

**Efficiency Maine Trust  
Board Meeting Minutes  
October 22, 2014**

**Trust Board Members:**

- Al Hodsdon, Chair
- David Barber, Vice Chair
- Brent Boyles, Treasurer
- Lennie Burke
- John Gallagher
- Donald Lewis
- Patrick Woodcock

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

- Ian Burnes
- Peter Eglinton
- Dana Fischer
- Constance Packard
- Tim Reed
- Anne Stephenson
- Michael Stoddard

**Other Attendees:**

- Will Beck, MEMA
- Bill Bell, MPFA
- Brent Dudley, New England Energy Solutions
- Tom Snyder, P-S Performance Group

**1.0 Welcome and Introductions**

Mr. Hodsdon called the meeting to order at 9:30 a.m. The Board, Staff and attendees introduced themselves.

**2.0 Approve Draft Agenda and Minutes**

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

Upon a motion duly made (Mr. Barber) and seconded (Mr. Burke) the Board voted unanimously to approve the September minutes.

**3.0 Public Comment on Agenda Items**

Mr. Beck recommended that the Board consider whether it is still appropriate to administer Summit Natural Gas of Maine rebates now that Summit has an affiliated gas conversion company. Mr. Beck expressed his concerns that customers could confuse Summit's efficiency incentives with an incentive to fuel-switch. Mr. Hodsdon commented that it was important to focus on customer education on high-efficiency equipment.

Mr. Bell shared that October 22 was National Bio-Energy Day and shared information on bio-energy events in Northern Maine.

#### **4.0 Executive Director Report**

Mr. Stoddard began his Executive Director's Report by welcoming the Board and guests to Efficiency Maine's new conference room. Mr. Stoddard then commended the Communications Team for a busy month of getting the word out on expanded Efficiency Maine programs. He added that Staff had presented at a significant number of recent conferences and workshops. Increased awareness and interest in Efficiency Maine programs are clear from increased call volume and web traffic. Mr. Stoddard closed the communications report by welcoming Tim Reed, the new Communications Manager, who brings to the Trust a background in marketing and web development.

Mr. Stoddard next described program highlights. The Business Incentive Program was off to a slow start last year but Mr. Stoddard shared that the Program is on track to fully invest its budget; more than 1,000 projects have been completed in the first quarter. The Multifamily Efficiency Program met its U.S. Department of Energy (DOE) targets earlier this year but has been slow to transition from a benchmarking program that relies on extensive savings modeling to one focused on retrofits and greater use of a prescriptive rebate approach. The Program Team has been working on streamlining program entry and increasing customer awareness, and anticipates that volume will increase in the coming months. Mr. Woodcock added that his office has received a number of calls on the imminent increase in electric costs that businesses will experience and is interested in helping more Maine businesses participate in the Business Incentive Program.

Mr. Stoddard continued the presentation with an update for the Residential Programs. The Home Energy Savings Program is on track to invest all of its funds during the fiscal year. There was a spike in demand for heat pump rebates in September in advance of a deadline for eligibility of certain lower efficiency models; Staff anticipates that program activity will decline around the holidays. There has been a significant increase in consumer interest in the loan programs. The combination of easy-access financing with incentives has been key to reaching more Maine households. Mr. Stoddard reported that Efficiency Maine has loaned \$10.5 million since beginning the program. Mr. Woodcock asked how many applicants were denied home energy loans. Mr. Fischer replied that there is a denial rate of about 35%; applicants are denied for a number of reasons including low FICO scores, excessive debt-to-income ratios, bad debt or bankruptcy.

Mr. Woodcock asked if it was time to consider increasing the rebate for high-efficiency wood stoves since wood and pellet stoves have not had much traction compared to the incentives for pellet boilers. Mr. Stoddard agreed that the amount of uptake has been disappointing and that the Staff has been watching consumer demand in HESP measures very closely. Mr. Stoddard noted that a particular challenge in changing incentive amounts is ensuring program funding and continuity through the next fiscal year, when funding levels are expected to decrease. Mr. Woodcock observed that the main

competition for wood and pellet stoves are ductless heat pumps, which are eligible for a higher rebate. Mr. Lewis contributed that he was skeptical that the difference between a \$250 and \$500 rebate would impact the decision to install a stove. Mr. Bell added that many Mainers do not know about the wood and pellet stove rebate because the retailers are not publicizing the rebate. In contrast, pellet boiler manufacturers and installers have been actively promoting Efficiency Maine incentives.

Mr. Stoddard concluded the residential update by sharing that the lighting program is on track and additional appliances will be added to the retail program next month. Low-income programs are also on track and will be expanded to include the direct installation of high-efficiency water heating after a new, lower-cost heat pump water heater is available early next year. Mr. Lewis asked if the cooling effect of heat pump water heaters was a consideration in their installation in low-income households. Mr. Stoddard replied that all homes are evaluated for appropriate siting and a significant number of the installations are inspected.

## **5.0 Reports**

### **a. Finance and Administration Committee**

#### **i. Update on Financial Report Year-to-date**

Mr. Boyles reported that the Finance Committee was pleased with the budget to date. He added that the Staff is preparing an RFP for the next audit. Mr. Boyles continued that the current Triennial Plan was being used as a reference document in a number of Non-Transmission Alternative discussions at the Public Utilities Commission and has become an important reference document outside of the Trust. Mr. Stoddard added that the Triennial Plan will need to be submitted a year from now and the Staff is currently mapping out a timeline for additional studies and stakeholder input.

### **(b) Program Committee**

#### **i. UPDATE on Renewable Resources Fund Program**

Mr. Fischer provided an overview of the Community Demonstration Program's intended goals and funding sources. He shared that the Community Demonstration Grants were intended to develop renewable energy resources by showcasing projects that support community renewable energy savings and have some demonstration value to the public or the marketplace.

Mr. Fischer shared the list of the most recent recipients of the Community Demonstration Grants, including a biomass district heating project at

Cobscook Community Learning Center and a large-scale, cooperatively-owned solar installation. Mr. Fischer then invited Mr. Dudley to describe the solar hot air and heat pump project recently installed at the Hartford Fire Station in Augusta.

Mr. Dudley described the project which provides solar-heated air to the heat pump units which significantly increases the efficiency of the heat pumps. The solar hot air system also provides pre-heated air directly to the fire station. The heat pumps have replaced inefficient air conditioners and an old boiler system. Mr. Dudley provided detailed project specifications and walked the Board members through a number of photographs of the site.

Mr. Lewis asked if the demonstration grants typically funded projects with long paybacks, pointing out that the payback for the City of Augusta on this project was 15 years. Mr. Fischer replied that the payback calculations were very conservative and that the increase to the coefficient of performance of the heat pumps should significantly reduce the payback period from what has been reported. Mr. Stoddard added that the part of the statute which addresses this program emphasizes research, development and demonstration, and clarified that the program is not subject to the stringent cost effectiveness requirements of the incentive programs.

Mr. Woodcock shared that his office has been supporting a number of applications to the USDA Rural Energy Assistance Program and there is some overlap between the two programs. Mr. Stoddard shared that there were limited funds for this program this fiscal year (less than \$80,000) and indicated that those funds may be rolled into FY16 if there are insufficient funds to merit a full call for proposals.

## **ii. REPORT on Natural Gas Potential Study**

Mr. Burnes began his report by clarifying that he was presenting the Natural Gas Opportunity Study prepared by GDS Associates for Efficiency Maine. He indicated that this study is required by law as part of the Triennial Plan process. The information in the report is part of a PUC docket and is not proprietary.

Mr. Burnes provided an overview of the scope of the opportunity study – the territories covered by Natural Gas LDCs including Summit Natural Gas of Maine, Northern Utilities, Bangor Gas, and Maine Natural Gas. The study was based in part on a statistically significant sampling of residential and business natural gas customers in those territories.

Mr. Burnes presented the study's findings of the baseline energy use and penetration of various types of gas-consuming equipment.

Mr. Woodcock asked for clarification about the definition of "well-sealed" homes and asked that the full study be shared because he hopes to gather a better snapshot of Maine's building stock. Mr. Woodcock also asked what prices were used for retail costs. Mr. Burnes replied that the study's analysis of potential cost-effective resources did not use retail costs but rather relied on estimates of the avoided cost of a unit of saved gas.

Mr. Burnes then moved to present the study's findings about the achievable potential scenarios. The study found a high-case of 3,173,810 MMBtu of savings potential by 2024 and a low-case of 2,078,653 MMBtu.

## **6.0 New Business**

Mr. Barber asked if Mr. Woodcock might brief the Board on the current region-wide conversation on electricity costs and energy markets. Mr. Woodcock replied that he had recently met with all five FERC Commissioners to discuss challenges in the functioning of energy markets in New England. He reported that although many agree that the region needs more natural gas, there are a multitude of challenges to developing new pipeline capacity. Mr. Woodcock closed by saying that there is an ongoing study about whether New England needs more gas which may form the basis for additional conversations.

## **7.0 Next Meeting Agenda and Scheduling**

The next two Board Meetings were set for November 19 and January 14

## **8.0 Adjourn**

**ACTION:** Upon a motion duly made (Mr. Lewis) and seconded (Mr. Barber) the Board voted unanimously to adjourn the public meeting at 12:11 p.m.