

## Efficiency Maine Trust Board Meeting Minutes October 23, 2013

### Trust Board Members:

- James Atwell, Chair
- Al Hodsdon, Vice-Chair
- David Barber
- Brent Boyles
- John Gallagher
- John Rohman
- Doug Smith
- Patrick Woodcock

### Efficiency Maine Trust (EMT) Staff:

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

### Other Attendees:

- Dylan Voorhees, NRCM
- Kathy Billings, Bangor Hydro
- Elise Brown, Evergreen Home Performance
- Ann Goggin, Goggin Energy
- Lisa Smith, Governor's Energy Office
- Will Beck, MEMA
- Tom Snyder, Dave Ireland Builders
- John Hastings, CMP
- Josh Wojcik, Upright Frameworks
- Bruce Harrington, ERS

### 1.0 Welcome and Introductions

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

## **2.0 Approve Draft Agenda and Minutes**

**ACTION:** Upon a motion duly made (Mr. Hodsdon) and seconded (Mr. Boyles), the Board voted unanimously to approve the draft agenda. Upon a motion duly made (Mr. Smith) and seconded (Mr. Barber) the minutes from the previous meeting were unanimously approved with Mr. Rohman and Mr. Gallagher abstaining.

## **3.0 Public Comment**

3.1 Ms. Brown of Evergreen Home Performance mentioned that her company was pleased that the HESP Program is going well and appreciates the close working relationship between staff and the vendor community. She added that she and her colleagues found the recent Customer Service, Marketing and Sales trainings helpful and appreciated the opportunity to participate.

## **4.0 Executive Director Report**

Mr. Stoddard began his report by mentioning that Efficiency Maine's customer service, marketing, and sales trainings had been well-received by Registered Vendor and Qualified Partner participants. From a staff perspective, the trainings were useful and met a need identified by the contractor community.

Mr. Stoddard also reported that the Communications Team had completed a written report on the municipal energy efficiency projects funded through ARRA EECBG Funds, and distributed copies of the report to the Board.

Regarding Government Relations, Mr. Stoddard shared that he has been participating in a series of workshops held by the Energy, Utilities, and Technology committee on renewable energy policy, and had contributed information about the solar and wind rebate program. Mr. Stoddard also shared that he has held meetings with the PUC and three of the four gas utilities on implementing changes to the Natural Gas SBC as outlined in the Omnibus Energy Bill. The next step will be to file a plan with the PUC and undertake an opportunity study to establish the appropriate funding levels for future natural gas programs.

Mr. Atwell asked about the timeline for the plan. Ms. Crabtree answered that the Trust would have the study under contract in about two months, and estimated that the study would take five or six months to complete. Mr. Woodcock asked if there was a consideration of applying the Unutil air sealing adder to other measures in the prescriptive path (besides just air sealing in conjunction with an energy assessment). Mr. Stoddard offered that Staff would consider making such a change, but noted that certain gas equipment rebate programs in other states had reported very low cost-effectiveness due to the low price of natural gas and said this would be a concern. Mr. Hodsdon added a note of caution that as natural gas service is expanded in Maine, Efficiency Maine should be aware that requests for advice and information about natural gas may increase significantly, especially when contractors offer Efficiency Maine incentives at the time of signing-up for gas.

The report then turned to the Multifamily Efficiency Program. The DOE has recently issued an extension for this grant. Mr. Stoddard reported that by the end of the period the program will have touched 2% of the multifamily units in the state.

Before beginning his briefing on the Large Customer Program, Mr. Stoddard asked if the Board would like to share any impressions of their tour of UPM Madison. Mr. Barber shared that he found the tour informative and appreciated the time of UPM Madison staff. Mr. Atwell added that he was particularly struck that UPM Madison is a small piece of a larger multinational company and that efficiency projects in Maine compete for funding with capital projects from all over the world. Incentives through Efficiency Maine help make those local projects more competitive and have a greater likelihood for corporate support. Mr. Stoddard closed by sharing that the strategic planning committee will have a conversation to review how RGGI funds will be used for an additional large project PON for greenhouse gas savings.

Mr. Stoddard transitioned to reports on Residential programs. He shared that a conversation is ongoing with MaineHousing and the CAPs about how to best administer the \$500,000 set aside for low income residential customers. Staff is working on sorting out the administrative details about how those funds will supplement the CHIP program. He added that the HESP program will be the subject of a subsequent agenda item but that interest in the program thus far has demonstrated significant interest in Ductless Heat Pumps.

## **5.0 Reports**

### **a. Finance Committee**

#### **i. APPROVE Amendment to Opinion Dynamics Contract for Administration of the Multi-family Program Evaluation**

Ms. Crabtree briefed the board on a proposed amendment to the Opinion Dynamics contract that would allow the evaluation team to evaluate additional multifamily projects. The funds would be transferred from the grant's loan loss reserve fund, which is larger than necessary. The DOE has encouraged Efficiency Maine to repurpose some of the loan loss reserve funds.

**ACTION:** Upon a motion duly made (Mr. Smith) and seconded (Mr. Boyles), the Board unanimously moved to authorize the Executive Director to amend the Opinion Dynamics contract with an increase of \$30,000 to include additional project review and moved to amend the EMT FY2014 budget by moving \$30,000 from Multi-family loan loss reserve to Multi-family Measurement and Verification.

#### **ii. APPROVE Adjustments to FY 2014 Budget**

Mr. Boyles shared that the Finance Committee recommends that the budget amendments outlined in the October 23<sup>rd</sup> memo be approved. Mr. Woodcock asked for clarification about the set aside of funds with the RGGI Incentive budget. Mr. Stoddard explained that with two exceptions, the RGGI

Residential funds had allocated into specific program line items in the budget based on Staff projections of the uptake and the costs for each measure. Data for these projections came from industry representatives during the stakeholder workshops and from Staff's independent research. Since these are only projections, Staff will carefully track and report the uptake of different measures under the program so that the budget allocations can be adjusted as appropriate. The exceptions pertain to the allocation of the RGGI Residential funds to education and marketing initiatives and to supplementing the CHIP incentives for low income customers.

**ACTION:** Upon a motion duly made (Mr. Boyles) and seconded (Mr. Smith), the Board unanimously moved to accept the FY14 Budget amendments and associated contracts as described by an October 23<sup>rd</sup> memo from Constance Packard, with the addition of the earlier amendment to move \$30,000 from Multi-family loan loss reserve to Multi-family Measurement and Verification.

**iii. UPDATE on Monthly Financial Reports**

Mr. Boyles shared that the Finance Committee had recently been briefed on the financials and that they are on track. No action is required. Mr. Smith mentioned that the revenue seemed to be lagging behind the quarter schedule and wondered if there was any concern about that. Ms. Packard answered that that was largely due to a late draw-down of Federal funds due to the government shutdown. In addition, the RGGI revenues always arrive late in each fiscal quarter and typically lag where we are in the fiscal calendar year-to-date.

**iv. APPROVE Authorization for Memoranda of Understanding with the Governor's Energy Office**

Mr. Boyles briefed the Board about how Efficiency Maine has transferred funds to various state agencies and offices. An MOU between the PUC and Efficiency Maine that governs the interagency transfer paid by the Trust for the PUC's ongoing engagement with the Regional Greenhouse Gas Initiative. That MOU is in the process of being updated in order to include the more explicit guidance from the Legislature about providing resources for the PUC's oversight of Efficiency Maine. An updated MOU will be brought back for review and approval by the Board in the coming months. Pursuant to legislative authorization, Efficiency Maine may also transfer funds to the Governor's Energy Office for the work done by that office associated with the Trust. The amount of that transfer for FY14 was allocated in the state budget and Staff seeks authorization for the Executive Director to enter an MOU that will guide the transaction. Mr. Hodsdon mentioned that he would like to see a balance sheet or an income statement from the Public Utilities Commission that reflected how the funds were directed.

**ACTION:** Upon a motion duly made (Mr. Boyles) and seconded (Mr. Hodsdon), the Board unanimously agreed to authorize the Executive Director to execute an MOU with the Governor's Energy Office to cover the office's costs associated with EMT work as allocated in the State Budget. Mr. Woodcock abstained from the vote.

**b. Strategic Planning Committee**

**i. UPDATE on Home Energy Savings Program**

Mr. Fischer briefed the board on the roll-out of the RGGI Residential Incentives. He mentioned that few projects were submitted in September because most of the contractor community was finishing up RDI incentives. Since October 1<sup>st</sup>, 70 projects had been completed; 10 of those came through the modeled path. The majority of incentive applications have been for ductless heat pumps.

As promised in the last board meeting, Mr. Fischer briefed the board on the Ultra-Low Greenhouse Gas (GHG) measure rebates (for pellet boilers and geothermal heat pumps). Of the 50 pellet boiler incentives that have been reserved, only one has been installed and processed to date. Mr. Fischer reported that all future inquiries about pellet boiler incentives will be directed to follow the modeled path for rebates or to consider using the Trust's financing products.

Additionally, staff has been exploring how pellet boiler incentives have been implemented in other states. Ms. Crabtree shared that she had spoken with program administrators in Massachusetts and New Hampshire and that both were very surprised at the apparent rate of uptake in Maine for the pellet boiler incentives. The Massachusetts and New Hampshire programs had not moved as quickly. Ms. Crabtree added that compared to Maine's \$5,000 incentive, the incentive in New Hampshire was \$6,000 and the Massachusetts incentive ranges from \$7,000 to \$15,000 depending on the scope of work.

Mr. Woodcock asked if pellet boilers are eligible for Efficiency Maine loan products where there is a 20% minimum energy savings requirement is met. Mr. Fischer replied that generally there are two paths to Energy Loans: one would require an energy assessment and implementation of the recommendations of the energy auditor; the second requires that air sealing and an energy assessment be completed along with at least one additional prescriptive measure, such as a wood pellet boiler. Either way, pellet boilers are eligible for financing under the Trust's loan programs. Mr. Woodcock suggested that as the program year moves forward, the Staff should consider energy loans tailored specifically for ultra-low GHG systems.

**ii. REPORT on the Final Evaluation of PACE and Residential Direct Install Program through June 30, 2013**

Dr. Nixon presented the recently completed evaluations of the PACE & PowerSaver Loans and the Residential Direct Install Program. The evaluation was undertaken by Opinion Dynamics Corporation and was part of a multi-year evaluation of several Efficiency Maine programs funded by a BetterBuildings Program Grant from the U.S. Department of Energy.

Key findings from the evaluation include that the PACE & PowerSaver Loan Program realized annual gross savings of 10,445 MMBTU, or an average of 54.4 MMBTU per project. On average, these savings represent 28% of pre-project whole-house energy usage. The estimated free ridership rate is 10.3% and estimated spillover savings are 15.5% of the gross savings realized per project. For FY13, the evaluation found the Loan programs to be cost-effective, with a Total Resource Cost (TRC) benefit-cost ratio of 2.0. Survey responses show a high level of participant satisfaction with the PACE & PowerSaver Loan Program overall, with their Participating Energy Advisor, and with their Registered Vendor.

The evaluation also covered the Residential Direct Install (RDI) program. Dr. Nixon shared that the RDI initiative achieved annual gross savings of 47,156 MMBTU in FY13, or 9.21 MMBTU per project. On average, annual gross energy savings represent 8.5% of pre-project whole-house energy usage. The estimated free ridership rate for the RDI program was 18%, and estimated spillover savings represent 77% of the gross savings realized per project. Applying the net-to-gross ratio yields annual program-level net impacts of 74,860 MMBTU, or 14.6 MMBTU per project. On average, these net annual savings per project represent 13.5% of pre-project whole-house energy usage. Dr. Nixon added that the RDI Program was found to be extremely cost-effective, with a Total Resource Cost (TRC) benefit-cost ratio of 3.6.

Mr. Woodcock noted that the program results highlight the need for building labeling and or the ability to support homeowners in evaluating the efficiency of their home compared to average buildings.

**iii. Update on 4<sup>th</sup> Annual Energy Symposium and Awards**

Mr. Stoddard shared an overview of the upcoming annual energy symposium and awards and invited Board members to invite their colleagues to the event.

**iv. Update on University of Maine Project**

Mr. Stoddard added that staff has been working with the University of Maine to identify energy efficiency opportunities throughout the system and to finance those efficiency measures using funds from the revolving loan fund.

Adding financing to the large customer program was identified in the Triennial Plan process and has been discussed in the Strategic Plan Committee in the context of getting permission to extend and modify the US DOE BetterBuildings grant. The University is the first candidate for those funds.

**6.0 New Business**

**7.0 Next Meeting Agenda and Scheduling**

**ACTION:** The Board set the date to meet on Wednesday November 20<sup>th</sup> at 9:30 a.m. with committee meetings scheduled in the interim.

**8.0 Adjournment**

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