

Efficiency Maine Trust
Board Meeting Minutes
May 23, 2012

Trust Board Members

Adam Lee	Jeffrey Marks (for Mr. Fletcher)
Naomi Mermin	Al Hodsdon
James Atwell	Glenn Poole
Doug Smith	John Rohman
Peter Merrill	

Efficiency Maine Trust Staff:

- Michael Stoddard
- Peter Roehrig
- Rick Meinking
- Elizabeth Crabtree
- Dana Fischer
- Lucia Nixon
- Ian Burnes

Partial List of Other Attendees:

- Cindy Carroll
- Nick Adams
- Brian Hicks
- Beth Nagusky
- Tony Buxton

1.0 Approve Draft Agenda and Minutes

Naomi Mermin called the meeting to order at 9:36 am

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

ACTION: Upon a motion duly made (Mr. Rohman) and seconded (Mr. Atwell) the Board voted unanimously to approve the minutes from the April 2012 board meeting with clarification of a question put forth by Mr. Atwell as to what was meant by EMT's screening of membership discussion from the prior board meeting. Ms Mermin clarified that with regards to memberships, it is challenging to quantify the value such memberships provide to the Trust. Ms. Mermin explained that since the Board had already agreed on the qualitative value of these memberships, it is up to Staff to develop metrics by which to measure value over the long term. Staff agreed to provide the Board with an analysis of membership value.

2.0 Public Comment

Tony Buxton of the Industrial Energy Consumers Group (IECG) commented on Efficiency Maine's allocation of Regional Greenhouse Gas Initiative (RGGI) funds. Mr. Buxton urged the Board to not change how the Trust has allocated these funds in the past. Mr. Buxton discussed the level of support that IECG provided at RGGI's inception. Mr. Buxton conveyed his desire on behalf of IECG to preclude any changes that might undermine support for RGGI here in Maine among the IECG members.

3.0 Executive Director Report

Michael Stoddard, Efficiency Maine's Executive Director, commented on recent press coverage on an emerging pilot project with CMP in the Boothbay Region that will attempt to contribute 2 MW of alternatives to new transmission capacity over the next three years.

Mr. Stoddard commented on the Trust's current progress being ahead of goal in terms of energy savings for the Business Incentive Program for FY 2012.

Mr. Stoddard discussed the Trust's success in generating good initial attention and requests for the new program to deliver Blower Door-Directed Air Sealing for residential homes starting to weatherize. He confirmed Ms. Mermin's question that the program is statewide and that the payment can either go to the homeowner or be directed to the contractor.

Mr. Stoddard reported that the appliance rebate program was coming to a close one month ahead of schedule, with more saved energy than had been projected.

Mr. Stoddard next discussed the Trust's recently awarded innovation grant awards to Bangor Hydro Electric and the Vermont Energy Investment Corporation (VEIC), both of which put forward proposals to install and measure the effectiveness of heat pump technologies in Maine. The Trust intends to analyze the program results to potentially inform future program design.

Mr. Rohman asked how many units would be installed with the Bangor Hydro pilot. Ms. Crabtree, Program Director for the Trust, responded it would be around 300 units. She indicated that the VEIC pilot would include fewer number of installations but more in the way of program design analysis. Mr. Atwell asked about the sizes of the awards, which Staff confirmed were \$150,000 for Bangor Hydro and \$135,000 for VEIC. Mr. Lee asked how much each unit would cost per installation for the Bangor Hydro pilot, to which Ms. Crabtree estimated approximately \$3,000-3,500 each.

4.0 Committee Reports

1. Finance Committee

(a) Contract Amendments -- Mr. Poole introduced the motion to amend a contract with Conservation Services Group (CSG). CSG is the current vendor of services to administer the rebate program for renewable energy equipment, and additionally had

won a prior competitive bid to manage the direct installation of residential weatherization measures.

Mr. Stoddard explained the proposal to amend the CSG contract to would allow the Trust to expand the funding authorization for both the contract to deliver the renewable rebate program and the contract to deliver the residential direct install program. The latter was proposed to be changed so that any time a natural gas customer participates in the residential direct install program in Unutil territory, the Trust may apply funds out of the Natural Gas Conservation Fund to pay for those projects. The renewable energy contract amendment proposed to move unused federal funds currently budgeted in the Commercial Loan Program. Demand for that Loan Program has been very low. The deadline for use of the federal funds is the end of the calendar year. Looking at other programs that are already approved by the US Department of Energy for use with these funds and that have sufficient customer demand to be spent out by year-end, Staff recommends repurposing these funds for use in the solar energy incentives. Mr. Poole asked how much these contract changes would amount to for CSG's services. Staff indicated that it would be approximately \$35,000.

ACTION: Upon a motion duly made (Mr. Poole) and seconded (Mr. Smith), the Board voted unanimously to amend the CSG contract for Administration of the Renewable Rebate Program to include up to \$750,000 of unspent ARRA SEP funds for cost-effective renewable energy rebates and competitive projects, and to amend the CSG contract for administration of the Residential Direct Install Program by adding \$162,393 for incentives associated with the Residential Direct Install Program, and \$86,066 to support the installation of efficient natural gas heating appliances in the Low Income Residential sector, using Residential Gas system benefit charge funds from Unutil.

(b) Seeking PUC Contract Approval for Delivered Savings

Mr. Stoddard reviewed the Staff memo describing the history of the discussions among the Board and Staff on pursuing the Public Utilities Commission's authority to order contracts providing compensation for delivered energy resources, including capacity and energy derived from energy efficiency. The memo also outlined the benefits that could be generated from the Staff's proposed approach of using the revolving loan fund to finance projects under the Large Impact Program, and then providing financial incentivizes for the projects by aggregating and selling the energy savings to the Maine utilities under a contract approved by the Commission and selling the capacity into the regional Forward Capacity Market.

ACTION: Upon a motion duly made (Ms. Mermin) and seconded (Mr. Hodsdon), the Board voted unanimously to authorize Staff to file a proposal at the Public Utilities Commission seeking approval of a power purchase agreement for the delivery of energy efficiency savings consistent with the Triennial Plan and with the Commission's legal authority to do so, and for the Executive Director to enter one or

more contracts with holders of any such power purchase agreement approved by the Commission.

(c) FY2013 Budget

Discussion of the budget centered on the question of how to allocate the RGGI revenues among various programs.

Mr. Stoddard observed that what Staff had proposed is not intended to constitute a significant change to past practices. He indicated that the Staff's proposed allocations are consistent with the RGGI Rules, a portion of which Mr. Stoddard read aloud, as follows:

To the extent practicable, the trustees will seek to ensure opportunity for all customer classes of transmission and distribution utilities and all economic sectors of the State to apply for funding from the Trust and to achieve balance in the award of contracts for projects and programs among such classes and sectors.

Mr. Stoddard assured the Board that large industrial customers have received a significant portion of RGGI funding for projects completed in the past three years. He also observed that the largest of these customers – the Transmission and Sub-Transmission (T&ST) level customers -- would be eligible for even more funding through the Staff's proposed Enhanced Financing Program and the Maine Power Reliability Program (MPRP) settlement funds, which are reflected in the proposed budget. Mr. Stoddard agreed that the RGGI Statute does give priority to measures having the highest benefit to cost ratio, but observed that this applies to "measures," not programs. As such, the Staff had proposed a budget that would first achieve the "balance" among various customer classes pursuant to the applicable rules and the statute, and then would employ program designs to ensure that RGGI-funded measures within each program met highest benefit to cost ratio criterion.

Mr. Poole commented that the relative cost of RGGI for the typical industrial energy consumer in Maine is greater than for a typical residential energy consumer in Maine. Ms. Mermin asked if there is a change needed to the proposed draft budget in terms of redistribution of funds, and commented that the status quo appears to be fairly equitable. There was also discussion about the best way to implement the statutory requirement of giving priority to the highest benefit to cost ratio.

Ms. Mermin asked the Board's preference between moving the proposed draft budget forward "as is," or pushing the entire question to the June 2013 Board meeting so as to allow time to answer the questions brought forward in order to clearly state what questions the Board wants answered. There was discussion of a variety of hybrid options to indicate satisfaction with the proposed budget in general while withholding judgment on the allocation of the RGGI funds.

ACTION: Upon a motion duly made (Mr. Hodsdon) and seconded (Ms. Mermin), the Board voted unanimously to approve the proposed draft FY2013 budget with the exception of the allocation of RGGI funds, which the Board will wait to review and approve at the June Board meeting.

2. Strategic Planning Committee Meeting

Ms. Crabtree commented on the series of several committee meetings to develop and launch a straw proposal for the Triennial Plan outline and discuss major substantive points. Ms. Crabtree said that the committee has made good progress on proposals and topics for further discussion. Mr. Stoddard said that Staff was seeking to set a date for a kickoff meeting for stakeholders. (Subsequently, the date was set for June 27, after the next board meeting). Staff indicated that it plans to hold work groups on parallel tracks for individual program areas (e.g., Residential, Business, Renewable) through late July and early August.

5.0 Presentation

1. Commercial Project Grant Program Evaluation

Mr. Meinking provided a presentation on the independent evaluation of his ARRA-funded Commercial Grant Program.

6.0 New Business

No new business.

7.0 Next Meeting Agenda

ACTION: The Board set the date to meet on June 27, 2012.

8.0 Adjournment

ACTION: Upon a motion duly made (Mr. Smith) and seconded (Mr. Marks as delegate for Mr. Fletcher) the Board voted unanimously to adjourn at 11:56 a.m.