

Executive Director's Summary Report

to the Board of Trustees
of the
Efficiency Maine Trust

June 5, 2019

1. Communications

A) Awareness and Press

- Press
 - The Triennial Plan proceeding was mentioned in coverage by *NRCM* (<https://www.nrcm.org/maine-environmental-news/maine-puc-intentionally-holding-energy-efficiency-back/>), *MaineBiz* (<https://www.mainebiz.biz/article/nrcm-blasts-pucs-approved-three-year-budget-for-energy-efficiency-projects>), *WABI* (<https://www.wabi.tv/content/news/Public-Utilities-Commission-votes-on-budget-for-energy-efficiency-agency-509980181.html>), and the *Bangor Daily News* (<https://bangordailynews.com/2019/05/15/business/maine-regulators-ok-158m-for-energy-efficiency-but-environmental-group-says-it-comes-up-short/>)
 - The Electric Vehicle (EV) Charging Initiative was covered by the *Bangor Daily News* (<https://bangordailynews.com/2019/04/30/news/bangor/2-electric-vehicle-charging-stations-open-to-the-public-at-cross-insurance-center/>), *The Free Press* (<https://freepressonline.com/Content/Home/Homepage-Rotator/Article/Feds-Designate-Eight-Electric-Vehicle-Road-Corridors-in-Maine-/78/720/64107>), the *Penobscot Bay Pilot* (<https://www.penbaypilot.com/article/statewide-proposed-network-fast-chargers-gets-boost-federal-government/117160>), and the *Seacoast Online* (<https://www.seacoastonline.com/news/20190521/renewable-energy-talks-shift-to-community-solutions>)
 - Efficiency Maine heat pump user tips were covered by *WGME* (<https://wgme.com/news/i-team/i-team-how-well-do-heat-pumps-really-work-in-maine>)
 - Efficiency Maine's Small Business Initiative was mentioned in coverage of A Climate to Thrive (<https://www.mdislander.com/maine-news/small-businesses-lighten-electric-bills>).
 - The legislative process surrounding a bill to create an EV rebate was discussed by *The Free Press* (<https://freepressonline.com/Content/Home/Homepage-Rotator/Article/Eye-on-Augusta-EVs-Revenue-Sharing-Expanding-Abortion-Access-More/78/720/64559>)
- Events
 - Staff discussed proposed EV fast charger locations at a Bridgton Town Council meeting on May 14.
 - Staff convened a stakeholder group to get feedback on the draft EV Rebate Initiative program design on May 30.
- Website and Outreach (April)
 - 21,711 website visits (compared to 24,811 visits in March)
 - 19,659 unique visits
 - 12,293 visits were driven through digital ads

- Facebook
 - 3,395 fans
- Call Center (April)
 - 1,319 inbound phone calls received
 - 98% answered within 20 seconds (vs. a goal of 90%) despite high volume and recent staff turnover
 - 855 inbound emails (33% higher than normal)
 - 2,163 pieces of inbound mail (33% higher than normal)

B) Government Relations

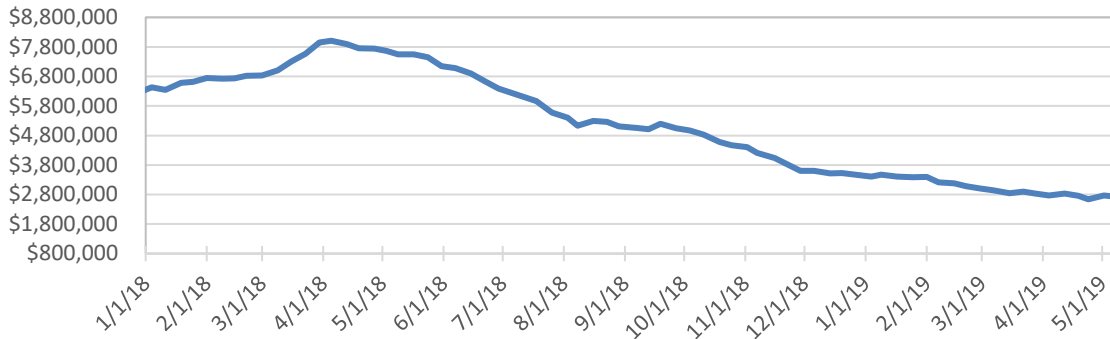
- Public Utilities Commission (PUC)
 - Triennial Plan IV -- PUC staff released their recommendations for the Triennial Plan IV in the Examiners' Report. The report reduced the value of energy savings over time compared to what the Trust initially filed. This caused some measures, including heat pump water heaters and certain commercial lighting retrofits, to not screen as cost-effective. The net change in electricity budget is approximately a \$10 million/year reduction compared to what the Trust estimated in its initial filing. EMT Staff then prepared and submitted Exceptions to the PUC's Examiners' Report. On May 24, the PUC Commissioners deliberated on the Triennial Plan and adopted the Examiners' Report. By adopting the examiner's report rather than the trust's plan, the Commission reduced the estimated lifetime benefits by as much as 60% from what the Trust had estimated for certain measures.
- Legislature -- Staff provided testimony and technical information on several bills at the Legislature, including:
 - LD 912 – a bill establishing the Wood Energy Investment Program at the Trust
 - Voted "Ought to Pass" out of Committee
 - LD 1282 – a bill proposing a Green New Deal for Maine
 - Voted "Ought to Pass" out of Committee
 - LD 1464 – a bill promoting "beneficial electrification" for heating and transportation
 - Voted "Ought to Pass" out of Committee
 - LD 1679 – a bill creating the Maine Climate Change Council
 - LD 1757 – a bill clarifying standards for the Trust's Triennial Plan process
 - Voted unanimously "Ought to Pass" out of Committee, as amended with an Emergency Preamble
 - LD 1766 – a bill to transform Maine's heat pump market
 - Voted Unanimously "Ought to Pass" out of Committee

2. Program Highlights¹

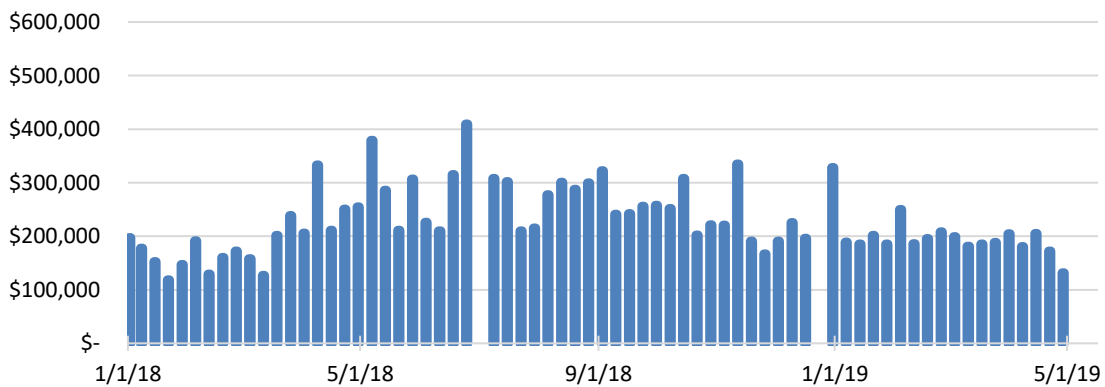
A) C&I Prescriptive (CIP) Program

- Total volume for lighting sales through the distributor channel increased through April.
 - 34% are screw-in bulbs (18% of discounts paid)
 - 66% are mogul and T8 linear replacement lamps (82% of discounts paid)
- Program participation in the distributor program for HVAC is seasonal; nevertheless, participation over April and May has been higher than the same time period last year.
- To date, there have been over 1,600 Prescriptive and Pay for Performance lighting projects submitted using the Commercial Lighting Incentive Calculator (CLIC) tool. Most of the submittals (85%) are utilizing the Prescriptive pathway.
- Preparations are underway for Qualified Partner (QP) Annual Certification with a focus on more in-person events to increase contractor engagement.
- Two lighting distributor advisory group meetings were held to get input on product selection, pricing, and the reporting process.

CIP - Pipeline



CIP - Incentives



¹ The Updated Financials table reported for each Program reflects data pulled from the Trust's financial management system mid-month; the Energy Savings table reflects data pulled from the Efficiency Maine project tracking database on May 17, 2019, to capture the progress for the year through the most recent complete month of reported actual results (i.e., through the end of April 2019).

Updated Financials	Program Investment
FY2019 Program Budget	\$17,416,592
7/1 to 4/30 Spending	\$11,565,861
Percent of Budget Spent to Date	66%
Percent of Year Passed	83%

Energy Savings (through 4/30)	Annual kWh Savings	Annual MMBtu Savings*
Electric Programs	95,914,889	(96,242)
Thermal Programs	233,116	62,953

*Negative MMBtu savings indicates thermal interactive effects with lighting measures.

Project Type (through 4/30)	Units	Projects
Distributor Lighting Solutions	174,937	-
Prescriptive Lighting Solutions	-	2,049
Electric Heating and Cooling Solutions	-	413
Compressed Air Solutions and Other	-	71
Natural Gas Heating and Cooling Solutions	-	81
All-Fuels Heating and Cooling Solutions	-	95

B) C&I Custom Program

- The C&I Custom Program Review Team met twice and approved 7 projects worth \$556,976 in incentive offers.
- The pipeline has grown modestly, adding 4 new projects. The total pipeline now consists of 5 projects worth \$634,000 in incentive offers. (This only includes projects with a reasonable likelihood of being committed in FY2019.)
- Program staff reviewed 6 project proposals that did not meet the program requirements and were not advanced to a full review.

Updated Financials	Program Investment
FY2019 Program Budget	\$14,797,439
7/1 to 4/30 Spending	\$2,566,837
Percent of Budget Spent to Date	17%
Percent of Year Passed	83%

Additional Details on FY2019 Financials	Program Investment
Expenditures	\$2,566,837
Committed	\$9,216,491
Pipeline	\$634,000
Total (Expenditures, Committed, & Pipeline)	\$12,417,328
Percent of Budget	84%

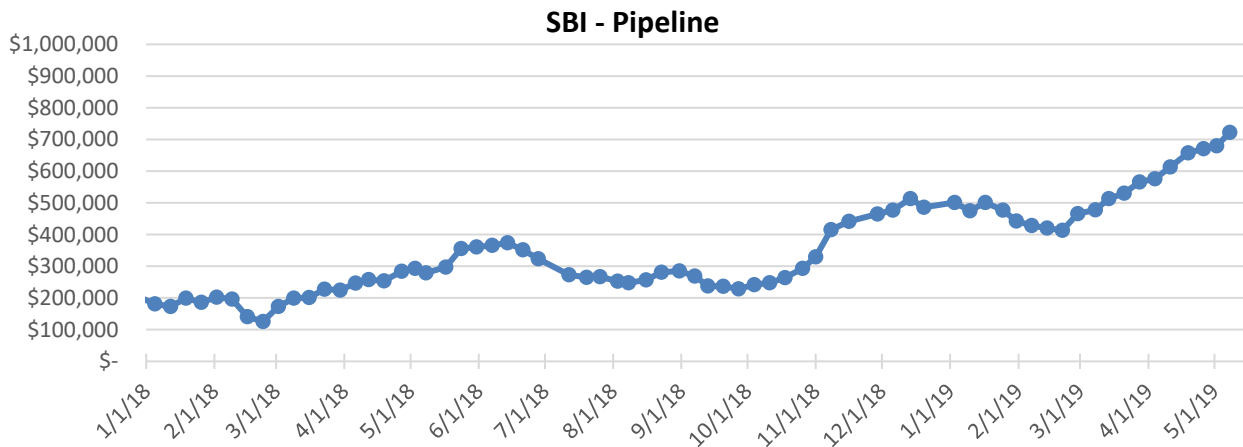
Energy Savings (through 4/30)	Annual kWh Savings	Annual MMBtu Savings
Electric Programs	4,265,452	9,202
Thermal Programs	-	4,425

C) Small Business Initiative (SBI)

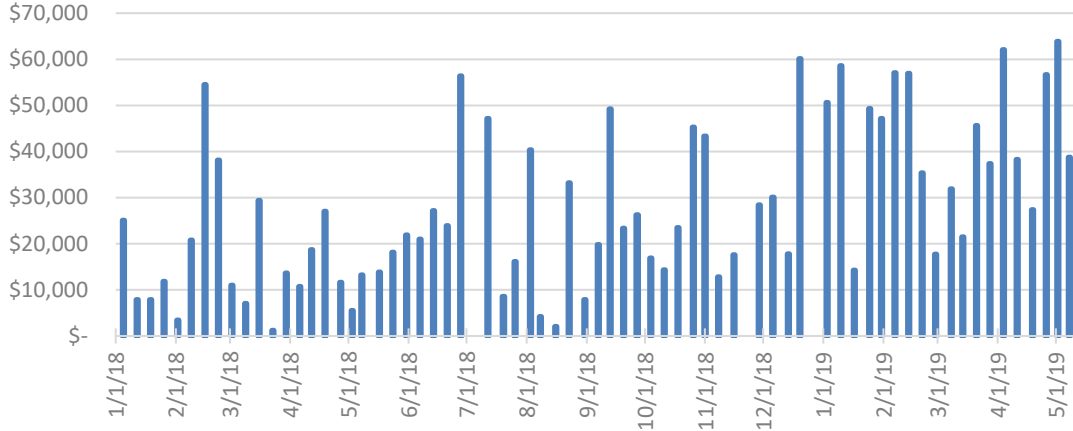
- The program has supported 391 projects year-to-date (YTD) in FY2019, compared to 257 in all of FY2018.
- Staff launched a 14th region in the Bangor and Hampden area.
- Staff initiated an RFP for SBI supplier pricing for FY2020. Responses are due June 4, with an anticipated award date of June 11.

SBI Activities	Region 10	Region 11	Region 12	Region 13	Region 14
Launch Date	7/2018	8/2018	1/2019	2/2019	4/2019
Assessments Requested/Assigned	305	44	97	93	47
Assessments Completed	275	37	69	73	14
Pre-approved Projects	256	32	61	70	13
Signed SOWs	209	24	35	51	4
Installations Underway	36	3	5	15	0
Projects Completed	153	16	20	24	0

Region 10 covers the Ellsworth area; Region 11 covers Old Town and Orono; Region 12 covers Hallowell, Gardiner, and Chelsea; Region 13 covers Burnham to Hermon; and Region 14 covers Bangor and Hampden.



SBI - Incentives



Updated Financials	Program Investment
FY2019 Program Budget	\$3,556,369
7/1 to 4/30 Spending	\$1,595,776
Percent of Budget Spent to Date	45%
Percent of Year Passed	83%

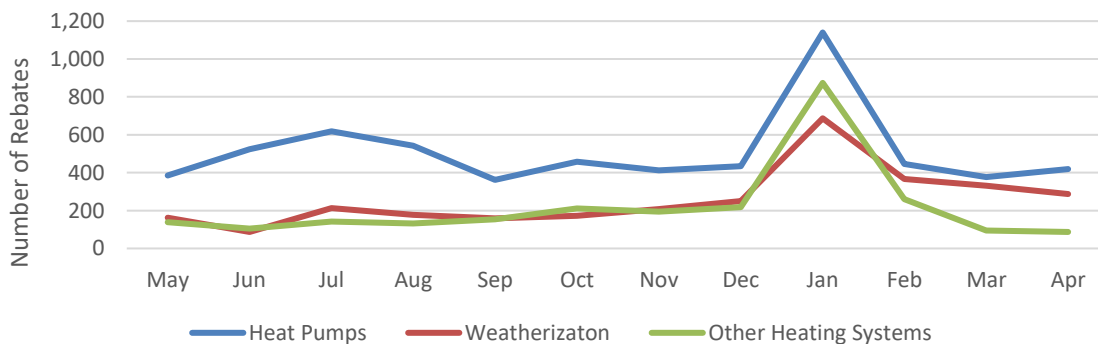
Energy Savings (through 4/30)	Annual kWh Savings	Annual MMBtu Savings*
Electric Programs	2,978,616	(3,056)

*Negative MMBtu savings indicates thermal interactive effects with lighting measures.

D) Home Energy Savings Program (HESP)

- The number of rebates in April 2019 was up 75% compared to April 2018, and fiscal YTD rebated measures are up 45% over last year.
 - Heat pump rebates up 41% YTD vs. last year.
 - Insulation and air sealing rebates up 45% YTD vs. last year.

HESP Rebates – Last 12 Months



Updated Financials	Program Investment
FY2019 Program Budget	\$12,265,960
7/1 to 4/30 Spending	\$8,402,640
Percent of Budget Spent to Date	69%
Percent of Year Passed	83%

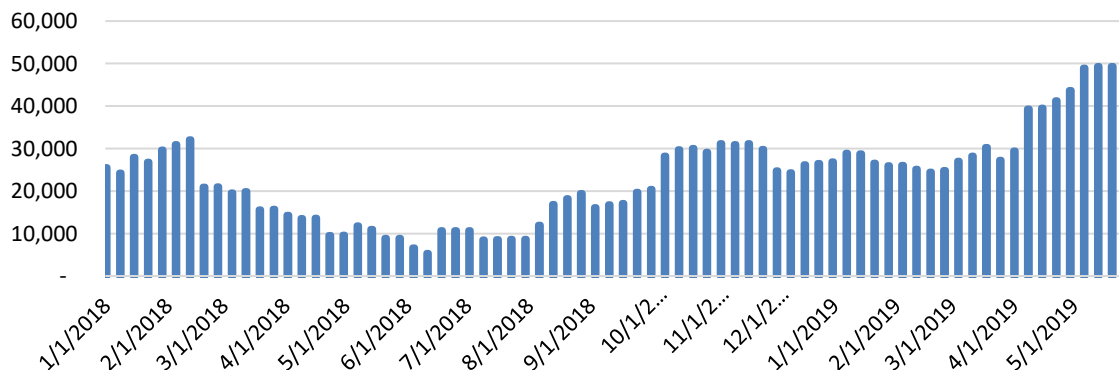
Energy Savings (through 4/30)	Annual kWh Savings	Annual MMBtu Savings
Electric Programs	14,417,085	-
Thermal Programs	560,382	87,153

Project Type (through 4/30)	Participating Households
Electric Measures	5,488
All Fuels Measures	3,595
Natural Gas Measures	437

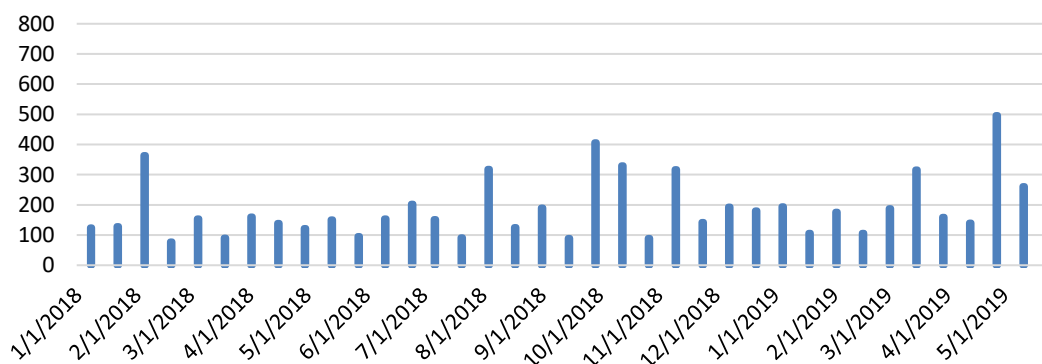
E) Consumer Products Program

- The heat pump water heater forecast has been adjusted to 6,311 for the year, compared to 5,528 last year. Most plumbing distributors are participating in our promotion that enables them to sell heat pump water heaters for a lower price than electric water heaters. This is driving strong demand.
- Over 200 stores across the state have promotional displays featuring \$0.50 and \$1 LED bulbs discounted by Efficiency Maine. The full-year projection is 1.4 million LEDs, compared to 1.5 million last year.

Weekly Bulb Sales – Retail (including unaudited estimates)



Weekly HPWH Sales (including unaudited estimates)



Updated Financials	Program Investment
FY2019 Program Budget	\$13,495,604
7/1 to 4/30 Spending	\$7,136,229
Percent of Budget Spent to Date	53%
Percent of Year Passed	83%

Energy Savings (through 4/30)	Annual kWh Savings	Annual MMBtu Savings*
Electric Programs	36,083,076	(24,269)
Thermal Programs	2,322	6,527

*Negative MMBtu savings indicates thermal interactive effects with lighting measures.

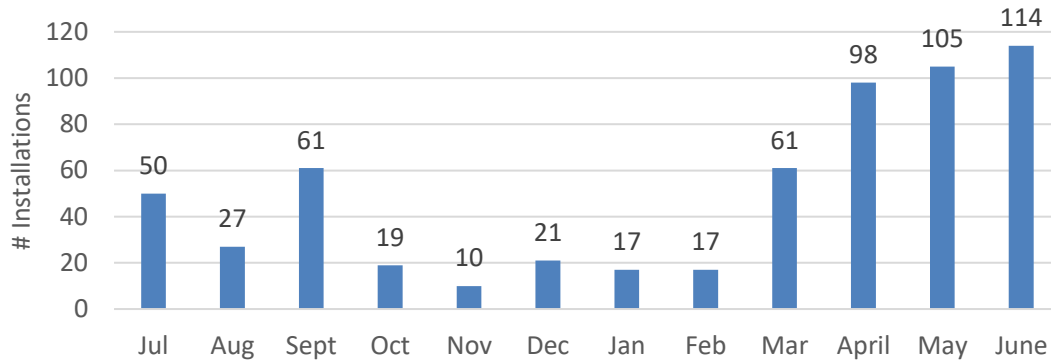
Rebate Type (through 4/30)	Projects
Light Bulbs	831,368
Appliance Rebates	12,046
Smart Thermostats	680

F) Low-Income Initiatives

- The Low Income Direct Mail (LIDM) Initiative continues to offer free Do-It-Yourself (DIY) kits to households that participate in state or federal low-income programs. Staff has seen very strong interest in this initiative, with over twice the activity of last fiscal year.
- The Trust participates in the electric utilities' Arrearage Management Program (AMP). Staff continues to receive enrollments from the utilities.
- The Low Income Direct Install (LIDI) initiative offers free installations of heat pump water heaters (HPWHs) to eligible households. An increase last month in the amount the program pays to plumbers has led to increased activity. Staff forecasts installing 600 HPWHs in FY19.
- Staff completed a natural gas project in a low-income multifamily housing complex in Unitil territory, successfully investing the budget. Staff is now looking to replicate the project in the Bangor Natural Gas and Maine Natural Gas territories.

- The market-based Affordable Heat Initiative (AHI), which offers enhanced rebates on ductless heat pumps and insulation to eligible homeowners, is currently suspended. All funds for this initiative are fully invested for this fiscal year.

LIDI - Heat Pump Water Heater Installations



Updated Financials	Program Investment
FY2019 Program Budget	\$9,134,120
7/1 to 4/30 Spending	\$4,408,753
Percent of Budget Spent to Date	48%
Percent of Year Passed	83%

Energy Savings (through 4/30)	Annual kWh Savings	Annual MMBtu Savings*
Electric Programs	9,107,250	(1,361)
Thermal Programs	(2,690,343)	48,131

*Negative MMBtu savings indicates thermal interactive effects with lighting measures.

Initiative (through 4/30)	Units
Direct Installs	310
Market-based Installs	1,917

G) Renewable Energy Demonstration Grants Program

- The Trust has no new information to report this month.

H) Electric Vehicle Initiatives

- EV Charging Initiative
 - In Phase 1, Staff organized a kick-off meeting with ChargePoint (the sub-contractor chosen to install the EV fast chargers). Subsequently, Staff approved six of the seven

proposed fast charger sites. Staff attended the Bridgton Town Council meeting on May 14 to discuss proposed sites.

- In Phase 2, Staff held a webinar for potential grant applicants of the Level II charger initiative and information regarding Level II EV charger service providers and installers' information was posted to the Efficiency Maine website.
- EV Rebate Initiative
 - Staff shared a concept draft proposal for program design with stakeholders and held a meeting to discuss and receive in-person comments on May 30. Written comments on the draft EVRI proposal will be accepted through June 3.

I) Strategic Initiatives (Cross Cutting)

- **Innovation**

- Staff and TRC are working on analyzing the results of the Low Income Behavioral Pilot. Data on the control group is being reviewed and a feedback survey is being developed for pilot participants.
- In the Commercial Demand Response pilot, Revision Energy is reviewing existing and proposed projects to ensure that grants are sized appropriately. This will inform the design of the pilot program.
- The Residential DER aggregation and controls pilot is on schedule and on budget. Revision Energy has closed sales and are focusing on installing the remaining projects by the end of June. No major variations from plan are expected.

- **Evaluation, Measurement & Verification**

- The Annual Measurement and Verification Compliance Review required for participation in ISO New England's Forward Capacity Market found that the Trust's portfolio was in full compliance. The review found that "the data sync...is remarkably successful given the volume and velocity of data being exchanged and the dynamic nature of program tracking records across a variety of energy efficiency programs. Our 'top-down' review found differences of less than 0.1% between the peak demand impacts..."
- The RFP for administering the Retail and Distributor Initiatives Lighting Impact Evaluation was awarded to Demand Side Analytics.
- The RFP for administering the Small Business Initiative Impact Evaluation was awarded to Demand Side Analytics.

3. Administration and Finance Highlights

A) Administration

- Four new Trustees were nominated by the Governor, recommended by the Energy, Utilities and Technology Committee, and confirmed by the Senate. They are:
James Boyle; Suzanne MacDonald; Glenn Poole and Joan Welsh
- The new Trustees will be replacing the four Trustees whose terms had expired and/or had resigned:
David Barber; Brent Boyles; Herb Crosby; Don Lewis
- Jennifer Brennan was hired as Program Manager for Electric Vehicle Initiatives. Before joining Efficiency Maine, Ms. Brennan worked in the Governor's Energy Office and led electric vehicle and other energy-related programs at the Greater Portland Council of Governments. Most recently, she was a planner at Gorrill Palmer, a private-sector development and engineering firm.
- The Trust begins its Annual Financial Audit in June with an initial field visit from auditors RKO.

B) Financial

Revenues

- The new revenues from state and regional sources through the end of April 2019 were \$48.4 million (up from \$45.4 million through the end of March) out of a revised total expected annual revenue of \$60.6 million. Approximately \$1.1 million in additional revenue has been received year-to-date on interest from outstanding loans and other miscellaneous revenues. Year-to-date, we have made interfund transfers of \$1.86 million. The outstanding balance for revenues is approximately \$11.8 million for the fiscal year, not including the balance of interfund transfers.

Expenditures

- Total expenditures through the end of April 2019 were \$44 million (up from \$39.5 in the last report), of which approximately:
 - i. \$2.3 million was spent on Administration (excluding interfund transfers)
 - ii. \$189,000 was spent on Public Information
 - iii. \$337,000 was spent on Evaluation work
 - iv. \$127,000 was spent on Innovation pilots
 - v. \$4.4 million was spent on Low Income Initiatives
 - vi. \$7.1 million was spent on the Consumer Products Program
 - vii. \$8.4 million was spent through HESP
 - viii. \$11.5 million was spent through the C&I Prescriptive Program
 - ix. \$2.5 million was spent on the C&I Custom Program
 - x. \$1.6 million was spent on the Small Business Initiative
 - xi. \$3.1 million was spent in Inter-Agency Transfers