emphasized the 90 day time frame for replacing the temporary contracting authority rule with a permanent rule and the need for a hearing in mid-September.

5.0 Board Structure

The Board Chair and Vice Chair have identified several sub-committees which, if formed, could help the Board address staff's needs between meetings, as well as, providing strategic planning functions.

- **Executive Committee**

ACTION: Upon a motion duly made (Mermin) and seconded (Rohman) the Board voted unanimously to form an executive committee to include the Board's four officers and the ex officio members. The Executive Committee will consist of five members and the ex officio members will share responsibilities depending on their schedules.

ACTION: Upon a motion duly made (Mermin) and seconded (Atherton) the Board voted unanimously to give the Executive Committee authority to provide staff with direction on administrative actions and rules and to make decisions on behalf of the board, within the rulemaking provisions of the bylaws, between Board meetings.

- **Other Board Committees** (Finance, Strategic Issues and Plans, Governance)

The Board discussed and established the following sub-committees:

- **Finance:** Atherton, Atwell, Kerry
- **Strategic Issues and Plans:** Rohman, Mermin, Tietenberg, Lee, McCormick

- **Board Recommendations to the Governor for Re-Appointment**

Atwell and Rohman have 1-year terms which expire in September. The Governor's office has contacted them regarding re-appointment.

ACTION: Upon a motion duly made (McCormick) and seconded (Mermin) the Board voted unanimously to recommend re-appointment of Atwell and Rohman.

The Board will solicit interest for officer positions among themselves.

6.0 Program Updates

- **Marketing Contract Authorization**

Stoddard summarized the information included in his memorandum dated July 15, 2010. Discussion followed regarding the work anticipated to be needed in the near future regarding website maintenance, printed materials, and revision of materials referencing Efficiency Maine's connection to the PUC.

ACTION: Upon a motion duly made (McCormick) and seconded (Kerry) the Board voted unanimously to enter into a sole source contract with Burgess Advertising & Marketing, as allowed under the Trust rules, Chapter 1, Section 3.B, for a temporary

period of three (3) months, retroactive to July 1, 2010, in an amount not to exceed \$183,000.

Mermin urged staff to hire a strategic marketing consultant to develop an overall marketing plan and to have that resource work with board members. The strategic issues and plans committee will be involved in this process.

- **Natural Gas Contract Authorization**

ACTION: Upon a motion duly made (Mermin) and seconded (Tietenberg) the Board voted unanimously to enter into a sole source contract with Unitil in an amount not to exceed \$624,158, for the term from July 1, 2010 to June 30, 2011 to assist businesses with energy efficiency programs and with the understanding that the residential efficiency and weatherization programs will be administered directly by Efficiency Maine.

- **Contracts for Grant Awards**

Stoddard reported on the current grant award status. He presented a letter from DOE applauding Maine's efforts to quickly obligate funds to projects. However, the Trust has a bottleneck of over 80 contracts that were transferred to Efficiency Maine from the PUC. Although they were almost all completed under the PUC, the change in entity to the Trust requires them to be re-written with name changes and some other information. The staff is working on this and all contracts should be sent out in the next two weeks.

- **Forward Capacity Market**

John Quartararo reported that the Trust is prepared to go forward with the auction on August 2 (which is based on last year's Show of Interest) and he has asked Energy New England (ENE) to provide support for that auction. Before selecting ENE, staff issued RFP's to three firms; however all three declined to respond due to the short turn-around time and required level of detail. All three firms indicated that they would like to respond with more time. Therefore, in the interim, the Trust entered into a contract with ENE to provide bid strategy support for this next auction at fixed rate of \$7,000. Staff will re-issue the RFP and spend a longer period selecting a longer term consultant.

Lee requested that Quartararo consult with Glenn Poole on this subject because Poole has direct Forward Capacity Market experience, and asked Quartararo to report back to him.

- **Residential Loan Program**

The Maine Green Energy Alliance (MGEA) was included as a sub-grantee in the proposal to support municipalities and homeowners and provide support services

through the towns' process of adopting a PACE ordinance and through the homeowners' process of the audit, financing, and installation process. Stoddard explained MGEA's role in the program.

Members of the public expressed concern that other groups, who were involved in the grant application, were not given the opportunity to serve the same role. Stoddard explained that while many groups and towns signed letters of support for the grant proposal, MGEA was the only entity listed in the original proposal as a sub-grantee. He also indicated that MGEA has agreed to set aside a portion of its budget to fund other group's initiatives.

Discussion followed on the scope of the original proposal, the changes resulting from the reduced funding and the structure of the original alliance.

ACTION: Upon a motion duly made (Mermin) and seconded (Kerry) the Board voted unanimously to authorize the Executive Director to enter a contract with the Maine Green Energy Alliance for the implementation of the Coordinated Community Retrofit Plan over a period not to exceed one year and for an amount not to exceed \$1.25 million, with option for another 2 years, and with a 3-year total not to exceed \$3 million with a provision for input and review by staff and the board and the ability to re-allocate the funds .

Atherton abstained.

7.0 Efficiency Maine Employer Supported Weatherization Pilot

Lee presented a pilot program that he is initiating at Lee Auto Malls to assist employees to get energy efficiency audits and weatherization services. As an employer, Lee Auto Malls would make arrangements with an auditor for a large number of audits for employees at a reduced rate. The company will fund the audits and then the employees can repay the company through payroll deduction. Lee would also pre-pay the rebate portion of the cost to the contract to prevent the employee from having to wait for the rebate. They are also working with banks and/or credit unions to fund the remainder of the cost.

Lee hopes to be able to roll this out to other large employers and hopes that it will enable Efficiency Maine to reach more homeowners.

8.0 New Business

Stoddard noted that the Triennial Plan includes the Enabling Strategies section and budget and that he and Tim Vrabel met with Gulf of Maine Research Institute in Portland. They are proposing an educational program using a Google tool to help students track the energy use in their homes and would like to explore some funding from the Trust.

Mermin suggested that the Strategic Issues and Plans Committee meet to review strategies and how this fits in with the Trust's overall educational plan.

9.0 Public Comment

- **Ann Goggin, Green Oak Funding.** She expressed disappointment with vote taken to fund MGEA. She explained how MGEA began as a consortium of four towns and has now become a non-profit corporation. She did not understand that the agenda item was a vote and would have provided written input had she known this would be voted on.
- **Seth Murray, Executive Director of MGEA.** He admitted to a failure of communication on their part. He also offered feedback that the public is concerned with the August 31 end date for the additional rebate program because there isn't enough time to schedule the audit and complete the retrofit work.
- **Steve Thomas, Kennebunk Energy Alliance.** He presented his select board with LD 1717 and their committee wasn't happy with what the statute has morphed into. They are wondering why they should opt in. He is concerned that PACE information isn't getting out fast enough and that some of the remaining \$3 million be awarded to other organizations to get things moving faster.
- **Pam McTigue, Thermal Energy Storage of Maine.** Described her organization's participation in the original grant application and indicated that they have not been able to get any information on changes in the scope made to reflect lower grant award amount. McTigue's main concern is that there has been no communication to some of the organizations that participated in the original proposal.
- **Justin Holmes, Midcoast Economic Development District.** He is looking for the grant recipient contract. Stoddard explained the delay discussed previously in this meeting and indicated that the contract would be out no later than next week.

10.0 Next Meeting Agenda

The Board decided not to meet in August and will work to schedule meetings for the fall.

11.0 Adjournment

ACTION: Upon a motion duly made (Mermin) and seconded (Tietenberg) the Board voted unanimously to adjourn the meeting at 1:20 p.m.