

**Efficiency Maine Trust
Board Meeting Minutes
May 22, 2024**

The May 2024 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 for Dan Burgess)
- Dan Brennan
- Kenneth Colburn, Treasurer
- Heather Furth
- Mark Isaacson
- Suzanne MacDonald, Chair
- Glenn Poole, Vice Chair
- Chris Rauscher
- Joan Welsh, Secretary

Efficiency Maine Trust (EMT) Staff

- Ian Burnes
- Emily Cushman
- Hogan Dwyer
- Peter Eglinton
- Steve Genovese
- Monte Haynes
- Hope Kohtala
- Greg Leclair
- Sheldon Perkins
- Lauren Scott
- Michael Stoddard

Other Attendees:

- Daniel Bisson, Johnstone HVAC
- Phillip Borges, Emerson Swan
- Eric Feigenbaum, Versant Power
- Nichoal Hood, Hometown Heat Pumps
- Zach Hurwitz, Siemens
- Patrick Knight, Synapse Energy
- Clark Korbisch, Power Takeoff
- David Littell, Bernstein Shur
- Connor McSweeney, Dave's Appliance

1. Welcome and Introductions

Ms. MacDonald called the meeting to order at 9:01 a.m.

2. Agenda and Minutes – Approve

ACTION: Upon a motion duly made (Mr. Poole) and seconded (Ms. Welsh), the Board voted unanimously to approve the agenda and the April 24, 2024, Board Meeting Minutes.

3. Public Comment on Agenda Items

None.

4. Executive Director's Report

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

- The Public Utilities Commission (PUC) staff issued its recommendation to approve EMT’s FY2025 request for new electric efficiency procurement. This request included funding associated with the interim Beneficial Electrification Plan. A final order awaits deliberations by the Commission.
- Because stores were unable to maintain inventory of heat pump water heaters (HPWHs) with unprecedented demand, EMT extended instant discount barcode expiration dates through April. April marked a record-breaking month for retail sales, with supply issues successfully resolved. HPWHs now constitute three-quarters of all electric water heater sales in the state, with a diverse range of brands available compared to when EMT initiated its rebate program.
- April marked the start of the enrollment period for the Demand Management Program. Currently, nearly 2 MW of resources are enrolled in the Demand Response Initiative, with an additional 10 MW in the pipeline. Separately, more than 200 devices have signed up for the Load Shifting Initiative’s small battery and EV managed charging programs. Mr. Burnes highlighted some of the challenges in enrolling existing battery owners. Mr. Rauscher noted that this is consistent with national trends.
- Through competitive solicitations, EMT has awarded the Lending Platform contract to Ignatius and the Lending Services contract to AmeriNat. Staff is engaging with awardees finalize contracts and kick off implementation in the coming weeks.
- The M&V Compliance Review for the Forward Capacity Market at ISO-New England confirmed that the EMT portfolio complies with ISO-NE requirements.
- Significant staff resources have been dedicated to fulfilling federal government requests concerning EMT’s federal grant projects, with efforts underway to streamline these demands.
- Mr. Stoddard noted that there were only a few items directly related to EMT’s work during this year’s legislative session. However, he expects that there will be more activity next year due to the timing of the revised Maine Climate Action Plan. Mr. Isaacson noted that he believes that net metering will be a topic of discussion next year. Ms. MacDonald suggested that a legislative update be added to the June or July meeting agenda.

5. **Planned Business**

a) **Monthly Financial Report**

Mr. Leclair reported that EMT’s revenues are on track. Mr. Stoddard highlighted that Maine’s proactive stance in distributing federal EV charging funds has attracted national attention. The state was the first to sign a grant agreement for the Bipartisan Infrastructure Law’s Charging and Fueling Infrastructure (CFI) funds being awarded through the Federal Highway Administration.

b) **FY2025 Operating Budget – Approve**

Mr. Eglinton explained that Staff seeks Board approval of a “Base” budget around which to prepare for and commence implementation for the July 1 start of the fiscal year. Though the overarching budget approved in the Triennial Plan forms the foundation of these budget allocations, minor adjustments typically need to be made as we approach the start of each

new year. Mr. Eglinton noted Staff will return to the Board in September to present a budget updated to reflect carryforward funds.

ACTION: Upon a motion duly made (Mr. Poole) and seconded (Mr. Colburn), the Board voted unanimously to adopt the FY2025 Base Budget for Revenues and Expenditures in accordance with the first year of the fifth Triennial Plan as approved by the PUC, amended to include the EMT Admin Fund and the Revolving Loan Funds operated by EMT. Upon approval, the source of funding and expenditure budgets will total \$168,635,883 and \$168,615,852, respectively.

c) Elect Board Officers – Approve

ACTION: Upon a motion duly made (Ms. Furth) and seconded (Mr. Brennan), the Board voted unanimously to elect Glenn Poole as Chair and Mark Isaacson as Vice Chair, and to reelect Ken Colburn as Treasurer and Joan Welsh as Secretary.

d) Debt Write-Off (May 2024) – Approve

Mr. Haynes explained that, per EMT’s Loan Accounting Policy, the Program Loan Review Committee meets periodically to determine which, if any, loan accounts are uncollectable and recommended for write-off according to the policy criteria. In accordance with that policy, Staff requests approval to write off 60 loans, totaling \$198,965.65. Notably, the total amount of the bad debt write-off over nine fiscal years across EMT’s entire residential loan portfolio stands at 1.15%.

ACTION: Upon a motion duly made (Ms. Welsh) and seconded (Mr. Colburn), the Board voted unanimously to authorize the Trust to write off as bad debt a total of \$198,965.65 in accounts receivable according to Appendix A that is described in Mr. Haynes’s May 22, 2024 memorandum.

e) Triennial Plan VI

i. Residential Baseline Study – Update

Ms. Martel presented findings from the 2024 Residential Baseline Study conducted by NMR Group for EMT, and compared the results to trends from a similar study conducted in 2015. The new study gathered data from several sources, including a self-audit web survey, virtual visits, landlord interviews, and Advanced Metering Infrastructure (AMI) electricity usage. It revealed that comparing the results of the 2015 study to the new 2024 study, the share of homes heated primarily by oil is declining (75% vs. 56%), while electricity and propane are increasingly common heating sources. Boilers are declining as the primary heating systems (74% vs. 47%), while furnaces, heat pumps, and electric resistance are increasing. Mr. Burnes pointed out that the shift to furnaces is interesting because those systems are good candidates for central heat pump replacements that leverage the existing ductwork. Ms. Martel highlighted that the growth in electric resistance is driven primarily by the multifamily sector. She also noted that roughly 50% of boilers are over 20 years old. Heat pumps are gaining traction; in 2015, 6% of homes had supplemental systems, while in 2024, 20% have supplemental systems and 7% of households use them as primary heating. 18% of the square footage of homes in Maine is already served by a heat pump, and 47% of the

remaining square footage has ideal characteristics for a heat pump system (e.g., is a main living space). The remaining 35% of space does not necessarily have physical barriers to heat pump installation, but may be a more difficult fit (e.g., the existing heating is sufficient and/or the current system was newly installed). For water heating, the share of HPWHs has increased from 5% to 15% in the interval between the two studies, demonstrating the success of EMT's rebate programs. Existence of cooling systems has grown considerably in the last three years, dominated primarily by room/window air conditioners. Solar panels are installed in 5% of homes, and these households are more likely to have heat pumps.

ii. Avoided Costs and Non-Energy Benefits – Update and Approve

Mr. Knight presented findings from the 2024 Avoided Energy Supply Components (AESC) study, conducted every three years on behalf of energy efficiency and electrification program administrators across New England. The study aims to estimate avoided costs for installing these demand-side measures, utilizing a counterfactual framing approach to scenario analysis. Comparing AESC 2024 to AESC 2021, total avoided costs (in \$/MWh) in the newest study are found to be 32% higher than three years ago. Energy costs are slightly higher now due to increases in near-term natural gas prices and deferral of zero-marginal-cost clean energy resources. Renewable Portfolio Standard (RPS) compliance costs are higher in the 2024 study due to increased RPS stringencies across New England and increased technology costs. GHG values (non-embedded) are higher due to a change in assumed basis for costs (AESC 2021 assumed marginal abatement cost; AESC 2024 assumed EPA-derived social cost of GHG and a 2% discount rate). Capacity costs are higher, caused by higher resource costs and loads. The study predicts relatively flat marginal emission rates for the electric sector until 2035, followed by a significant drop. This is attributed to ample renewable energy credit (REC) resources being available until 2035. All analysis accounts for inflation, using 2024 dollars. Mr. Colburn suggested that EMT include the EPA's public health benefits per kilowatt hour in its quantification of benefits. As articulated in Mr. Burnes' May 22 memo, Staff has not recommended including these benefits primarily because they are not included in the AESC 2024 and because the statute specifically calls on EMT to use a "regional avoided energy supply cost study." Mr. Colburn acknowledged this point and suggested that in the future, either a) Synapse should incorporate the values into the AESC study, or b) Maine should amend this section of the statute.

ACTION: Upon a motion duly made (Mr. Colburn) and seconded (Mr. Rauscher), the Board voted unanimously to approve using the Social Cost of Carbon as provided in the 2024 Avoided Energy Supply Cost Study using the OMB-recommended discount rate of 2%.

6. New Business

The next Triennial Plan VI special workshop is scheduled for Friday, May 31 at 9:00 am. The topic of discussion will be the Demand Management Program.

7. Next Meeting Agenda and Scheduling

The next meeting is scheduled for June 26, 2024.

8. Adjourn

ACTION: Without objection, the Board voted unanimously to adjourn the Board Meeting at 11:53 p.m.

Efficiency Maine Board of Trustees – Roll Call Sheet
Board Meeting Date: 5/22/2024

Trustee	Vote 1	Vote 2	Vote 3	Vote 4	Vote 5	Vote 6
<i>Agenda Item</i>	2. Approve Agenda and Minutes	5.b. Approve FY2025 Operating Budget	5.c. Approve to Elect Board Officers	5.d. Approve Debt Write-Off (May 2024)	5.e.i. Approve Avoided Costs and Non-Energy Benefits	Adjourn
<i>Motion, Second</i>		Mr. Poole, Mr. Colburn	Ms. Furth, Mr. Brennan	Ms. Welsh, Mr. Colburn	Mr. Colburn, Mr. Rauscher	
Brennan, Daniel	Y	Y	Y	Y	A	A
Anthony, Ross (proxy for Burgess, Dan)	Y	R	Y	R	R	Y
Colburn, Kenneth	Y	Y	Y	Y	Y	Y
Furth, Heather	Y	Y	Y	Y	Y	Y
Isaacson, Mark	Y	Y	Y	Y	Y	Y
MacDonald, Suzanne	Y	Y	Y	Y	Y	Y
Poole, Glenn	Y	Y	Y	Y	Y	Y
Rauscher, Christopher	Y	Y	Y	Y	Y	Y
Welsh, Joan	Y	Y	Y	Y	Y	Y

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