

Efficiency Maine Trust Board Meeting Minutes September 26, 2013

Trust Board Members:

- James Atwell, Chair
- Al Hodsdon, Vice-Chair
- David Barber
- Brent Boyles
- Margaret Bean for John Gallagher
- Naomi Mermin
- Doug Smith
- Patrick Woodcock

Efficiency Maine Trust (EMT) Staff:

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

Other Attendees:

- Dylan Voorhees, NRCM
- Kathy Billings, Bangor Hydro
- Lisa Smith, Governor's Energy Office
- Will Beck, MEMA
- Bill Bell, Maine Pellet Fuels Association
- Erin Hill, MacPage
- Jeff Hubert, MacPage

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. Barber), 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.

3.0 Public Comment

- 3.1 Mr. Bell of the Maine Pellet Fuels Association thanked the Trust for the opportunity for the pellet industry to participate in the residential incentive program and demonstrate the value and interest in this heating system.
- 3.2 Mr. Voorhees of NRCM congratulated the Trust on the launch of the residential incentive program and complimented the Trust on a robust stakeholder process and balancing industry interest. He commented that the program design worked to maximize savings and help as many homeowners as possible. He urged the board to watch how the incentives are allocated across the range of competing systems and fuel types. He also encouraged the Trust to help homeowners achieve deeper savings by performing envelope upgrades in conjunction with heating projects whenever possible.

4.0 Executive Director Report

Mr. Stoddard began his report by mentioning that the venue for the meeting had been changed to accommodate a board trip to UPM Madison for a field visit.

He then shared with the Board that the training program on customer service, marketing, and sales had been launched and had been well-received by Registered Vendor and Qualified Partner participants.

Mr. Stoddard reported that the Business Incentive program was ahead of budget and ahead of progress from last year, and that the change in delivery partner has not negatively impacted program delivery or goals. The Multifamily Program has picked up speed as more projects were completed over the summer months when it was more convenient for property owners to shut down heating systems. Mr. Stoddard continued that the delivery team and staff had recently hosted focus groups with Multifamily Program participants and were working to incorporate the lessons learned into program modifications. These changes will focus on reducing the administrative burden for participating building owners and taking steps to improve the customer experience with contractors.

Mr. Atwell asked Mr. Stoddard for an update on the Summit Natural Gas contract. Mr. Stoddard replied that currently Summit is signing-up customers who are committing to get gas at a later date but that they are not yet connected to the pipeline. Staff is currently working with Summit to work out administrative details for check processing and invoicing.

Mr. Stoddard then briefed the Board on the Large Customer Program. The first monthly review team was convened this month and awarded \$300,000 to Hannaford for a lighting project. Nine more projects are in the pipeline for FY14 and FY15. Mr. Stoddard

continued by saying that new program delivery with a rolling deadline has been well-received by potential participants and is more in keeping with how large industrial customers do capital projects. Mr. Woodcock asked if there was an opportunity to move some of the more popular or frequent projects in the Large Customer Program to a prescriptive measure and if that was something to explore with RGGI dollars. He continued by saying that ACEEE identified combined heat and power as one such measure. Ms. Mermin added that traditionally as measures are more common, they are translated into prescriptive measures in the business program and that the large customer program can be an opportunity to explore the cost-effectiveness of new technologies and innovative applications. Mr. Burnes added that the custom engineering and analysis for the large projects typically analyzes the interactive effects of multiple measures, and potential efficiency gains through installation specifics.

Mr. Stoddard next discussed the Residential Program. The new loan products will be released in early October and staff is currently working with AFC First to work on the mechanics of loan administration. To date, there have been no loan defaults, and only four loans are delinquent. The PACE/PowerSaver program was recently evaluated by a Department of Energy field team and their evaluation of the BetterBuildings grant and loan program was favorable. They had no administrative findings or concerns, and expressed their favorable impression of the informal Building Science Discussion Group that they attended while in Portland.

Mr. Stoddard mentioned that the new HESP incentives will be the subject of a later discussion item but he wanted to share that all incentives for ultra-low ghg systems had been reserved. The staff is watching that program closely. The number of reservations was based on the subscription levels in New Hampshire. Mr. Atwell asked if there was a waiting list. Mr. Stoddard replied there is not because Efficiency Maine does not want to constrain the pellet boiler market, which would likely happen if customers were put on a waiting list and delayed making purchasing decisions.

The Staff will wait for more results to come in to gauge interest in incentives and uptake for other measures. There are no additional funds to dedicate to these products at this time. Mr. Barber asked how many geothermal projects were part of the application process. Mr. Stoddard answered that the 45 rebates were for pellet boiler systems and five rebates were used for geothermal projects. Ms. Mermin asked if the rebates were evenly split among multiple vendors. Mr. Stoddard answered that all of the major contractors had projects in the initial round of rebates.

In other residential program updates, the Lighting and Appliance Programs are ahead of goal and ductless heat pumps have been added to the list of eligible appliances. Mr. Woodcock suggested that Efficiency Maine contact the smaller electric co-ops to inform them of the new ductless heat pump incentive. Mr. Stoddard closed his briefing by mentioning that staff recently completed a 30MW bid in the Forward Capacity Market which was higher than in previous auctions.

5.0 Reports

a. Finance Committee

i. APPROVE Audit Reports

Mr. Boyles directed the Board's attention to the copy of the draft audit report as well as a memo from Ms. Packard. At Mr. Boyles' request, Mr. Stoddard provided a brief overview of the audit results. Mr. Stoddard reported that the audit found no material weaknesses or significant deficiencies. The Trust was evaluated as a low-risk entity and the audit demonstrates continuous improvement in internal procedures, grant compliance and sub-grantee management. Mr. Boyles echoed Mr. Stoddard's praise for the Finance and Administration team and thanked the MacPage auditing team.

ACTION: Upon a motion duly made (Mr. Boyles) and seconded (Mr. Hodsdon), the Board unanimously agreed to accept the Financial Report of Macdonald Page for the financial activities of the Trust for the fiscal year ending June 30, 2013 and the Single Audit Report of the Macdonald Page for internal control over financial reporting and on compliance and other matters during the same period.

ii. APPROVE authorization to amend contract with Conservation Services Group (CSG) for delivery of RGGI Residential Heating Incentive Initiative and Summit Natural Gas Rebates

Mr. Stoddard briefed the Board on the motion to allow CSG to deliver the rebate requests and forms related to the above-referenced programs, in addition to the technical assistance that CSG already provides on the PACE and PowerSaver loans and Residential Direct Install programs. The contract will be amended to allow for incentive processing through the end of the calendar year. The delivery contract for services after January 1 is up for bid and a new RFP will be issued next month.

ACTION: Upon a motion duly made (Mr. Boyles) and seconded (Mr. Hodsdon), the Board unanimously agreed to authorize the Executive Director to amend the Conservation Services Group contract to include program delivery services and funding for the Home Energy Savings Program and the Summit Natural Gas Efficiency Program.

b. Staff Reports

i. UPDATE on launch of RGGI Residential Heating Incentive Initiative

Mr. Fischer briefed the board on the roll-out of the RGGI Residential Incentives. He mentioned that weekly webinars have been held for the contractor community to explain the incentives and incentive processing. He added that the guidelines and incentives that previously have been in effect for

the Residential Direct Install project will be ending on September 30th, and that thereafter the new guidelines and incentives associated with the RGGI Incentives will govern. He reported that the majority of the contractor community was finishing up previously scheduled air sealing projects before working with customers on the new incentives.

He addressed the question of the waiting list for additional pellet boiler or geothermal rebates. Mr. Fischer added that the delivery team and evaluation teams will look closely at the fifty rebates that had been allocated to determine the level of free ridership. Ms. Mermin mentioned that the rebates being allocated in one week raises a level of concern with free ridership. Mr. Hodsdon asked if the geothermal projects could be completed within 120 days. Mr. Fischer replied that he was confident that the projects could be completed within that time.

Mr. Smith asked Mr. Fischer about quality control. Mr. Fischer replied that 15% of the projects funded through the new program would be subject to inspection. He added that all previous RDI participants had been surveyed over the telephone, and that 15% of all prior PACE and PowerSaver projects are inspected. The evaluation for PACE and RDI is almost completed and the results have been very favorable in terms of customer satisfaction and cost effectiveness.

Mr. Woodcock asked Mr. Fischer and Mr. Stoddard for a briefing at the next board meeting on the ultra-low GHG rebates and to prepare a plan for deciding what should happen next for those measures. Mr. Atwell reiterated that it is important that the program be nimble and adapt to reflect trends in the marketplace and that the program could be the topic of discussion at the next Board meeting.

ii. PRESENTATION on the Commercial Program Technical Reference Manual (TRM)

Dr. Nixon presented the recently updated Commercial TRM to the Board, explaining that the TRM acts as an industry standard tool for energy efficiency programs that outlines how energy savings are calculated and tracks baseline assumptions. The TRM is a critical part of how cost-effectiveness is evaluated and allows the Trust to calculate and compare energy savings across measures and programs. Following Dr. Nixon's presentation, there was a robust discussion of whether the TRM supports projections of future energy costs or changes in the baseline. Dr. Nixon clarified that the TRM is continually updated as information becomes known about energy savings and baseline assumptions, but that the TRM does not act as a predictor of future energy costs. Instead it is the repository of energy saving calculations. Dr. Nixon also added that the TRM is available for use by all QPs and trade allies but its principal use is as a reference document for staff, delivery partners and

program evaluators. The rules and calculations in the TRM are reflected in the database and incentive applications, which are used more frequently by trade allies and program participants.

6.0 New Business

i. Authority to Waive Competitive Procurement Requirement for Meeting Room and Satellite Space in Westbrook

Mr. Stoddard directed the Board to a memo dated September 26th, requesting authorization for a lease in Westbrook. The Westbrook facility would serve as a meeting space for Portland-area meetings.

ACTION: Upon a motion duly made (Mr. Smith) and seconded (Mr. Hodsdon), the Board unanimously moved to waive the competitive solicitation process for leasing a meeting room and satellite space, as described in the Board memo dated September 26, 2013, and authorize the Executive Director to proceed with a one-year lease and an option to extend for one additional year.

7.0 Next Meeting Agenda and Scheduling

ACTION: The Board set the date to meet on October 23rd 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. Hodsdon) the Board voted unanimously to adjourn at 11:47 a.m.