

## Efficiency Maine Trust

### Board Meeting Minutes

October 27, 2010

Room 209, Cross Building, Augusta, ME

Approved December 1, 2010

#### Trust Board Members

✓ Adam Lee, Chair	✓ Dale McCormick
✓ Naomi Mermin, Vice Chair	✓ John Kerry
✓ James Atwell, Secretary	✓ Glenn Poole
Michelle Atherton, Treasurer	✓ John Rohman
	✓ Tom Tietenberg

#### Efficiency Maine Trust Staff/Consultants:

- Michael Stoddard
- John Quartararo
- Jean Guzzetti
- Elizabeth Crabtree
- Dana Fischer
- Cindy Talbot

#### Partial List of Other Attendees:

- Sandy Amborn, Sierra Club
- Dylan Voorhees, NRCM
- Jeff Hubert, Macdonald Page
- Pam McTigue, TESM
- Jennifer Puser, OEIS
- Matt Arnett, Maine Green Energy Alliance and Hampden Town Councilor
- James Mayer, TRC
- Tom Rooney, TRC Energy Services
- Jennifer Giosia, Penquis
- Vickie Hoyle, MCAA
- Ben Gillman, MEMA
- Rich Nowak, Cévon Corp

#### 1.0 Approve Draft Agenda and Minutes

Chair Lee called the meeting to order at 9:35 a.m.

**ACTION:** Upon a motion duly made (Atwell) and seconded (Tietenberg) the Board voted unanimously to approve the agenda for this meeting.

**ACTION:** Upon a motion duly made (Atwell) and seconded (Rohman) the Board voted unanimously to approve the minutes of the September 22 Board Meeting.

#### 2.0 Executive Director Report – Michael Stoddard

Stoddard reviewed highlights of the written report dated October 25 and provided to the Board prior to the meeting. (See Attachment A to these minutes.)

### 3.0 Action Items

- **Review and Vote on Financial Audit Report**

John Quartararo, Efficiency Maine CFO, and Jeff Hubert of Macdonald Page & Co LLC reviewed the financial audit report.

**ACTION:** Upon a motion duly made (Atwell) and seconded (Mermin) the Board voted unanimously to approve the draft audit report submitted by Macdonald Page and to direct them to finalize it.

- **Review and Vote on Multifamily Grant**

In the spring of 2010, the PUC applied for a multifamily housing retrofit grant offered from the US Department of Energy (USDOE). The grant has now been awarded to the Office of Energy Independence and Security with Efficiency Maine as the sub-grantee. According to the Trust's governing legislation, the Board needs to proactively approve the acceptance of all grants.

Discussion followed on the need for help in the area of multifamily housing with a small number of units and on partnering with MaineHousing to provide assistance to multi-family housing for the low income.

**ACTION:** Upon a motion duly made (Atwell) and seconded (McCormick) the Board voted unanimously to accept the USDOE award, grant number DE-EE0004439, with the Efficiency Maine Trust's matching share and other budgetary stipulations provided to the board in the memorandum from John Quartararo dated October 21, 2010.

- **Review and Vote on Marketing Agreement with Burgess**

Jean Guzzetti described the current work being done by staff to streamline and update the current marketing programs and proposed entering into a fee-for-service contract with Burgess Advertising through December 31, 2010. Details of her discussion are presented in her memorandum dated October 25, 2010. Discussion followed on the structure of the contract and several board members suggested extending the contract beyond the proposed date.

**ACTION:** Upon a motion duly made (Atwell) and seconded (Tietenberg) the Board voted seven in favor and one opposed to direct staff to enter into a time and materials (i.e., fee-for-service) contract with Burgess Advertising through March 31, 2011.

### 4.0 Presentation

Dana Fischer, Residential Programs Specialist at Efficiency Maine, presented a report on the Energy and Savings Loan Program.

Highlights of the program status follow:

- Efficiency Maine issued a Request for Proposals (RFP) to hire Master Provider services for loan origination and servicing. Proposals are due October 29.
- At the current time, 23 towns have voted to pass PACE legislation and Fischer anticipates that the number will be twice that after the election because many towns require a vote to pass the legislation. He estimates that at least half of Maine's population will be covered by PACE legislation by the end of the year.
- Municipalities have the option of administering their own program or having Efficiency Maine manage their program. Thus far, all municipalities are opting to have the program administered by Efficiency Maine due to staffing limitations.
- Fischer described how the program will work including the relationship with local bank branches and the payment schedules and payback process.

Discussion followed on several components of the program, how Efficiency Maine grants/rebates will be handled, what happens if property ownership is transferred, whether there is a plan to implement energy efficiency labeling such as HERS and Earth Advantage to promote the value added to the home, and whether participants need to meet the 25 percent energy savings threshold established in the Home Energy Savings Program to be eligible.

Tom Federle of the Maine Green Energy Alliance also spoke at the meeting. His organization is working with eight communities this year to educate them and assist in the process. He commented on the progress of the program thus far, the need to keep things simple because it is a complicated program already, and the need to keep the interest rate low.

Chairman Lee suggested staff include members of the Board's PACE working group in the evaluation of RFPs and other program developments.

## 5.0 New Business

The Board discussed the 2011 meeting schedule and will schedule bi-monthly meetings on the first Wednesday of each month. Therefore, the first meetings of 2011 will be scheduled on February 2, April 6, and June 1.

## 6.0 Public Comment

- **Matt Arnette, Hampden Town Councilor and Chair of the Maine Green Energy Alliance.** Mr. Arnette urged the Trust to work with the real estate community and to implement a labeling program. He also encouraged Efficiency Maine to take steps to ensure that the model used to predict energy savings does not overestimate the savings.
- **Dylan Voorhees, NRCM.** Mr. Voorhees expressed support for the Trust moving forward to expand its communication efforts by hiring a Communications Director. In addition, he emphasized that buyers are skeptical of realtors' selling strategies and that this is one of the reasons why a home efficiency labeling system is necessary.

## **7.0 Next Meeting Agenda**

Wednesday, December 1, 9:30 a.m. to 12:30 p.m., Room 209, Cross Building, Augusta

- Recommendation for funding the heating fuel program, due to the legislature in early January.

## **8.0 Adjournment**

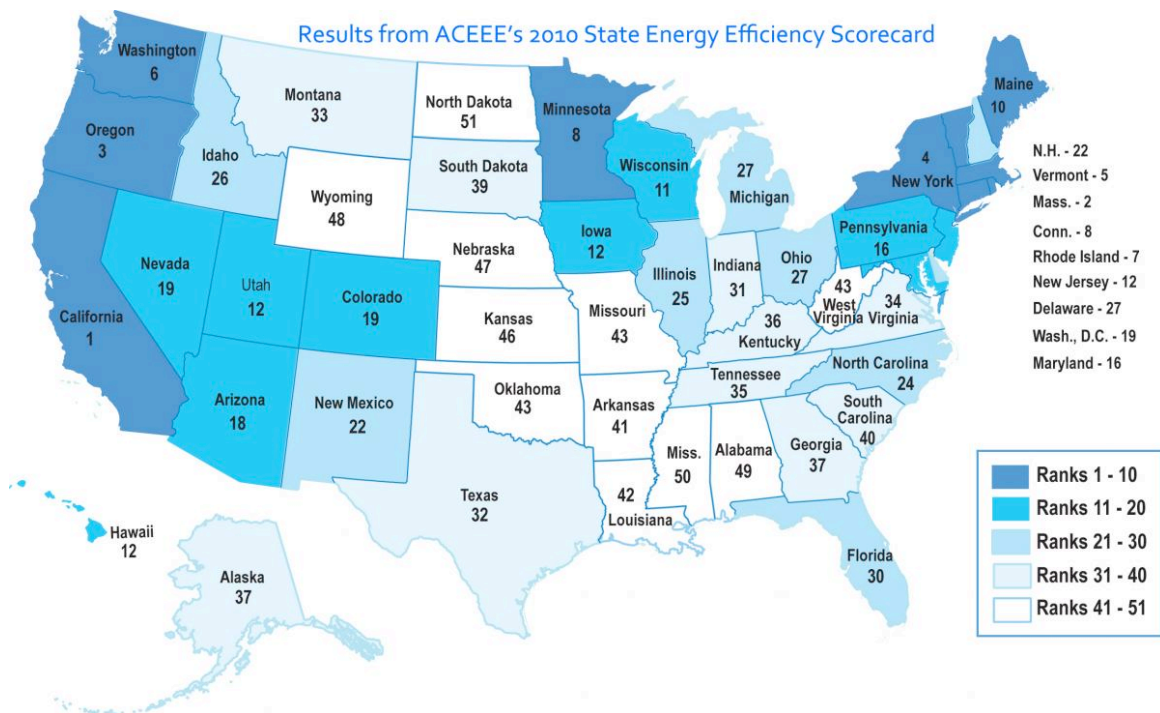
ACTION: Upon a motion duly made (Poole) and seconded (Tietenberg) the Board voted unanimously to adjourn the meeting at 11:30 p.m.

# Executive Director's Summary Report to the Board of Trustees Efficiency Maine Trust

October 25, 2010

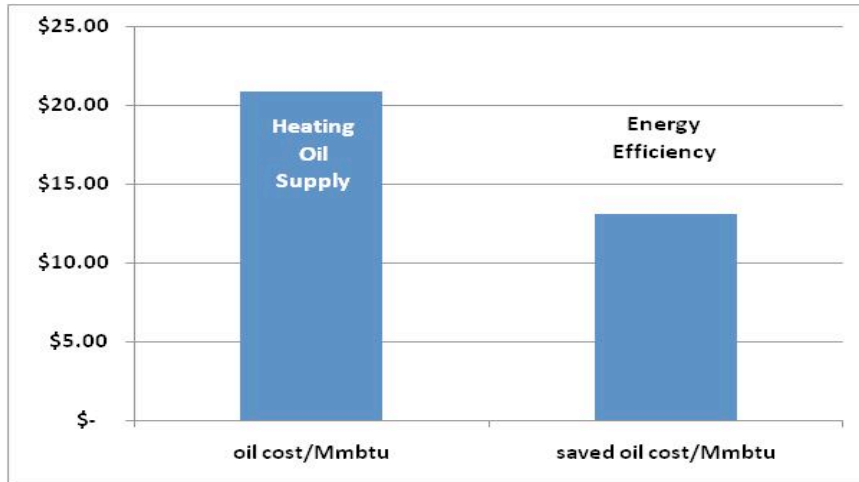
## I. Headlines

- a. Maine ranked 10<sup>th</sup> in ACEEE annual 2010 State Energy Efficiency Scorecard - <http://aceee.org/sector/state-policy/scorecard> . The scorecard noted Maine's formation of Efficiency Maine Trust, which creates and coordinates energy-saving programs and sets specific goals. Other key findings include: state budgets nearly doubled in 2009 compared to 2007; states including CT, NH, NJ, NY have raided efficiency funds to help balance budgets; the rankings are based on a state's policies and programs in six areas: (1) energy efficiency programs (such as those funded by system benefit charges); (2) building energy codes; (3) transportation policies; (4) combined heat and power; (5) state government initiatives; and, (6) appliance standards.



- b. The Trust successfully kicked off its initiative to gather stakeholder input on the Heating Fuels Efficiency and Weatherization Fund. We held two open stakeholder meetings, the second of which was simultaneously broadcast by live internet feed to Bangor, Presque Isle, and Portland, from the University of Maine at Augusta campus. The Trust is directed by statute to present a proposal to the legislature in

January recommending program and funding options for the Fund. EM staff is reaching out directly to key stakeholders, reviewing written comments, and analyzing key data points, such as the price of a unit of heating oil compared to the price of a unit of avoided heating oil from energy efficiency (below).



## II. Finance and Administration Highlights

- a. **Forward Capacity Market (FCM)** -- EM issued an RFP for services and has selected Synapse Energy Economics, Inc. as its consultant to assist with the strategies and execution of participating in the FCM at the Independent System Operator of New England. We anticipate having Synapse on board as of November 15, 2010
- b. **FY 2010 Financial Audit** -- On September 22, 2010, the draft FY2010 audit Financial Report was reviewed by the Finance Committee with our independent auditors, Macdonald Page & Co LLC. We delivered a copy of the draft financials to the State Controller's Office and prepared the state's component unit filing. There are on-going discussion with the State Controller's Office and Audit Department concerning Efficiency Maine Trusts status as a component unit and the categorization of the assets received from the Maine Public Utilities Commission in the financials. The financials that will be presented at the Board meeting on October 27, 2010 reflect the changes required by the Controller's office.

**Financial Management System** -- During September and October a request for proposal for an internal financial management system was drafted. The RFP was circulated to selected vendors and posted to the EM website on October 25, 2010. We anticipate awarding the contract on December 2010 and having a fully functioning system in place and operational as of July 1, 2011.

### c. Budget Reporting

With the adoption of the FY 2011 budget by the Board, the finance division has worked on entering the program budget into QuickBooks and is now working on reclassifying expenses according to the budgeting categories. We anticipate having comparative budget and expense reports during November which will allow staff and the board to gauge where we are in our expenditure patterns versus the budget.

- d. **Annual Report** – The Annual Report for EM activities ending June 30, 2010 is due on December 1 to the legislature. Staff has commenced drafting narratives to summarize program activities, including new work funded by the federal stimulus grants, as well as energy savings and cost-effectiveness.

### III. Program Highlights

#### a. Residential

##### i. Home Energy Savings Program (HESP)

###### 1. Recent Results and Program Notices –

- a. In August, EM extended the bonus of \$1,000 for any customer who signed up by August 31 and completed all work by December 31, 2010
  - b. This past month, EM clarified to Participating Energy Advisors (BPI certified auditors) and other contractors that Summer Promotion deadline of December 31 remains firm and there will not be an additional extension.
  - c. EM based this decision in part on a survey of 30 Advisors and contractors to confirm that there is sufficient capacity in the marketplace to complete the volume of work, assuming customers initiated their efforts to begin the process in a timely way.
  - d. A total of more than 1,500 audits have been completed by BPI certified Participating Energy Advisors since the beginning of the year.
  - e. Whole House home energy upgrades (saving 25% or more energy) are being completed at rate of 36 homes per week, or 1,800 per year.
2. Marketing – Direct mail has been sent to customers who signed up for the 2010 Summer Promotion, reminding them of the deadlines. New advertising started in early October to build consumer demand for 2011, once the 2010 Summer Promotion ends.

##### ii. Property Assessed Clean Energy (PACE) Program

1. EM continues to work with municipal officials and community groups to prepare for the roll out of the PACE program. To date, 19 municipalities, constituting more than 21% of the state's population, have opted in to the program. We expect a significant number to join through the Town Meeting process on election day, November 2 with expected coverage of more than 50% of the state population by year end.
  2. The list of participating municipalities to date includes: Augusta, Alfred, Arrowsic, Biddeford, Belfast, Cumberland, Fayette, Freeport, Hamden, Lewiston, Old Town, Portland, Rockland, Scarborough, South Portland, Waterboro, Waterville, Winslow, and Yarmouth.
  3. EM has completed several model documents that are required by the PACE Act for purposes of implementing a PACE program in Maine. These include a Model Ordinance for municipal adoption, and a model contract between a participating municipality and EM.
  4. Rulemaking – EM generated a draft rule for public comment and held a public hearing before a panel of three board members on August 31. Written comments were received through September 13. A second draft of the rule was issued at the end of September and written comments will be received through November 5. Staff will complete a Basis Statement reflecting the comments and a final rule, which will need to be adopted by the Board before being submitted to the Attorney General's office and the Secretary of State.
  5. Staff issued an RFP to solicit Master Provider services (i.e., loan origination and loan servicing). The deadline for responses is October 29 at 3 PM.
- iii. Replacement Heating Equipment Program – Engaging the HVAC community has proven more difficult than was originally anticipated. 448 rebates have been reserved and 160 have been paid versus a full year goal of 7,572. Our staff and contractors have begun working on:
1. coordinating this program with the Home Energy Savings Program (using reservations for heating systems as leads for whole house energy upgrades and training field staff how to leverage HESP to entice more HVAC professionals to use all Efficiency Maine residential programs to drive efficient burners and weatherization; and,
  2. increase awareness amongst HVAC professionals with the program's first direct mailing. All licensed contractors in the state received mailings.



- iv. Lighting – The program is at 8% of goal (145,000 bulbs vs. full-year goal of 1.8MM) with over 25% of the year gone. Funding originally targeted for TV advertising has been repurposed for per-bulb markdown incentives and Lowe’s has agreed to participate in the program. Maine is the first state in the country to gain Lowe’s participation.

**b. Business (Commercial, Institutional (municipal), and Industrial)**

- i. Marketing and PR – EM has initiated a public relations campaign to raise awareness about the benefits of energy efficiency and the availability of EM programs.

- 1. On October 21, EM gave out 8 awards to the highest performing Qualified Partners for projects completed last year. Recipients of the awards were:

Contractor of the Year, Energy Management Consultants, South Portland, ME, for Prescriptive and Custom Lighting delivering energy savings of 1,512,034 kwh;

Largest Lighting Project (Non-Supplier), Kaplan Electrical Construction, Winthrop, ME for a Prescriptive Lighting project that included nearly 300 high bay fixtures, plus occupancy sensors, that delivered energy savings of 375,994 kwh and demand reduction of 67.3 kw;

Largest Mechanical project, Mechanical Services, Portland, ME, for providing eight, 20 ton rooftop units with dual enthalpy controls, delivering energy savings of 546,512 kWh and demand savings 36.59 kW;

Most Completed Projects by Contractor, Mechanical Services, Portland, ME, Prescriptive Refrigeration, HVAC, Custom VFDs, Energy Savings: 758,257 kWh;

Most Completed Projects by a Supplier, Graybar Electrical Supply, of Portland, ME, for Prescriptive and Custom Lighting projects saving 469,546 kwh;

Most Comprehensive Project, Investment Engineering of Yarmouth, ME, for their project at Idexx Laboratories – Westbrook in which they installed 7 measure types, including Prescriptive Lighting, Variable Frequency Drives, Refrigeration, High Efficiency Condenser fans, and a new

Chiller for a total energy savings of 1,051,878 kwh and demand savings of 265.69 kw;

Qualified Partner of the Year, Trask Decrow Machinery of South Portland, ME, for completing 15 total projects, including Custom Compressed Air Systems for a total energy savings of 1,588,949 kWh/yr; and,

Supplier of the Year, CED Gilman Electrical, Newport, ME Branch, for completing 47 prescriptive and custom lighting projects saving 346,645 kWh/yr.

2. EM has arranged PR events, including press releases, around the initiation or completion of projects such as the Scarborough Fire Department heating system upgrade, the Madison Paper Industry heat recovery project, GAC Chemical steam reduction project, and the Farmington Ford dealership's lighting project.
  3. MaineBiz TV taped a segment about EM to run on a future edition of MaineBiz Sunday online and on Maine's NBC affiliates.
- ii. Program Activity - Since July 1, EM has completed 492 incentive projects resulting in an annual savings of 7,015,237 kWh.
1. There have been 57 commercial energy audits completed and a corresponding increase in commercial loan activity through the low-interest loan program.
  2. Staff continues to execute contracts with the Round #2 awardees for the following programs:
    - a. EECBG program – 46 contracts
    - b. Commercial Program Grant program – 45 contracts
    - c. Large Impact grant program – 18 contracts

**c. Other**

- i. Data and IT – EM commenced a review of existing databases holding quantifiable information about energy savings, energy measures, customer information, and program delivery. So far EM staff and consultants have reviewed the ECOS database at MaineHousing, and the Real Home Analyzer database at Conservation Services Group (CSG). This week we will be reviewing the EffRT database maintained by GDS Associates on behalf of the Efficiency Maine programs. This inventory will facilitate a discussion of what data and steps are needed to complete measurement and verification (M&V) protocols consistent with best practices in completing program

evaluations, and also what IT systems are needed to perform our work into the future.

- ii. Education – EM has funded the Maine Energy Education Program (MEEP) in prior years to provide curriculum, training, and information into Maine’s public school classrooms. In June of this year MEEP and Efficiency Maine signed a contract for MEEP to deliver services from July 1, 2010 through June 30, 2011. Due to the transition the contract was not given final sign-off by the State Purchases Division. EM has committed to handle this contract the same way it has handled others in the same situation by honoring the contract, which has been relied and acted upon by MEEP, and to sign it under the name of the new Efficiency Maine Trust. For next year, EM staff intend to submit education proposals to a competitive process.