

**Efficiency Maine Trust
Board Meeting Minutes
April 24, 2024**

The April meeting of the Board was conducted in person at the Trust's office at 168 Capitol Street in Augusta, Maine. The option to participate by phone and online video conferencing was also available.

Trustees

- Ross Anthony (delegate of the Governor's Energy Office Director Dan Burgess)
- Kenneth Colburn, Treasurer
- Mark Isaacson
- Suzanne MacDonald, Chair
- Glen Poole, Vice Chair
- Joan Welsh, Secretary

Efficiency Maine Trust (EMT) Staff

- Ian Burnes
- Emily Cushman
- Hogan Dwyer
- Peter Eglinton
- Hope Kohtala
- Greg Leclair
- Monte Haynes
- Sheldon Perkins
- Kate Rankin
- Lauren Scott
- Anne Stephenson
- Michael Stoddard

Other Attendees:

- David Batchelder, Lowe's Corporate
- Lucien Bedard, The Masiello Group
- Matthew Bell, Northeast Pellets
- William Bell, Maine Pellet Fuels Association
- Mark Bowen, TRC Companies, Inc.
- Richard Burbank, Evergreen Home Performance
- Hannah Campbell, The Balsams Resort
- Kenneth Capron, MicroRail, Inc.
- Adam Cote, Drummond Woodsum
- Peter Evans, New Power Technologies
- Nichoal Hood, Hometown Heat Pumps
- David Korn, Ridgeline Analytics
- Lee Landry, True North Energy Services
- David Littell, Bernstein Shur Law Firm
- Jared Mullner, Maine Energy Systems
- Les Otten, Maine Energy Systems
- Timothy Seymour, Darlings Auto
- Drew Stevens, Virtual Peaker
- Kiki Tidwell, York Energy Steering Committee
- Christie Whitcomb, Hometown Heat Pumps
- Tony Wood, Wood & Sons

1. Welcome and Introductions

Ms. MacDonald called the meeting to order at 9:00 a.m.

2. **APPROVE Agenda and Minutes**

ACTION: Upon a motion duly made (Mr. Poole) and seconded (Mr. Isaacson), the Board voted unanimously to approve the agenda and the March 27, 2024, Board Meeting Minutes.

3. **Public Comment on Agenda Items**

- Mr. Landry expressed concerns about the declining interest in pellet boilers due to the payback not being sufficiently attractive. He emphasized that his existing clientele, predominantly middle- and higher-income individuals, heavily rely on EMT's rebates.
- Mr. Otten echoed Mr. Landry's comments about the relatively high cost of pellet boilers, the importance of EMT's rebates, and the fact that interested customers are not low-income. He also highlighted the broader environmental and economic implications of supporting the pellet equipment incentives. He underscored the importance of supporting a local industry and local jobs. He said that pellet boilers allow customers to go fossil-fuel free, satisfying both space and water heating needs.
- Mr. William Bell argued that pellet boilers are an important part of the decarbonization picture, providing an alternative pathway for customers who are unable to, or uninterested in, converting to heat pumps. He shared that neighboring states like New Hampshire and Vermont offer more attractive pellet boiler incentives than what is available in Maine.
- Mr. Mullner shared insights from other states' approaches to incentivizing wood pellet usage, advocating for additional incentives.
- Mr. Colburn asked what portion of pellets consumed in Maine originate in Maine. Mr. William Bell said that it is the vast majority, but some portion does come from Canada.
- Mr. Littell expressed Versant's support for EMT's focus on whole-home heat pump incentives, but lamented that incentives for supplemental heat pumps had been discontinued. He recommended that EMT to reallocate half of the heat pump budget to supplemental heat pumps in the Triennial Plan VI period. Ms. MacDonald noted that EMT does still offer supplemental heat pump incentives to low-income customers.
- Ms. Tidwell complimented EMT's online home heating calculator and suggested that EMT explore incentives for contractors to promote heat pump installations.
- Mr. Wood and Mr. Matthew Bell provided their perspectives from the pellet industry, emphasizing the benefits of local production and decarbonization of heating.

4. **Executive Director's Report**

Mr. Stoddard summarized the Executive Director's Report. Following are several items highlighted during his presentation:

- Staff collaborated with the Governor's Office of Policy Innovation and the Future (GOPIF), and separately with the Northeast Energy Efficiency Partnerships (NEEP), in preparing two proposals seeking funds from the US Environmental Protection Agency's (EPA's) Carbon Pollution Reduction Grants. These proposals were submitted on April 1. Separately, the EPA announced awardees for the competitively bid elements of the Greenhouse Gas Reduction Fund (GGRF). One winner at the national level was the Coalition for Green Capital, with whom EMT has arranged to be a sub-recipient. This will add an estimated \$15 million in new capital to the Efficiency Maine Green Bank (EMGB).

- The Commercial and Industrial (C&I) Prescriptive Initiatives expanded eligibility of packaged-terminal heat pumps (PTHPs) to include “splitless” models.
- Heat pump water heater rebate activity in Retail Initiatives increased six-fold during a limited-time promotion involving enhanced incentives and a marketing blitz.
- Over half of whole-home heat pump rebates are being issued to low-and-moderate income customers.

5. **Planned Business**

a) **Monthly Financial Report**

Mr. Leclair presented revenue projections and discussed ongoing efforts to secure payments, including of New England Clean Energy Connect (NECEC) funds. He highlighted the anticipated fluctuations in Forward Capacity Market (FCM) revenues.

b) **Final FY25 Procurement Request – Approve**

Staff presented updated information on the forecasted uncommitted carryforward funding from the electric efficiency program and the impact of applying this funding to offset the request for the FY 2025 electric efficiency procurement. Mr. Isaacson asked how the \$13.6 million uncommitted carryforward estimate compares to prior years. Mr. Burnes said that in FY 2023 the amount was \$15.8 million. Mr. Eglinton noted that a considerable portion of the FY 2024 estimate reflects the suspension of EMT’s incentives for supplemental heat pump.

ACTION: Upon a motion duly made (Mr. Colburn) and seconded (Mr. Poole), the Board voted unanimously to adjust the requested Electric Efficiency Procurement to \$60,350,358 after applying a good faith estimate of \$13,600,000 in uncommitted carryforward funding toward the FY 2025 Electric Efficiency Procurement; and to return the uncommitted natural gas carryforward funding remaining after the conclusion of FY 2024 to the local distribution companies following the Trust’s independent audit for FY 2024.

c) **Triennial Plan VI (TPVI)**

i. **Beneficial Electrification Plan Stakeholder Meeting – Update**

Mr. Burnes provided a debrief on the special stakeholder workshop regarding EMT’s Beneficial Electrification Plan as part of Triennial Plan VI. He highlighted progress toward the heat pump and electric vehicle (EV) goals in the Climate Action Plan. He noted that EMT has commissioned a light-duty EV market study that will estimate the impact of its program on market lift, estimate future adoption, estimate quantities rebated at different rebate levels, and gather information of the future of EV supply and incremental costs. He outlined preliminary budgets for whole-home/building heat pumps and addressed the cap on the amount of annual Electric Efficiency Procurement budget set by statute.

ii. **Heating System Measures Beyond Air-to-Air Heat Pumps – Further Discussion**

Mr. Burnes provided an overview of discussions from the previous Board meeting regarding incentives for pellet systems and geothermal systems. He reminded the Board that these measures have not been achieving cost-effectiveness in recent years. Additionally, biomass has a high emissions rate when using the Maine Climate Council’s (MCC’s) methodology for

calculating gross carbon savings. Mr. Stoddard reminded the Board that residential biomass and geothermal measures are funded with Regional Greenhouse Gas Initiative (RGGI) revenues. The installer community has asked EMT to *increase* incentives, applying the tiered rebate structure (low-/moderate-/any-income) currently used for heat pumps to all eligible heating systems. Mr. Stoddard observed that another question to consider is the degree to which the Trust's incentives are impacting market transformation for a particular technology. Staff is seeking input from the Board as to whether the practice of treating these measures as eligible for RGGI funds should be continued in the Triennial Plan VI period. Ms. MacDonald echoed Mr. Stoddard's concerns about the market transformation trajectory and reminded the Board that it previously decided to align RGGI priorities with the MCC targets. She noted that funding these biomass measures appears inconsistent with that objective. She also noted that the industry representatives at this meeting had revealed that their market opportunity is principally with consumers in the upper income levels, and expressed concern about funding programs that are not accessible to low-income customers. Mr. Stoddard noted that Staff do not expect to have another public discussion on this topic in the Triennial Plan VI process, but indicated that if Trustees would like to provide further input or hear more, Staff can arrange it.

d) Authorizing Loan Terms – Approve

Mr. Poole stated that the proposal represents a positive step in granting EMGB the flexibility to respond quickly to changes in the market. Mr. Colburn expressed support for the general direction but said he would like to see additional background in order to make a more informed determination about the numbers cited in the memorandum. Ms. MacDonald suggested that the Board take a vote; Staff can provide the necessary background at a later date, at which point the Board can decide whether it wants to adjust its thinking. Mr. Neal agreed to follow up with that information prior to the next Board meeting.

ACTION: Upon a motion duly made (Mr. Poole) and seconded (Ms. Welsh), the Board voted unanimously to authorize the Executive Director to set financing terms within the guidance presented in Mr. Neal's April 24, 2024 memorandum.

e) Executive Session

i. Motion to Move into Executive Session Pursuant to 1 MRS §405(6)(A) to Discuss Performance Evaluation of Executive Director and Employee Compensation – Approve

ACTION: Upon a motion duly made (Mr. Poole) and seconded (Mr. Isaacson), the Board voted unanimously to move into Executive Session pursuant to 1 MRS §405(6)(A) to discuss performance evaluation of the Executive Director and employee compensation.

ii. Motion to Come Out of Executive Session – Approve

ACTION: Upon a motion duly made (Ms. Welsh) and seconded (Mr. Poole), the Board voted unanimously to come out of Executive Session.

f) Efficiency Maine Trust Staff Salary Schedule – Approve

ACTION: Upon a motion duly made (Mr. Poole) and seconded (Mr. Isaacson), the Board voted to approve the revised Staff Salary Schedule presented in Confidential Appendix A to Ms. Stephenson’s April 24, 2024 memorandum. Mr. Anthony abstained from the vote.

6. New Business

Ms. MacDonald noted that the Board will be electing officers at the next meeting.

7. Next Meeting Agenda and Scheduling

The next Board meeting is scheduled for May 22, 2024, from 9am-1pm. There will be a Triennial Plan workshop on May 10th from 9-11am addressing Evaluation, Measurement and Verification.

8. Adjourn

ACTION: Upon a motion duly made (Mr. Poole) and seconded (Mr. Colburn), the Board voted unanimously to adjourn the Board Meeting at 12:08 p.m.

**Efficiency Maine Board of Trustees – Roll Call Sheet
Board Meeting Date: 4/24/2024**

Trustee	Vote 1	Vote 2	Vote 3	Vote 4	Vote 5	Vote 6	Vote 7
<i>Agenda Item</i>	2. Approve Agenda and Minutes	5.b. Approve Final FY25 Procurement Request	5.d. Approve Authorizing Loan Terms	5.e. Approve moving into Executive Session	5.e.ii. Approve coming out of Executive Session	5.f. Approve Efficiency Maine Trust Staff	8. Adjourn

						Salary Schedule	
<i>Motion, Second</i>	Mr. Poole, Mr. Isaacson	Mr. Colburn, Mr. Poole	Mr. Poole, Ms. Welsh	Ms. Welsh, Mr. Poole	Mr. Poole, Ms. Welsh	Mr. Poole, Mr. Isaacson	Mr. Poole, Mr. Colburn
Brennan, Daniel	A	A	A	A	A	A	A
Anthony, Ross (Dan Burgess proxy)	Y	Y	Y	Y	Y	R	Y
Colburn, Kenneth	Y	Y	Y	Y	Y	Y	Y
Furth, Heather	A	A	A	A	A	A	A
Isaacson, Mark	Y	Y	Y	Y	Y	Y	Y
MacDonald, Suzanne	Y	Y	Y	Y	Y	Y	Y
Poole, Glenn	Y	Y	Y	Y	Y	Y	Y
Rauscher, Christopher	A	A	A	A	A	A	A
Welsh, Joan	Y	Y	Y	Y	Y	Y	Y

Y= Yes, N = No, A = Absent, R = Recused