

**Efficiency Maine Trust
Board Meeting Minutes
November 19, 2014**

Trust Board Members:

- Al Hodsdon, Chair
- David Barber, Vice Chair
- Kenneth Fletcher, Secretary
- Lennie Burke
- John Gallagher
- Donald Lewis
- Patrick Woodcock

Efficiency Maine Trust (EMT) Staff:

- Peter Eglinton
- Dana Fischer
- Constance Packard
- Rick Meinking
- Anne Stephenson
- Michael Stoddard

Other Attendees:

- Will Beck, MEMA
- Bill Bell, MPFA
- Adam Gifford, CSG
- Tom Snyder, P-S Performance Group

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

ACTION: Upon a motion duly made (Mr. Lewis) and seconded (Ms. Burke), the Board voted unanimously to approve the draft agenda and approve the October minutes with the correction in section 6.0 changing “New England” to “FERC”.

3.0 Public Comment on Agenda Items

Mr. Bell shared that the Board of Directors of Maine Pellet Fuels Association met last week to review the past year and noted its support of Efficiency Maine Trust as one the organization’s highest priorities.

4.0 Executive Director Report

Mr. Stoddard asked the Board to save the date for the Annual Event scheduled for January 29, 2015 and invited the Board to share their thoughts on panel topics and speakers.

Mr. Stoddard then briefed the Board on Government Relations including the status of the proposed expansion of the Natural Gas Conservation Program. Mr. Woodcock asked about the decline in calls and web traffic in October over the previous month. Mr. Fischer replied that one reason might be that we have scaled back Home Energy Savings Program marketing because the program has been meeting its participation targets. Dr. Stephenson added that September tends to be the busiest month of the year for web traffic and phone inquiries. Mr. Lewis asked for more information on the Call Center operations and volume. Mr. Stoddard replied that the Call Center handles a number of outbound call campaigns, mailings, and rebate form routing in addition to daily inbound call responsibilities. Mr. Woodcock asked that the Board be provided more detail.

Mr. Stoddard continued that the Business Incentive Program has achieved saving levels ahead of pace. Mr. Woodcock added that for many business owners, hearing about a success story at a recognizable company is important, and encouraged Staff to continue to pursue case studies and success stories.

Mr. Stoddard then turned to residential programs and mentioned that October's participation levels in the Home Energy Savings Program are down a bit from August and September. At this participation level, it appears the budget will have sufficient funds to maintain the existing program design through the end of the fiscal year. Mr. Stoddard added that the Program Committee met two weeks ago and discussed modest program design changes to HESP based on comments received during the stakeholder process. One change is an increased rebate on wood and pellet stoves discussed at the last meeting. He reported that Staff has instituted those changes.

5.0 Reports

a. Finance and Administration Committee

i. REPORT on Revenues and Expenditures

Mr. Stoddard reported that the revenues and expenditures are on track for this fiscal year. Mr. Stoddard reminded the Board that because investments through the Large Customer Program are implemented mostly through project-specific contracts rather than program delivery team contracts, fund balance in that budget line appears different than the other programs. Mr. Woodcock commented that he has had a number of conversations that suggest some large entities might welcome a loan guarantee as part of their energy investment. Mr. Stoddard recommended discussing the topic at an upcoming Program Committee meeting.

ii. APPROVE FY15 Budget Adjustments

Mr. Hodsdon directed the Board's attention to the first budget adjustment detailed in the memo from Constance Packard dated November 19, 2014.

ACTION: Upon a motion duly made (Mr. Fletcher) and seconded (Mr. Lewis) the Board unanimously approved the revenue budget reduction of \$2,000,000 from Long Term Contract Revenues and also approved the expenditure budget reduction of \$2,000,000 from the Large Customer and agency payment accounts.

Mr. Stoddard directed the Board's attention to the second action item outlined in the memo. Mr. Stoddard explained that there is lower demand for the Maine Advanced Building Program (for commercial new construction) than originally anticipated and that Staff believes those funds may be better invested by the Business Incentive Program. As outlined in the memo, Staff anticipates continued high activity in the Business Incentive Program, including growing interest in municipal streetlight retrofits. Additional funds in the Business Incentive Program could help support those ongoing and anticipated needs. Mr. Stoddard continued that Staff will continue to promote and support the Maine Advance Buildings Program, albeit it at a slightly lower budget level.

Mr. Woodcock expressed his concern about shifting RGGI dollars to projects that save electricity if there are "all-fuels" opportunities available that can only be met using RGGI funds. He added that while municipal streetlights represent a significant opportunity, it might be better funded with electric conservation funds. Mr. Stoddard agreed that this is an important point, but expressed Staff's view that the portion of RGGI funds identified for repurposing would have a stronger chance of being fully expended this fiscal year through the Business Incentive Program (Electric) than other available "all-fuels" channels that target businesses. He also noted that through other initiatives, businesses demand for RGGI funds is starting to take off: heat pump program for businesses is on track to invest its funds; the Large Customer Program (GHG) is seeing uptake with new combined heat and power proposals, and the Multi-Family program is picking up speed to help property managers weatherize and improve heating systems in larger apartment buildings.

Mr. Fletcher suggested that the program look first to invest electric conservation funds for streetlights and other electric-saving projects and then invest Regional Greenhouse Gas Initiative (RGGI) dollars. Mr. Woodcock continued that if streetlights were a better cost-effective investment of electric conservation funds than other measures currently incentivized, the program should include those new measures and eliminate some less cost-effective ones.

Mr. Fletcher suggested that the funds get moved from the MAB program into the Business Incentive Program but not invested until the Board can have further discussion. This approach would also give the Staff time to evaluate ways to optimize use of RGGI vs. electric-only funding. Mr. Fletcher added that the Staff could return to the Board with recommendations on how to maximize RGGI funds for “all-fuels” saving measures.

ACTION: Upon an action duly made (Mr. Fletcher) and seconded (Mr. Woodcock) the Board voted unanimously to approve the transfer of \$1,113,205 from Maine Advance Building to the Business Incentive Program and requested that the Staff make further recommendations for its investment at a future Board meeting.

iii. APPROVE Staff Request to Pursue US DOE Grant

Mr. Stoddard directed the Board’s attention to a memo dated November 19, 2014 requesting authorization to pursue a DOE Funding Opportunity Announcement (FOA). Mr. Lewis asked if grant applications were completed by Staff. Mr. Stoddard replied that staff has written applications in the past, and intended to do so again in this case, but did not rule out assistance from a grant writer in the future, if appropriate.

ACTION: Upon a motion duly made (Mr. Lewis) and seconded (Ms. Burke) the Board voted unanimously to approve authorizing Staff to pursue the DOE FOA, including submitting a concept paper by 11/22/2014 and, if the concept paper is accepted, a full application by 1/20/2015.

(b) Program Committee

i. APPROVE Terms for Additional Loan Product

Mr. Stoddard directed the Board’s attention to a memo dated November 13, 2014 regarding a modification to Energy Loan underwriting standards. Mr. Stoddard provided a brief outline of the modifications discussed at the Program Committee meeting, which are intended to lower the rate of declines and make energy loans available to more homeowners.

ACTION: Upon a motion duly made (Mr. Lewis) and seconded (Ms. Burke) the Board voted unanimously to approve the underwriting modifications outlined in a memo dated November 13, 2014 from Dana Fischer.

ii. REVIEW and APPROVE FY14 Annual Report

Mr. Stoddard provided a high-level overview of the summary numbers in the Annual Report, including Maine's contribution to the grid on summer peak-demand days and the lifetime energy savings from the energy investments made in 2014. Mr. Woodcock asked if the lifetime energy savings calculations were discounted by those participants who would have installed the energy efficiency measure in future years. Mr. Woodcock continued that the cost-benefit numbers for the Retail Lighting program were very impressive – and perhaps hard to fathom – and wondered if more Efficiency Maine funds should be invested in that channel if the figures are as high as they are presented.

Mr. Stoddard then provided a brief overview of the year's results for Net-to-Gross savings, Free Ridership, and cost-effectiveness from the perspective of the Total Resource Cost Test (TRC) and Program Administrator Cost Test (PACT).

Mr. Woodcock commended the Staff on their work and mentioned his pride in the work completed over the past year. He also mentioned that he thought this year's report did a better job of discussing what we could do better, but that it still lacks an emphasis on what we want to improve and future plans for improvements and program changes. Mr. Fletcher recommended adding additional details about those improvements in the Message from the Executive Director so that the Board could approve the document and Staff could act on Mr. Woodcock's suggestion. Mr. Woodcock also suggested that a footnote be added to the PACT information on the solar rebate to indicate that the program assumes participants were able to take advantage of the Federal Tax Credit.

ACTION: Upon an action duly made (Mr. Woodcock) and seconded (Mr. Fletcher), the Board voted unanimously to approve the Annual Report with modifications to the Message from the Executive Director and any typos (including one on page 18, table 8).

6.0 New Business

There was no new business.

7.0 Next Meeting Agenda and Scheduling

The next Board Meeting was set for January 14, 2015.

8.0 Adjourn

ACTION: Upon a motion duly made (Mr. Lewis) and seconded (Mr. Gallagher) the Board voted unanimously to adjourn the public meeting at 12:34 p.m.