

## Efficiency Maine Trust

**Board Meeting**  
**March 31, 2010**

**Meeting Minutes**  
**Approved April 7, 2010**

**Date:** Wednesday, March 31, 2010  
**Time:** 9:30 a.m. to 12:30 p.m.  
**Location:** Worcester Room, PUC Offices, Hallowell, ME

**Attendance:**

Trust Board Members				Efficiency Maine Trust Staff/Consultants	
✓	Adam Lee, Chair	✓	Dale McCormick	✓	Michael Stoddard
✓	Naomi Mermin, Vice Chair	✓	John Kerry	✓	Cindy Talbot
✓	James Atwell, Secretary		Glenn Poole	✓	Lynn Kinney
✓	Michelle Atherton, Treasurer	✓	John Rohman		
		✓	Tom Tietenberg		

**Other Attendees:**

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| <ul style="list-style-type: none"> <li>• Tim Vrabel, Efficiency Maine</li> <li>• Elizabeth Crabtree, Efficiency Maine</li> <li>• Rick Meinking, Efficiency Maine</li> <li>• Andy Meyer, Efficiency Maine</li> <li>• Jean Guzzetti, Efficiency Maine</li> <li>• Linda Pistner, Attorney General's Office</li> <li>• Bruce Harrington, ERS</li> <li>• Jennifer Puser, OEIS</li> <li>• Judy Katzel, Burgess Advertising</li> <li>• Kathy Mockler, Burgess Advertising</li> <li>• Charlie Woodworth</li> </ul> | <ul style="list-style-type: none"> <li>• Aaron Cummings, Irving Forest Products</li> <li>• George Gantz, Unitol</li> <li>• John Logan</li> <li>• Sue Inches, State Planning Office</li> <li>• Virginia Archambault, Vreeland Marketing</li> <li>• Tom Brubaker, Midcoast Regional Redevelopment Authority (MRRA)</li> <li>• John Davulis, GDS</li> <li>• Doug Baston</li> <li>• Jamie Py</li> </ul> |
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**1.0 Approve Draft Agenda and Minutes**

The meeting convened at 9:35 a.m.

**ACTION:** Upon a motion duly made (Kerry) and seconded (Mermin) the Board voted unanimously to approve the minutes of the March 3, 2010 meeting. Atwell abstained.

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

## 2.0 Executive Director Report – Michael Stoddard

- **Legislative Report**

Stoddard discussed three pieces of legislation currently being considered with possible implications on the Trust.

**Ocean Energy Task Force Bill** – This bill originally included provisions promoting ground source heat pumps as a use of wind-generated power; however many of those provisions have been struck from the legislation. The bill is still under consideration. A letter from the Committee Chairs is being considered as a way to encourage the DEP to conduct a study on efficient heating options, in consultation with the Trust and others, but it is unclear if such a study is needed in light of the statutory obligation of the Trust to report on heating system programs and funding by January 2011.

**Power Corridors** –Initially the bill proposed that funds from the sale or lease of state lands for power transmission should come to the Trust; however, many of these lands are in highway median strips. Therefore, the current bill provides for 20 percent of the funds to go to the DOT to improve transportation and 80 percent to the Trust. [Subsequent to the meeting, an on-floor Amendment was offered to shift the split to 50-50 between the Trust and DOT. A final vote is pending.] Of the Trust’s portion, 75 percent must go to energy efficiency and 25 percent to renewable resources. Pistner added information regarding the Maine Turnpike Authority and their claim to the funds.

**Bond Packages** – There are several bond packages under consideration that include significant funding for energy efficiency. Stoddard testified in support of the Governor’s bond package section to raise \$5 million for large industrial efficiency projects.

The Trust presentation to the UTE committee, originally scheduled for April 1, is being rescheduled to April 5.

- **Hiring Process**

Stoddard met with a human resources consultant to develop job descriptions and a draft organizational chart for the Trust. He anticipates that the top tier jobs will be posted in the next couple of weeks and possibly filled by the end of April. The current human resources consultant does not have experience developing benefit packages and he is looking for assistance with that task.

- **Executive Director Introduction to Efficiency Maine Staff**

Stoddard met with the current Efficiency Maine staff on Monday. Kerry noted the importance of transparency and interpersonal communication with the staff during the transition.

- **Temporary Office Space**  
The PUC has offered use of space in their office for Stoddard and one or two other hires for the transition period. He will likely begin to work out of office at the PUC next week.
- **Draft Memorandum of Understanding (MOU)**  
The PUC has begun to draft an MOU on several transition issues including the Forward Capacity Markets, areas for collaboration, staff and cost sharing, handling ARRA grants and RGGI accounts. Stoddard will continue working with the PUC on the details of the MOU.

### 3.0 Work Group Updates

- **IT Work Group – Lynn Kinney Consulting**  
Kinney has completed the technology inventory, and everything should be ready for the July 1 cutover from Efficiency Maine. She sees no barriers at this point.
- **Forward Capacity Markets**  
Tietenberg gave a report with information from Denis Bergeron. At this time the Trust needs to provide Bergeron with an estimate of electric savings for the period beginning June 1, 2013 and ending May 31, 2014. Bergeron will then perform an analysis and prepare a bid for the next auction cycle. Mermin and Stoddard will facilitate getting the necessary information from Optimal and will provide the data to Bergeron. Bergeron indicated that he needs a decision by the April 29 board meeting. They will submit the Trust's bid to Independent System Operator (ISO) New England by April 29. Between June and October ISO New England will come back to the Trust and may ask for justification on the number provided. This section may need some editing to use the proper terminology.
- **Transition Work Group**  
This work group is disbanded because Stoddard is handling the transition issues.

### 4.0 Triennial Plan

Mermin gave an update on the Plan progress, including the workshop meeting held on March 23. Stoddard provided a summary of the comments received to date to the Board. Editorial changes are ongoing with the goal of having a final document by the April 7 Board Meeting.

Mermin noted that the plan is intentionally over-arching and strategic. It is not intended to include specific program designs, which will be developed by the Trust's staff beginning July 1.

Discussion followed on several areas of significant public comment.

- **Budget**

All public comments, with the exception of those from Unitil, indicated that they believed the plan was underfunded. They expressed concerns that the Trust would not reach the long-term savings targets, that the plan did not realize all cost-effective measures, and that the funding per capita is under that in other northeastern states. Unitil commented that the funding level is appropriate in the current economic climate. No comments have been received indicating that the proposed funding level was too high. Discussion followed among board members regarding the spirit of the law, options to address the public's comments and the process for revising the system benefit charges after the Plan is approved. Stoddard noted that frequent changes to funding levels would impact the business community. It is important for the business community to be able to rely on a defined level of funding so that they can build the capacity to meet the needs of the program.

**ACTION:** Upon a motion duly made (Mermin) and seconded (Tietenberg) the Board voted unanimously to raise the Electric System Benefit Charge (SBC) in the Plan from 2.25 mills to 2.5 mills (\$0.0025/kWh) in Year 2 and from 3.0 mills to 3.5 mills (\$0.0035/kWh) in Year 3.

Discussion followed on the natural gas SBC. Unitil suggested having a budget of approximately \$1 million in Year 1 and a slight increase in Years 2 and 3. The plan was not clear because it was rounded to \$1million in all 3 years.

Following discussion, it was recommended that the natural gas SBCs in the Plan not be changed. Discussion also followed on the administration of the natural gas programs.

- **Residential Programs**

The Trust received several comments on the BPI certification requirement. There was concern that it was: a) a barrier to contractors certified to another standard, b) training opportunities are limited and expensive for small firms, and c) the lack of access to certified trainers. Efficiency Maine currently is flexible on training requirements and suggests extending the deadline for requiring certification to allow for work to begin July 1. McCormick noted that at MaineHousing, they have committed to moving all their installers to BPI certification within 2 years.

**ACTION:** Upon a motion duly made (Mermin) and seconded (McCormick) the Board voted unanimously to strike reference to BPI certification in the Triennial Plan. Details on certification requirements will be addressed during program development.

The Board then discussed the evaluation process and its budget. The current evaluation budget is approximately one percent and this is below average for efficiency programs. Concern was expressed that the performance metrics were somewhat implicit in the plan and should be explicit. For comparison, Oregon has

only two metrics: energy saved and the Benefit Cost Ratio (BCR) confirm. Vermont has a larger number of metrics including items such as customer satisfaction.

The Board directed Stoddard to look into increasing the evaluation budget after defining the metrics.

Rohman mentioned the comments on multifamily properties with more than five units. McCormick urged changes to the plan so that multi-family properties with more than five units do not fall through the cracks. Mermin recommended that it be handled under Residential programs, although not completely independent of the Business Program benefits that may be available to these properties. She urged thinking about programs from the customer's prospective. McCormick noted that program development should include details of how many single-family residences vs. multi-family residences are weatherized.

Lee brought up the comments from SAVI Systems. Mermin is fairly confident that the commenter misinterpreted the plan and that Efficiency Maine Trust is not moving toward an in-house provider system and she is willing to speak with them regarding this issue.

## 5.0 New Business

- **Executive Committee**

Stoddard suggested establishing an Executive Committee to facilitate addressing issues that arise between board meetings. Stoddard and Linda Pistner will look into this for discussion at the next meeting.

- **Natural Gas Programs – Administration**

Unitil has proposed to the Trust that they would maintain their current efficiency programs after July 1 with a few additions. Currently, funds collected through the natural gas SBC by Unitil stay with Unitil and Unitil administers all the efficiency programs. After July 1, the Trust is responsible for establishing natural gas conservation and efficiency programs as per MRSA Title 35-A §10111. Stoddard recommended a plan similar to that used in Oregon, where the Trust is the program administrator and Unitil continues to deliver the services under contract to the Trust.

- **FY 2010 Trust Budget**

Stoddard has developed the following high-level budget for the remainder of FY 2010:

	<b>Estimated Cost FY 2010</b>	<b>Remaining Budget</b>
<b>Staff</b>	\$98,300	\$98,300
<b>Contractors</b>	\$589,700	\$461,400
<b>Incidentals</b>	\$12,000	\$6,400
<b>Total</b>	\$700,000	\$566,100

Discussion followed on developing a process for future contract and amendment approvals. Rohman noted that it will be important to have a formal process in place for approving contracts and change orders. He also noted the importance of keeping the Board informed of the status of all contracts. Stoddard indicated that it would be helpful to him to have a defined process in place.

**ACTION:** Upon a motion duly made (Lee) and seconded (Rohman) the Board voted unanimously to approve the budget submitted by Stoddard and to request the balance of \$425,000 from the PUC.

- **Executive Director Contracting and Expenditure Authority**  
Stoddard will draft a proposal on this matter for discussion at the April 7 Board meeting.

## 6.0 Public Comment

- **Bill Bell, Mainewatch Institute**  
They are doing a study that will make information available to consumers on residential heating options. They hope to supplement the work of the Trust in outreach and would like the Trust's endorsement so that they can get funding from other sources. Mermin requested that the proposal be submitted to staff and they will make a recommendation to the Board.
- **Jamie Py, MEMA**  
MEMA submitted comments in writing on March 30. Most of their comments are at the program level.

## 7.0 Next Meeting Agenda

Next Meeting: Wednesday, April 7, 2010, 9:30 a.m., PUC Offices

- Triennial Plan Approval
- Forward Capacity Market Bid Projection
- Executive Director Report/Updates

## 8.0 Adjournment

**ACTION:** Upon a motion duly made (Lee) and seconded (Tietenberg), the Board voted unanimously to adjourn the meeting at 12:30 p.m.