

Efficiency Maine Trust

Board Meeting
October 27, 2009

Meeting Minutes
Approved: November 18, 2009

Attendance:

Trust Board Members				Efficiency Maine Staff	
✓	Adam Lee, Chair	✓	Dale McCormick	✓	John Brautigam
✓	Naomi Mermin, Vice Chair	✓	John Kerry	✓	Jean Guzzetti
✓	James Atwell, Secretary	✓	Glenn Poole	✓	Jennifer Pusner
✓	Michelle Atherton, Treasurer	✓	John Rohman		
			Tom Tietenberg		

Other Attendees:

- Jerry Peih and Liz Vago, Isaacson, Miller
- Linda Pistner, Chief Deputy Attorney General
- Eric Belliveau, Optimal Energy
- Steven Ward
- Doug Baston
- Todd Bissette
- Deborah Hart
- Dylan Vorhees, Natural Resources Council of Maine
- Patti Aho, Pierce Atwood

1.0 Introductions

Meeting convened at 12:05 p.m.

ACTION: Upon a motion duly made (Lee) and seconded (Kerry) the Board voted unanimously to approve the agenda.

ACTION: Upon a motion duly made (Lee) and seconded (Kerry) the Board voted unanimously to approve the minutes of the October 15 meeting.

Lee noted the limited time planned for public comment as well as the importance of adjourning promptly. He urged interested parties to submit comments by mail or email.

2.0 Updates

2.1 Temporary Staffing: Atwell explained the process for a temporary support services and recommended that the Trust contract with Cindy Talbot for those services. Atwell will be the liaison to Cindy; however, she will also take direction from Lee and Mermin.

2.2 Accounting Set Up: Atherton reported that she has opened a checking account for the Trust at Camden National Bank. Provisions are being made to transfer the first \$150,000, to the Trust account. The bank suggested that some of the funds be placed in

an accessible, interest-generating account and that the Trust seek to collateralize funds if deposits exceed the \$250,000 FDIC insurance ceiling.

Atherton recommended that the Trust purchase a laptop and a QuickBooks license to keep track of expenses, in the interim, until an Executive Director and accounting staff are hired. Following some discussion regarding the purchase of a computer

ACTION: Upon a motion duly made (Mermin) and seconded (Kerry) the Board voted unanimously to authorize Atherton to purchase a laptop, QuickBooks license and checks not to exceed \$2,000 in total. The computer will not be purchased if Dale McCormick can make a suitable, compatible computer available from the Maine State Housing Authority.

Atherton also discussed the signature requirement for draws from the Trust account.

ACTION: The Board agreed that the signatory limit for one person would be set at \$10,000. For higher amounts two signatures are required. The signatories will be Lee, Mermin and Atherton. It was decided that either Atherton or Lee can sign for amounts of less than \$10,000.

3.0 Executive Director Search

Jerry Peih from Isaacson, Miller, has reviewed and addressed comments on the draft position profile. He noted a few comments to be discussed with the Board. The Board had general discussion on these items but did not request changes. Noting whether a masters' degree was required, the Board agreed to the suggested wording of "masters' degree or equivalent life experience."

ACTION: Lee recommended the acceptance of the position description by acclimation, with the Director Search Work Group working with Isaacson, Miller to finalize the description. The Work Group will work with Peih to determine an appropriate salary range and benefits for the Director position. Consideration will be given to national market salaries for equivalent positions. Kerry suggested that consideration be given to the salary range for Directors of some agencies in Maine, such as FAME.

Mermin asked that Peih attend the December 2, 2009 board meeting with an update on the search process.

4.0 Legal Issues

Linda Pistner, Chief Deputy Attorney General, has reviewed the LD 1485 and presented her findings to the Board. Before beginning her presentation, she noted that in the draft Executive Director position profile there is reference to the Director being an *ex officio* member of the board. This is not in the statute and therefore should be removed from the description.

Following is a summary of Ms. Pistner's presentation.

4.1 Status of the Board and its Funds. Pistner made the following notes to the Board regarding the legislation:

- Discussion of independent agency status.
- Suggested that there may be revisions to the Statute that should be made to clarify sections of the Law that are unclear. She will create a list of potential revisions to the statute.
- Discussion of the provisions of the Freedom of Access Law:
 - Board meetings must be open to the public and prior notice must be made of the meeting. Working Group meetings do not need to be noticed or public, regardless of the number of Board members participating, because no decisions will be made in the Work Group meetings.
 - Confidentiality: There was a discussion of confidentiality; including what items can be confidential and what items can not be confidential. This is a complex matter that needs to be addressed further.
- The State's protection of sovereign immunity is extended to the Board. Pistner recommended that the Board talk with Dave Fitz regarding liability coverage for potential exposure under tort claims. The premium would be commensurate with the Board's responsibilities. The Board should also look into employment practices coverage. These insurances are available at competitive rates from the state Bureau of Insurance.
- The Board should obtain a bond for those members who are able to disperse funds. The bond will be required for Lee, Atherton and anyone else that has signatory authority for the Trust.
- Conflicts of Interest: LD 1485 includes some provisions not typical of other state boards. The general standard is that the member and their immediate family not benefit directly or indirectly from a transaction that the board member is participating in. LD 1485 only specifies direct benefits. Mermin explained that board members are indirectly involved in work that may benefit from Trust actions. Pistner recommended that the Board consider amending the legislation to specifically say that the "indirect" benefits language in the general statute does not apply. Pistner will keep a list of things, which the Board may want to revise in the statute.
- Funding: There was a discussion of the protection that the Trust funds have against being diverted for other purposes. It was agreed that the majority of the Trust funds can not be diverted for other uses, for a number of reasons: Federal funds that are received by the Trust must be used for the purpose specified. Ratepayer funds (systems benefit charge) must be used in line with the purpose of the Trust. Lee asked whether the RGGI funds were at risk and Pistner will look into this.

Pistner also noted that the statute has requirements for similar things in different areas and she will pull it together in a succinct format for Board reference.

- 4.2 Bylaws.** Pistner reviewed a preliminary draft of Trust Bylaws and noted that they reflect the provisions of the statute. She offered to prepare a draft for Board review and will coordinate with the Governance Work Group. Mermin noted that the bylaws need to be adopted by November 23. Pistner will provide a draft to the Work Group within a week. The Work Group will turn comments around quickly so that a proposed set of bylaws can be presented at the November 18 Board meeting, for adoption.
- 4.3 Triennial Plan.** Pistner reported that the Triennial Plan is not a rule but that it does go before the PUC for approval. She would like to look into the implications of that process. The schedule is complex and aggressive.
- 4.4 Other Questions.** The following other issues were discussed with Pistner:
- Atwell asked whether it was clear that the Efficiency Maine Trust) Executive Director and staff are not state employees, unless they are hired from within the PUC. Pistner confirmed.
 - Atherton asked whether the Trust needed to become a state vendor. Pistner will research this but does not believe it is a requirement.

5.0 Triennial Plan Review

The proposals submitted to the Trust by Optimal Energy and Perkins Point Energy Consulting (Steven Ward) for services in support of the development of the Triennial Plan were discussed. Eric Belliveau of Optimal Energy and Steven Ward were present and participated in the discussions.

- 5.1 Proposal Comments.** Mermin noted the following items not covered in the proposal that she would like addressed:
- A side-by-side comparison of the 3-year plan to the State's 10- and 20-year goals, including budgets. The basic questions Mermin hopes to answer are: (1) what can be done with existing funding, and (2) how much money would be required to accomplish Trust's goals.
 - Clarify when and how policy decisions will be made, including how they line up with the action items in the proposal timeline.
 - The Trust would like to have more interaction between and with Steve Ward and Optimal Energy, possibly in regular updates and collaborative reporting.
 - The questions in the stakeholder process need refinement and clarification.
- 5.2 Stakeholder Process.** Rohman asked whether the meeting structure would be regional or topic-focused. Ward responded that there would be regional meetings with a pre-determined set of questions and that each meeting would be targeted to a specific group of stakeholders. Mermin asked whether it would be possible to reserve a portion of each meeting to consider everyone's issues, after the agenda had been covered. Ward said there would be ample time to include stakeholder input.

Mermin and others noted that it would be helpful to use remote access technology if available from the venue. Ward will look into this as meetings are planned.

Rohman asked whether Board members would be required to attend all stakeholder meetings and Ward replied that he had envisioned more of an informal, organic process.

The Board and the public were encouraged to provide Steve Ward with additions to the stakeholders list that is included in his proposal.

5.3 Material Review and Coordination. McCormick asked for clarification on how new material will be brought before the Trust and the public, and how the two consultants would work together to accomplish that goal.

- Ward explained that a schematic of the triennial plan will be provided by Optimal and that he will present it to stakeholder groups for input. Ward will bring input back to Optimal.
- Optimal will make sure that the Trust creates a set of expectations for how they would like to have information presented, but warned the Trust not to confuse this process with deciding what aspects of the plan are good or bad.

Mermin said that she would like to include Brautigam in the stakeholder process to assist in developing the key decisions that the Trust will need to make, to establish the scenarios for discussion by the stakeholder groups.

ACTION: On a motion duly made (Rohman) and seconded (Lee), the Board voted unanimously to authorize the Triennial Plan Work Group to negotiate changes in the Optimal Energy and Perkins Point Energy proposals, as necessary, and to have the proposal agreements executed.

6.0 EECBG Competitive Grant Opportunity

John Brautigam will give presentations on Efficiency Maine's programs at the next three Board meetings. The presentations will be grouped into three areas: business, residential, and others (including renewals, marketing, curriculum, and training programs).

Brautigam discussed the DOE request for the new EECBG home weatherization competitive grant program that was released on October 20. Efficiency Maine will submit a letter of interest by November 11 and proposals are due December 14. Award decisions are anticipated in January 2010. The DOE plans to award between 8 and 20 grants, of up to \$75 million per grant, for a total of \$450 million. Goals are the same as those for the existing ARRA programs.

Maine intends to apply for a large grant to meet the state's needs. DOE is looking for a "game changer" something not previously done, not a one-time or demonstration

program. This DOE program requires a 5:1 match; therefore, creative financing will be required. McCormick and Brautigam are working on options.

A number of options are being considered that would reduce or eliminate the up-front cost to the homeowner and to collateralize the investment.

Rohman asked if 5:1 was a realistic match from private investment and Brautigam answered that it was a stretch, but that is the point of the grant.

Lee asked if the energy savings would be considered a monetized part of the investment; Brautigam answered “no”, that up-front capital investment is the only goal for the funding. McCormick added that the idea is to create a “sustainable” finance vehicle with the help of investment strategists.

Rohman asked if matching funds could come from other ECB or EMT stimulus funds; Brautigam said that it is not likely. Mermin asked about ratepayer-derived funds; Brautigam answered that if the weatherization projects create electricity savings this could be considered.

7.0 New Business/Next Meeting Agenda

Mermin requested suggestions for education sessions for the Board, separate from regular board meetings. The following two topics were proposed:

- Bringing in experts from Efficiency Vermont and possibly representatives from other similar New England entities and possibly NYCERTA.
- Inviting contract providers to these existing programs to assess what works and what doesn't work.

Mermin will work to schedule participants for the education sessions. The goal is to have the meetings in conjunction with the upcoming Board meetings, even though it will require a full day of meeting.

The next Board meeting will be held on November 18, 9:00 a.m. to noon, in Room 209 of the Cross Office Building (**NOTE DIFFERENT ROOM LOCATION**).

Proposed agenda items:

- Presentation on Business Programs from Efficiency Maine (John Brautigam)
- Review of Bylaws (Linda Pistner)
- Triennial Plan updates
- Financial Report (Atherton)
- Natural gas program briefing

8.0 Public Comment

Lee acknowledged receiving good written comments from Michael Stoddard and Dylan Vorhees. The following persons spoke at the meeting:

- Patti Aho, Pierce Atwood, representing Unitil, the natural gas company in Southern Maine. They would like to provide a briefing of their existing efficiency programs to the Board. She also requested that Trust documents be published on the website.
- Dylan Vorhees, Natural Resources Council of Maine. It is important to inform stakeholders about issues as comments are requested. Suggested using a process called deliberative polling. The stakeholder meetings should focus on the big picture and not be too detailed. He requested a one-page summary of EM programs be prepared and distributed.
- Doug Baston, consultant to EM and west coast programs. Suggested including a representative from the energy trust of Oregon in the education sessions. Suggested that the national grid system be considered as a model for program planning, administration and metrics.

9.0 Adjournment

ACTION: Upon a motion duly made (Rohman) and seconded (Kerry), the Board voted unanimously to adjourn at 3:05 p.m.