**Efficiency Maine Trust**
**Board Meeting Minutes**
**November 18, 2015**

**Trust Board Members:**

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

**Efficiency Maine Trust (EMT) Staff:**

- Ian Burnes
- Peter Eglinton
- Dana Fischer
- James Leyko
- Laura Martel
- Anne Stephenson
- Michael Stoddard

**Other Attendees:**

- Andrew Barrowman, Bangor Natural Gas
- Will Beck, MEMA
- Bill Bell, MPFA
- Dutch Dresser, Maine Energy Systems
- Agnes Gormley, Office of the Public Advocate
- Jim Rice, GDS
- Emmie Theberge, NRCM
- Brooks Winner, Island Institute

**1.0 Welcome and Introductions**

Mr. Barber called the meeting to order at 10:00 a.m.

**2.0 Approve Agenda and Minutes**

**ACTION:** Upon a motion duly made (Mr. Hodsdon) and seconded (Mr. Boyles), the Board voted unanimously to approve the draft agenda and approve the October Board Meeting Minutes.

**3.0 Public Comment on Agenda Items**

Mr. Dresser shared that he recently offered comments in Massachusetts about the effectiveness of Efficiency Maine's pellet boiler incentives and encouraged Massachusetts to adopt the Efficiency Maine program design.

Ms. Theberge shared a prepared statement urging the Efficiency Maine Trust Board to approve the Triennial Plan. Ms. Theberge indicated that NRCM believes that the plan could be stronger in addressing natural gas saving opportunities, the small business initiative, and custom incentives. She added that those concerns should not prevent the plan from being approved; NRCM will continue to participate in the Triennial Plan process at the PUC. Finally, NRCM recommended restoring the RGGI budget allocation to 50%/50% in order to fully fund thermal energy saving opportunities.

**4.0 REVIEW and APPROVE Triennial Plan**

Mr. Stoddard directed the Board's attention to a memo, dated November 13, 2015, on modifications and options for the Triennial Plan. He began the discussion by briefing the Board on a conversation he had with Ms. Pistner from the Attorney General's office on the guiding language in the RGGI statute about how RGGI revenues should be "apportioned." He said Ms. Pistner indicated that the statutory language appears ambiguous: electing to apportion the RGGI funds according to new investment principles or continuing to apply the allocation the most recent apportionment directed by the Legislature, even if that specific apportionment had "sunset," were both reasonable interpretations. The latter interpretation supports continuing to allocate 35% of RGGI revenues to reduce residential heating demand, 50% to energy savings in the Commercial and Industrial sectors, and 15% to the PUC to be disbursed to ratepayers. Mr. Woodcock noted that the Trust's Annual Report requests further guidance from the Legislature on this issue.

Mr. Stoddard then moved to the second item discussed in the memo: low-income budget allocations. The budget for programs that are exclusively directed to low-income customers could be increased by setting aside10% of the budget dedicated to all electricity costs (including cross-cutting initiatives and administrative costs), or to 10% of the budget dedicated to electricity-saving programs (net of cross-cutting initiatives and administrative costs). The latter approach (applying a allocation percentage to just the program budgets) is similar to how RGGI funding is presently handled, and has been approved in that instance by the PUC. Mr. Lewis pointed out that it would be challenging to account for and sub-total low-income funds differently than all other program allocations. Mr. Fletcher asked if the statute directed 10% of the funds "collected"; Mr. Stoddard clarified that it does not specify "collected." The Board concluded that applying the 10% to the electric budget program subtotal was appropriate.

The discussion moved next to greenhouse gas (GHG) savings from the transportation sector. The Board approved the addition of language about exploring options to save GHG from the transportation sector through the Custom Program, as proposed in the memo.

Mr. Stoddard then discussed the sensitivity analysis that was performed by the Staff and modeling consultants, as had been requested by the Board at the prior meeting. The sensitivity analysis estimated the potential impact of lower wholesale electricity prices than those developed in the AESC 2015 Study and used in the Plan's MACE model. After discussion with Mr. Woodcock, the Staff directed the modelers to run a sensitivity analysis assuming that wholesale electricity prices followed the trajectory of future prices reported by London Economics in a recent study performed for the Maine PUC (capacity prices were not changed). Mr. Stoddard added that the results of the sensitivity analysis will be submitted to the PUC as part of the Triennial Plan submission. The sensitivity analysis reflected only a modest change from originally MACE budgets that assumed prices reported in the AESC 2015 study.

Mr. Woodcock suggested two additional items for discussion. The first is establishing a clearer line between MaineHousing and Efficiency Maine in the way low-income homeowners are served. Mr. Woodcock suggested that the Trust Staff develop an MOU with MaineHousing on areas of focus, and consider if MaineHousing should act as the implementer of low-income programs currently delivered by the Trust. Mr. Gallagher added that the Trust and MaineHousing already coordinate programs and complement each other but further discussions might reveal more efficient ways of delivering services. Mr. Stoddard agreed that it was something that has been discussed over the years; Mr. Stoddard said that an advantage of the current division is that the Trust's programs were not subject to the same administrative burden as MaineHousing's federally funded programs.

Mr. Woodcock shared his thanks to the Staff for the additional information provided on the residential lighting program; he added that he still had concerns about the residential lighting program. Mr. Woodcock added that he would like the program to focus more on small, rural retail locations and specialty bulbs; he raised his concern that a high-volume of CFLs and LEDs may be being used in seasonal homes or stored and not put into use. Ms. Martel clarified that participation of seasonal homes and the different usage pattern are already reflected in program saving calculations. Mr. Stoddard also added that the program has made a significant effort to include local hardware stores and to target retailers in rural Maine. Mr. Stoddard said that the program includes a constantly growing number of efficient bulbs for use in specialty sockets.

Mr. Woodcock asked when the Trust will retire bulb incentives. Ms. Martel added that the Triennial Plan proposes to reduce the lighting incentive budget each year to reflect EISA standards, declining opportunity, and lower LED prices. Ms. Martel added that program evaluations conclude there is still significant opportunity. Mr. Barber suggested that since the Triennial Plan already reflects a shifting focus of the lighting program that adjustments in program design could be discussed at a future program committee meeting.

Mr. Gallagher concluded the discussion by adding that he was disappointed in a recent opinion editorial that suggested that the ex-officio members of the Board were politically motivated in their votes and participation in Trust meetings.

**<u>ACTION:</u>** Upon a motion duly made (Mr. Lewis) and seconded (Mr. Hodsdon), the Board voted unanimously (7-0) that:

[The Board] find[s] that the plan is consistent with the statutory authority for each source of funds that will be used to implement the plan, with the state energy efficiency targets in paragraph F of section 10104(4) of the Efficiency Maine Trust Act, and with the best practices of program administration; and,

[The Board] approve[s] the plan as presented to the Board on October 27, 2015, and with the following amendments:

a. Incorporating the assumptions of the Revised Base Case and the impacts reflected in Tables A1 and A3 in the Attachment to the memo dated November 13, 2015;
b. Adjusting the Low Income Direct Install budget as presented in the "alternative approach" in the memo dated November 13, 2015;
c. Including the language as present in the paragraph labeled "INSERT" of Item 3 of the memo dated November 13, 2015; and,
d. Including the assumptions and results of the sensitivity analysis in the Trust's filing of the Final Plan to the PUC.

## 6.0 REVIEW and APPROVE Annual Report for FY2015

Mr. Stoddard presented information from the Annual Report including highlights, annual savings, cost-effectiveness, and analysis for each program. Mr. Stoddard described the legislative recommendations included in the draft report based on feedback from the last Board meeting. Mr. Stoddard also directed the Board's attention to a memo that covered report requirements.

**ACTION:** Upon a motion duly made (Mr. Lewis) and seconded (Mr. Fletcher), the Board voted unanimously (Mr. Woodcock, absent) to approve the FY2015 Annual Report as revised to address modifications adopted at the Board meeting and any non-substantive typographical edits prior to submission to the Public Utilities Commission and Legislature.

## 7.0 New Business

There was no new business.

## 8.0 Next Meeting Agenda and Scheduling

The next Board meeting was scheduled for Wednesday December 16, 2015, at 9:30 a.m. at the Efficiency Maine Trust office.

**ACTION:** Upon a motion duly made (Mr. Lewis) and seconded (Mr. Fletcher), the Board voted unanimously to adjourn the meeting at 1:56 p.m.