

**Efficiency Maine Trust
Board Meeting Minutes
March 27, 2013**

Trust Board Members

James Atwell, Chair	Patrick Woodcock
Al Hodsdon, Vice-Chair	John Gallagher
John Rohman	Glenn Poole

Efficiency Maine Trust (EMT) Staff:

- Michael Stoddard
- Connie Packard
- Elizabeth Crabtree
- Andy Meyer
- Rick Meinking
- Anne Stephenson

Other Attendees:

- Beth Nagusky, ENE
- Steve Ward
- David Norman
- Tom Rooney, TRC
- Matt Holden, Sparhawk Group

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. Rohman) and seconded (Mr. Hodsdon), the Board voted to unanimously approve the draft agenda with minor revisions suggested. The minutes will be revised on page three to change the term “fuel-switching” to “upgrading fuel systems.”

The minutes were unanimously approved as revised.

3.0 Public Comment

3.1 Beth Nagusky commented that the EMT budget is before the Energy, Utilities, and Technology Committee and ENE has submitted copies of its economic analysis on the economic benefits to Maine rate payers of the proposed budget. ENE has demonstrated that average electricity cost savings to ratepayers is more than 6% even after the EMT budget is factored into the rates.

Mr. Stoddard clarified that the PUC determined that the MACE budget was consistent with the statutory directive to attain all cost effective energy savings. He further clarified

that the recommended SBC assessment is not sufficient to cover program costs of capturing the full MACE amount. The Trust would require additional revenues to capture the full MACE amount.

Mr. Poole asked if projected increased RGGI revenues will affect the assessment. Mr. Stoddard answered that the PUC may “true-up” the SBC assessments, replacing SBC revenues with RGGI revenues if the combination of the two should exceed what the Triennial Plan posited as a MACE budget.

Mr. Woodcock asked Mr. Stoddard about how that process would be executed. Mr. Stoddard responded that the most likely approach would occur in conjunction with the Trust’s submission of the Annual Update (to the Triennial Plan) that is presented to the PUC by January 1 to identify any “significant changes” to the Triennial Plan.

Mr. Hodsdon asked Mr. Stoddard to speak to the current SBC costs and if all benefits were felt equally by all electric customers. Mr. Stoddard replied that the SBC costs the average residential customer about \$8 a year, a cost that is recouped through the installation of one CFL. Mr. Stoddard added that EMT works to ensure its programs reach electric customers throughout the state and that the program delivery teams work to achieve geographic distribution through the residential and commercial programs.

3.2 Mr. Ward commented that he testified at the Appropriations Committee on behalf of the Efficiency Maine budget. He added that the SBC has been unchanged for more than ten years and that Efficiency Maine has demonstrated that the benefits from energy efficiency justify the increase. The PUC has ratified that the rate payers will receive a benefit. Mr. Stoddard thanked Mr. Ward and Ms. Nagusky for their testimony and added that Dylan Voorhees and David Clay also testified in favor of the budget. Mr. Stoddard provided a recap of the process by which the SBC must be reviewed and approved by the Legislature before it can take effect.

4.0 Executive Director Report

Mr. Stoddard began his report with a Governmental Affairs update. Mr. Stoddard mentioned that the Energy and Utilities Committee also held a public hearing two weeks ago on Sen. Katz’s bill LD 697. The sponsor requested amending the bill to continue the PUC’s authority to review and approve utility-proposed alternative heating pilot projects for alternative heating systems. There was extensive testimony about the appropriate use of ratepayer funds versus utility shareholder funds, and the existing authority of the PUC to allow some amount of fuel switching costs to be paid from rates (as happened recently in the Summit Natural Gas case).

Mr. Stoddard then briefed the Board on program updates. After reviewing business program highlights, Mr. Stoddard discussed the direct install pilot which delivers lighting projects to small businesses in select towns in the Bangor Hydro and Maine Public Service (BHE-MPS) territories. The cost of the installations after incentives is repaid over time on utility bills. Mr. Stoddard then discussed the air sealing deal for residential

customers and mentioned that about 10% of the air sealing projects are leading to deeper retrofits including boiler upgrades and insulation. Some of these projects are being financed through the PACE program.

Mr. Stoddard shared that on March 26 he attended the MaineHousing public hearing for next year's plans on the low income Weatherization Assistance Program. He is preparing written comments to submit on behalf of the Board. Mr. Stoddard suggested that Efficiency Maine's experience with the air sealing program might be valuable to share.

Mr. Woodcock asked Mr. Stoddard about the long-term future of the air sealing program. Mr. Stoddard answered that the program was being funded with DOE grant funds and that those funds will terminate on September 30, 2013. Mr. Stoddard continued that it would be a good topic to discuss with the Strategic Planning Committee and that RGGI funds could be one possible way of continuing to fund the program. The Staff is planning to work with the Board on the FY 2014 budget over the next month so that it can be voted on at the May 2013 meeting.

Mr. Stoddard closed his presentation by sharing that Staff collaborated with the Governor's Energy Office to complete its final "draw down" of federal funds for the ARRA State Energy Program (SEP), thus completing oversight of a successful three-year, \$25.5 million initiative. He congratulated Connie Packard, Joy Adamson, Ian Burnes, and Rick Meinking on their hard work on the close-out. Mr. Rohman asked if there was a possibility of additional grants from the Department of Energy as funds are returned from other grantees. Mr. Stoddard answered that he was not aware of any additional funding opportunities at this time. Mr. Atwell added that the Board was very grateful for the Staff's grant administration efforts.

5.0 Committee Reports

a. Finance Committee

i. **APPROVE** ARRA SEP budget adjustments

The recommended adjustments repurpose DOE funds to expend the funds by the close of the grant period.

ACTION: Upon a motion duly made (Mr. Hodsdon) and seconded (Mr. Rohman), the Board voted to unanimously approve the ARRA SEP budget adjustments.

ii. **APPROVE** procurement policy for certain goods and services other than those selected for delivery of programs or project grants.

Mr. Stoddard introduced a draft procurement policy that is proposed for use by Staff to procure goods and services used for operation of the Trust, as distinct from goods and services used in the delivery of

programs.

Mr. Woodcock shared that if it would present no additional burden to the Staff, it would be useful if Mr. Stoddard included a report-out on these types of purchases in the Executive Director's report at Board Meetings. Mr. Poole asked if the terms (e.g., RFP, RFQ) could be better defined so that the types of purchases covered under these categories are as clear as possible.

ACTION: Upon a motion duly made (Mr. Poole) and seconded (Mr. Hodsdon), the board unanimously approved the policy and asked that the purchase categories be fine tuned and circulated for another round of review.

iii. **REVIEW** monthly financial report

Mr. Stoddard shared the financial report which includes more RGGI revenues than had been forecasted. Mr. Woodcock asked how an increase in RGGI revenues impacts other revenues, including the SBC assessment. Mr. Stoddard shared that the current SBC is a fixed minimum amount hard-wired in statute. Above this minimum, incremental assessments must be approved by the PUC and the legislature. Mr. Poole added that the revenues were impacted by speculative purchasing of credits in advance of the proposed changes to RGGI; credits can be banked for future use by emitters.

iv. **APPROVE** sole source purchase of advertising

Mr. Stoddard shared that these sole source purchases would cover advertising on city buses and the printing and stuffing of PACE brochures in approximately 200,000 municipal tax bills. Mr. Woodcock shared that he would find a briefing on marketing strategy useful and asked that one be added to an upcoming board meeting.

ACTION: Upon a motion duly made (Mr. Hodsdon) and seconded (Mr. Poole), the board unanimously approved the purchases.

b. Strategic Planning Committee

- i. **APPROVE** amendment to Opinion Dynamics contract by adding \$50,000 to focus on evaluation of RDI (Air Sealing promotion) impact and process

ACTION: Upon a motion duly made (Mr. Rohman) and seconded (Mr. Hodsdon), the Board voted to unanimously approve the contract amendment.

- ii. **APPROVE** amendment to the Bangor Hydro Electric and Maine Public Service (BHE-MPS) Innovation Program grant to add \$120,000 for additional heat pump incentives

Mr. Stoddard explained that this additional funding will allow BHE-MPS to continue the pilot through the fiscal year and will increase the data available for evaluating heat pump effectiveness. Mr. Woodcock asked how BHE will be communicating the pilot extension to customers and stakeholders and suggested that it might merit a press release. Ms. Nagusky mentioned that an important issue remains: weatherization measures should be installed before heat pumps to ensure the most cost-effective installation possible.

ACTION: Upon a motion duly made (Mr. Hodsdon) and seconded (Mr. Rohman), the Board voted to unanimously approve the budget amendment.

- iii. **APPROVE** sole source contract of \$40,000 for a year's subscription to the New Building's Institute curriculum and related materials for Commercial New Construction.

ACTION: Upon a motion duly made (Mr. Hodsdon) and seconded (Mr. Poole), the Board voted to unanimously approve the budget amendment.

6.0 Other Reports

a. Program Update on the Multi-Family Program

Mr. Meinking briefed the Board on the DOE-funded Multifamily program, including the primary elements of program design and implementation: benchmarking, incentives, energy reduction plans, prescriptive measures, modeling software, program, outreach, marketing, and program participation to date. Following Mr. Meinking's presentation, the Board discussed various topics related to the program, including the potential use of building labeling and the degree to which tenants benefit.

7.0 New Business

Mr. Atwell mentioned that the Strategic Planning Committee will convene on April 11th. Mr. Rohman asked Mr. Woodcock about the status of Board appointments. Mr. Woodcock said that one appointment will soon be announced. Mr. Atwell followed with the comment that Board assignments to committees needs to be revisited.

8.0 Next Meeting Agenda

ACTION: The Board set the date to meet on April 24th at 9:30 a.m.

9.0 Adjournment

ACTION: Upon a motion duly made (Hodsdon) and seconded (Rohman) the Board voted unanimously to adjourn at 12:00 p.m.

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