

**Efficiency Maine Trust
Board Meeting Minutes
May 28, 2014**

Trust Board Members:

- Al Hodsdon, Chair
- David Barber, Vice-Chair
- Brent Boyles, Treasurer
- Kenneth Fletcher, Secretary
- Lennie Burke
- John Gallagher
- Patrick Woodcock

Efficiency Maine Trust (EMT) Staff:

- Elizabeth Crabtree
- Dana Fischer
- Constance Packard
- Anne Stephenson
- Michael Stoddard

Other Attendees:

- Doug Baston
- Will Beck, MEMA
- Mark Cone, Maine DEP
- Doug Guerette, Winthrop Fuel Co.
- Jim Merkel, Jotul North America
- Amanda Pelletier, P-S Performance Group
- Jim Pike, Energy Kinetics
- Roger Purinton, Jotul North America
- Chris Shorey, Governor's Energy Office
- Tom Snyder, P-S Performance Group
- Dylan Voorhees, NRCM

1.0 Welcome and Introductions

Mr. Hodsdon called the meeting to order at 9:35 a.m. The Board and attendees introduced themselves.

2.0 Approve Draft Agenda and Minutes

Mr. Woodcock requested that page 5 and 6 be amended to read "The statute calls for the Trust to weatherize all homes to a minimum standard of weatherization, as defined by the Trust." Mr. Woodcock proposed a working group to define a standard for that weatherization.

ACTION: Upon a motion duly made (Mr. Barber) and seconded (Ms. Burke), the Board voted unanimously to approve the draft agenda and the minutes with amendment provided by Mr. Woodcock.

3.0 Public Comment on Agenda Items

Mr. Beck from MEMA thanked the Staff for the recent changes to HESP program guidelines that included hydronic pipe insulation. Mr. Beck also notified Staff that the one oil boiler model currently meeting Efficiency Maine's AFUE requirements will soon be discontinued and other efficiency criteria may need to be considered.

Mr. Merkel from Jotul North America briefed Staff and Board on wood stove replacement programs currently offered across the country, as well a wood stove change-out campaign organized by the American Lung Association. He suggested that Efficiency Maine should consider a wood stove change-out program.

Mr. Cone, Director of the Bureau of Air Quality for the Maine Department of the Environment introduced himself and expressed a willingness to work with Efficiency Maine Staff on projects where clean air and efficiency intersect.

Mr. Purinton from Jotul North America suggested that Efficiency Maine Staff explore a Canadian wood stove program that does not require make-up air ducted to the stove. Mr. Dunning asked Mr. Purinton to share the study he referenced when describing the Canadian program.

Mr. Pike shared with the Board that the modulating oil boiler from Buderus is being discontinued and recommended that Staff consider removing the modulating requirement from oil boilers.

4.0 Board Committee Assignments

Mr. Hodsdon shared Board of Trustee Committee Assignments and welcomed all Board Members to participate in committee meetings.

5.0 Executive Director Report

Mr. Stoddard briefed the Board that the PUC has indicated that Maine Yankee funds may be used for all classes of electric customers. Mr. Stoddard also mentioned that he will continue to update the Board on the Natural Gas proceeding at the PUC.

Mr. Stoddard mentioned that the ramp-up of the Business Incentive Program is going well, and the team continues to increase the investment level in a responsible manner. The Program Team is working on reaching more customers and adding more measures to the prescriptive incentive list. Mr. Stoddard added that the Multifamily Efficiency Program contract was recently awarded to the incumbent, TRC Energy Services.

Mr. Stoddard's next briefed the Board on the Residential Programs. Consumer interest in the HESP Program continues to accelerate and expenditures on incentives alone were at

\$700,000 last month. The Staff has been evaluating whether the budget will have sufficient funds through FY15 to sustain that level of program activity and is prepared to present contingency plans to the Finance Committee. The Retail Lighting Program incentivized more than four times the number of LEDs than the year before.

Mr. Stoddard closed the Executive Director's report by thanking Lucia Nixon for her work as Research and Evaluation Manager. Lucia recently left Efficiency Maine to take work at the Office of Program Evaluation and Government Accountability.

Mr. Stoddard's complete Executive Director's Report may be found [here](#).

3.0 Reports

a. Finance Committee

(i) FY15 Budget Presentation

Mr. Boyles briefed the Board that the Finance Committee is pleased with the current results to date; he invited Ms. Packard to present the FY15 budget.

Ms. Packard presented FY15 revenues. RGGI revenues were forecasted using the March 2014 auction revenues as a baseline and multiplying that times four quarterly auctions.

Ms. Packard then presented proposed FY15 expenditures. Mr. Woodcock asked Ms. Packard to explain how administrative costs were allocated within programs and as a percentage of total expenditures; Ms. Packard replied that administrative costs were at or below 9% of total expenditures as required by law. Ms. Packard thanked the Board and stakeholders for their support during the budgeting process. She then presented to the Board the detailed budget spreadsheets.

Mr. Boyles asked if because MPRP funds may only be spent in CMP territories, more conservation funds are allocated to other utility territories. Mr. Stoddard replied that the Staff has treated utility funding as additive rather and kept other funding and programming consistent across the state. Mr. Boyles asked Mr. Stoddard if he anticipates that the PUC will request a larger budget transfer for oversight expenses. Mr. Stoddard replied that they are not yet sure.

(ii) APPROVE FY Budget V.1

ACTION: Upon a motion duly made (Mr. Boyles) and seconded (Mr.

Gallagher), Mr. Woodcock offered an amendment to the FY15 budget to transfer additional funds to the HESP Program.

Upon a motion duly made (Mr. Barber) and seconded (Mr. Boyles), the Board moved to unanimously approve the budget in the amount of \$49,992,622 including the budgeted amounts for travel, meals and contributions and reflecting Mr. Woodcock's two amendments: transfer \$1 million from Lighting/Appliance line, derived from forecasted Forward Capacity Revenues, to the HESP Heating Appliances line and transfer \$1,485,226 from the Business/Incentive Program line, derived from forecasted Forward Capacity Revenues, to the HESP Heating Appliances line.

Mr. Woodcock added that while he was not offering it as a budget amendment, he would encourage the Staff to continue to review how funds dedicated to low income Mainers could be used towards high-efficiency heating systems. He added that he was encouraged by recent the success of the Low Income Heat Pump initiative.

b. Strategic Planning Committee

(i) Staff Report on Expanded Natural Gas Conservation Program – Straw Implementation Plan

Mr. Stoddard reminded the Board that the Omnibus Energy Bill modified Natural Gas Conservation funding to MACE (Maximum Achievable Cost Effective energy efficiency levels), which is the same standard used to establish electric conservation funding levels.

There is currently a proceeding at the PUC to solicit formal feedback from stakeholders on how best to expand natural gas conservation programs across the state and to set the appropriate funding level. The proceeding addresses what the program should look like and how it will be implemented.

Mr. Stoddard began his presentation by reiterating the criteria that will guide inclusion or exclusion of all proposed measures promoted through the natural gas conservation program. These criteria include meeting the total resource cost test, minimizing free-ridership, and ensuring that efficiency program designs are not unduly impacting fuel switching decisions. Mr. Stoddard reviewed “lost opportunity” and “retrofit” measures and outlined the straw proposal. The proposed plan is to keep natural gas incentives simple and as familiar as possible to the contractor community by keeping them the same as what is currently offered in the Unitil territory. As with Unitil programs, the expanded programs would piggyback on to larger efficiency programs already offered by the Trust in

order to minimize delivery costs and maximize incentives. As the fiscal year unfolds, the Staff will explore additional incentives and strategies which may include custom incentives.

Mr. Gallagher asked how the programs will be launched. Mr. Stoddard replied that the PUC proceeding will determine how the launch will begin – three gas utilities are not currently collecting conservation funds. In order for programs to be launched prior to the next heating season, some funds would need to be collected soon. The Efficiency Maine staff wants to avoid a situation in which funds run out. Mr. Stoddard added that unlike other funds, the Trust is likely to track and report the funds from each utility separately.

Mr. Voorhees commented that this moment when homeowners or businesses are deciding to switch is an important opportunity to take advantage of because the customers are installing equipment that will be in place for twenty years or more.

4.0 New Business

Mr. Barber suggested that the Boothbay Harbor region NTA be on the agenda for the next meeting.

Mr. Stoddard added that the Staff would follow-up with the DEP and wood stove industry representatives and would brief the Board on any recommendations.

5.0 Next Meeting Agenda and Scheduling

ACTION: The Board set the date to meet on Wednesday June 25th at 9:30 a.m. with committee meetings scheduled in the interim.

6.0 Adjourn

ACTION: Upon a motion duly made (Mr. Dunning) and seconded (Ms. Barber) the Board voted unanimously to adjourn the public meeting at 11:59 a.m.