EFFICIENCY MAINE'S RECENT SUCCESSES AND MAJOR OPPORTUNITIES AHEAD

E2 Tech Meeting
Portland, Maine
12-15-2011

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About Us

- **Efficiency Maine is an independent trust**
  - Transferred from the Maine PUC to the Trust on 7/1/2010
  - Directed by a 9-member Board of Trustees representing business and residential energy customers, engineers, energy experts, economists
  - Funds held in trust for the benefit of the energy consumers who pay in to the funds through the SBC and RGGI
  - Funds are expended consistent with statute, rules, and 3-Year Strategic Plan to be approved by Trust Board and Maine PUC
- **Efficiency Maine reduces energy costs in Maine**
  - using market channels, and partnering with customers, to increase the availability and use of energy efficiency and alternative energy resources that cost less than conventional energy supply and to transform energy markets.

Efficiency Maine Trust Results -- Year 1

(FY11 – from July 1, 2010 to June 30, 2011)

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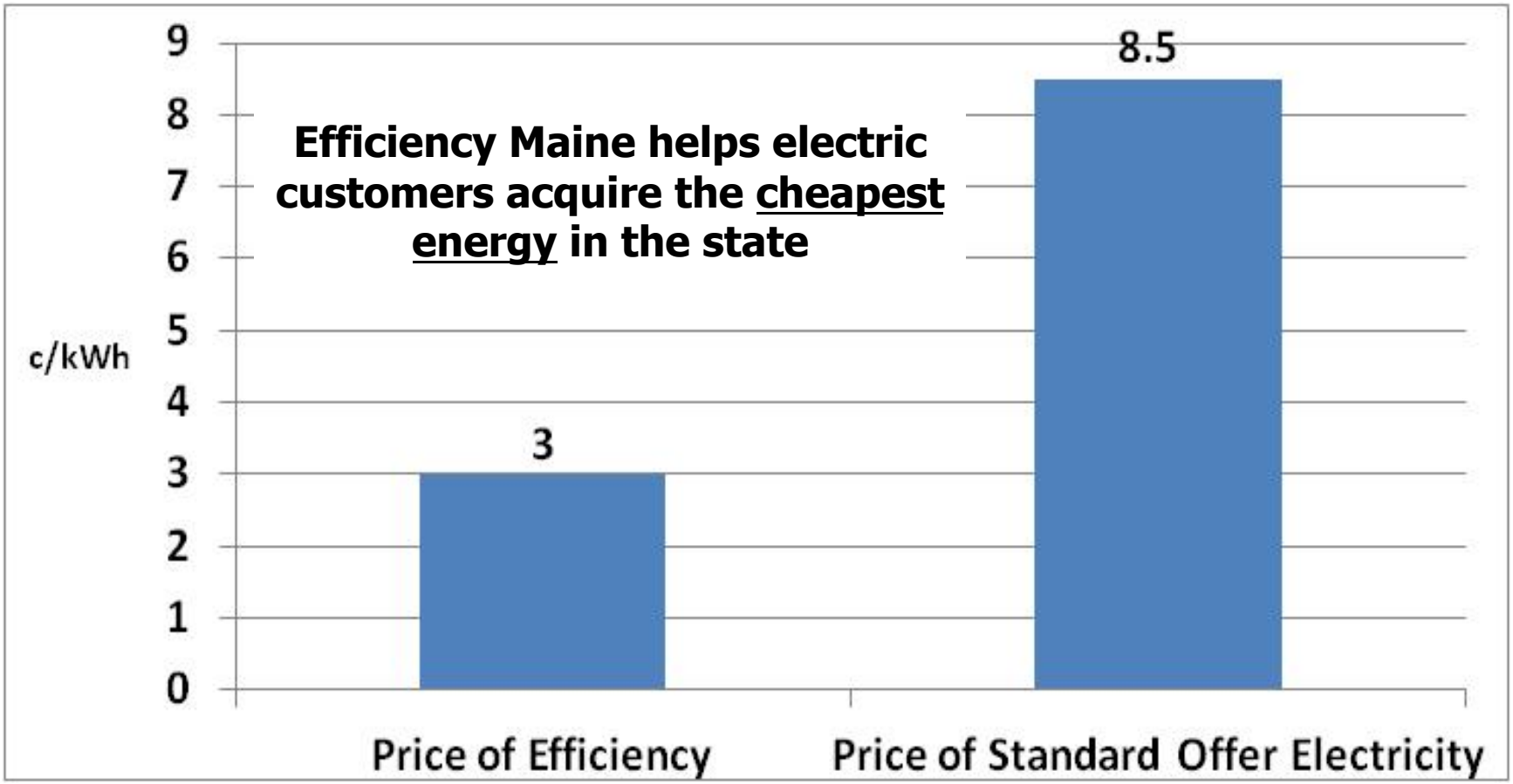
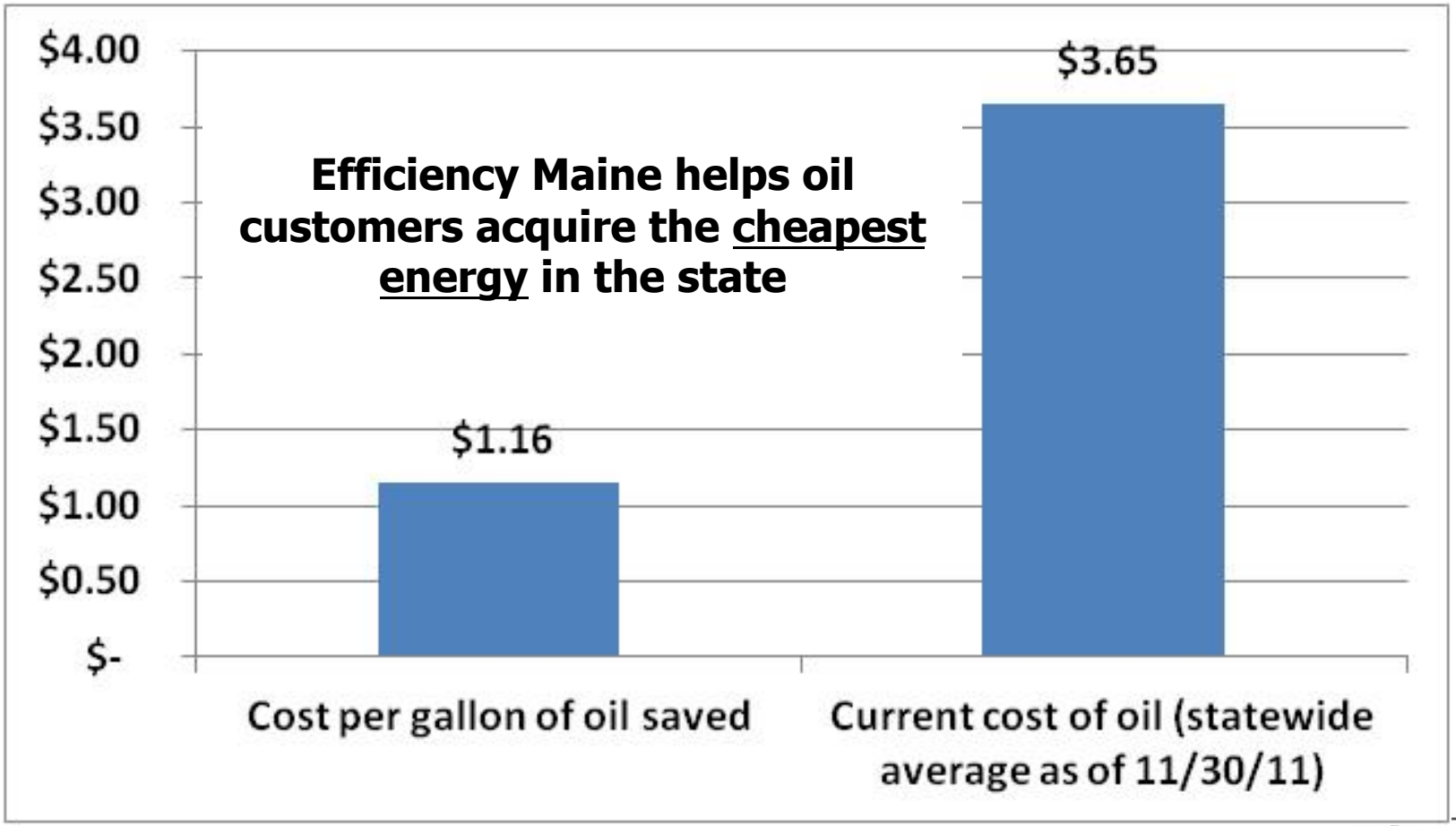
EM's FY11 Programs Delivered Electricity Savings for 3 c/kWh

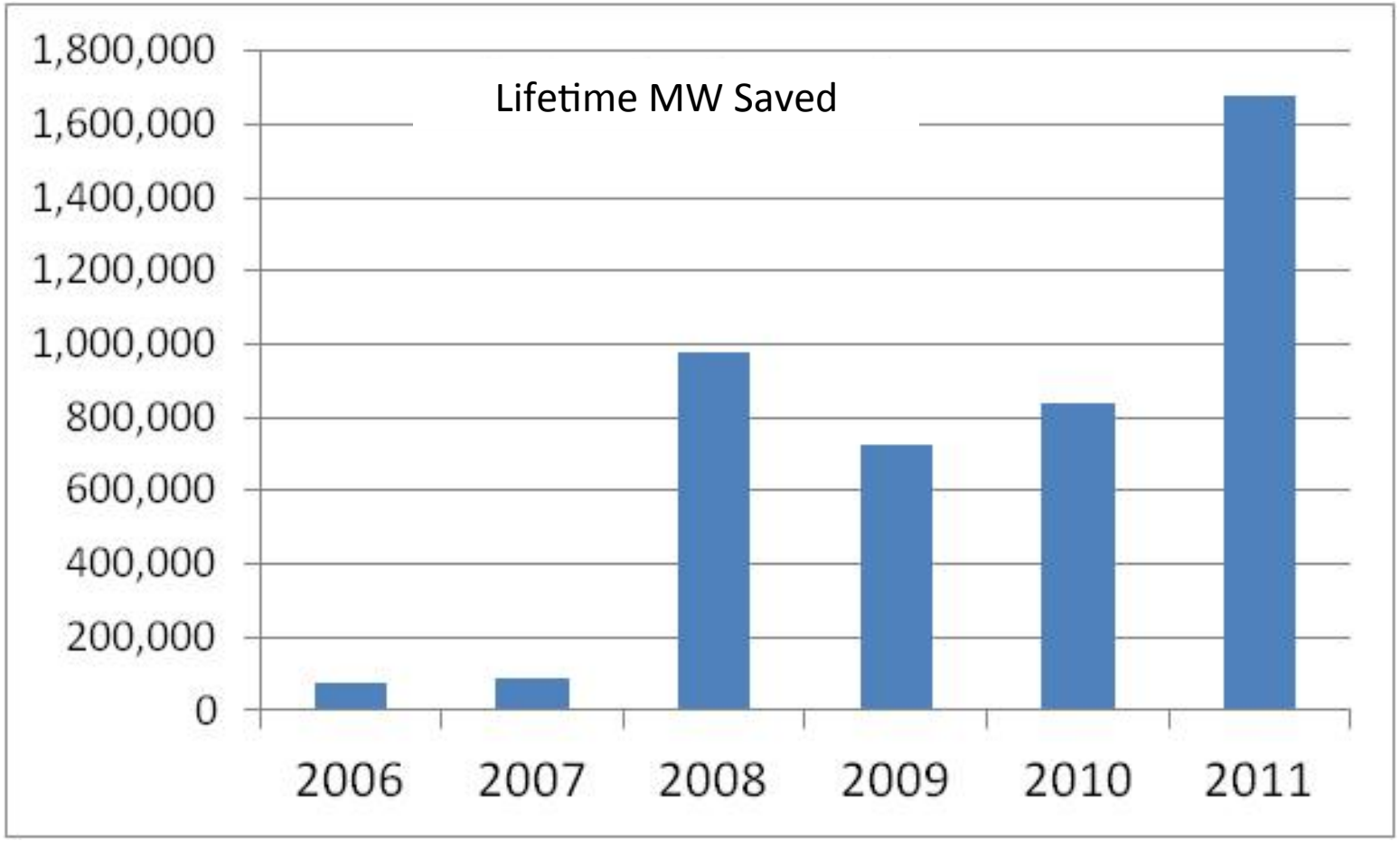


EM's FY11 Programs Delivered Oil Savings for $1.16/gallon

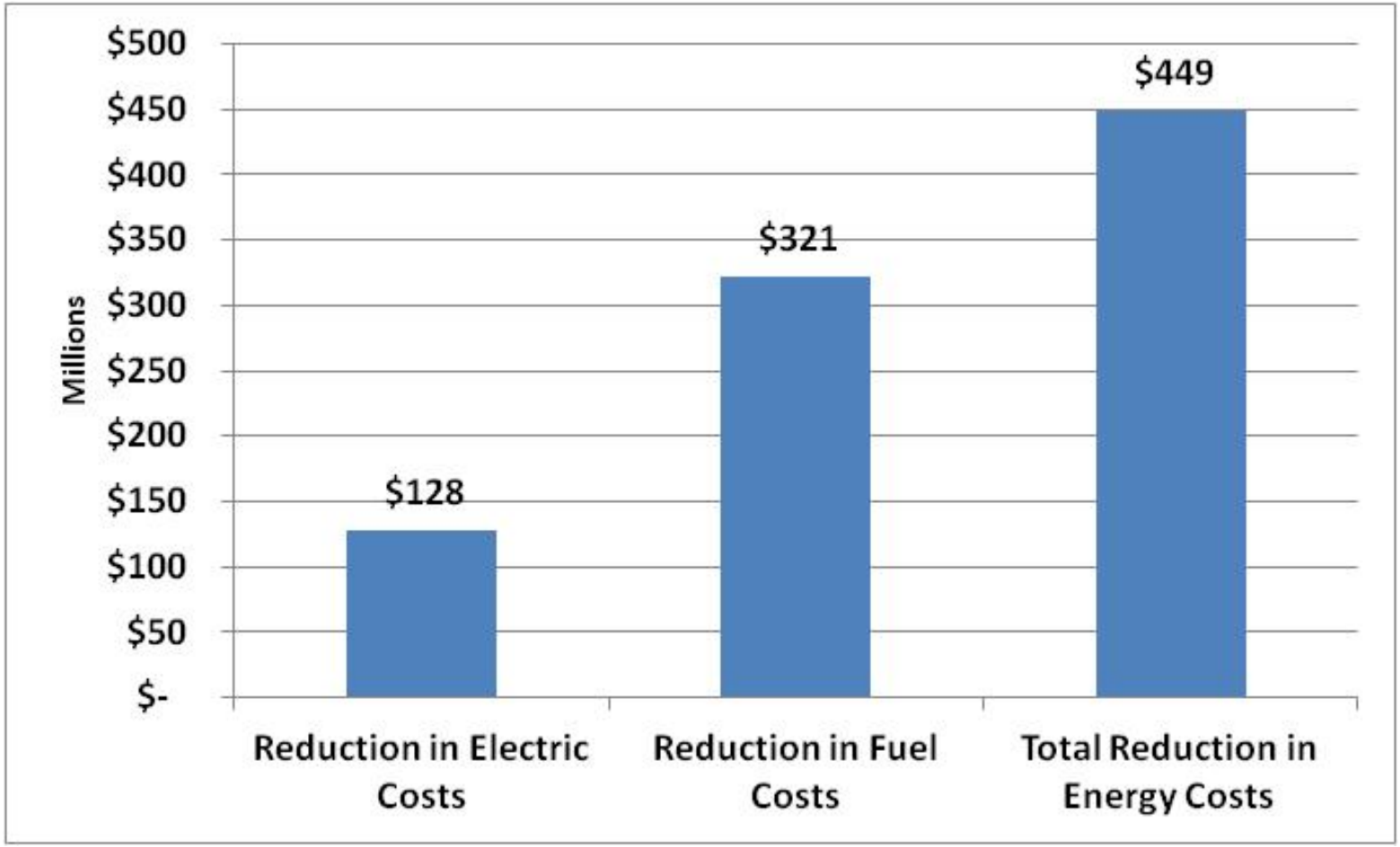


EM Helped Customers in ME

Avoid More Wasted Energy than Ever

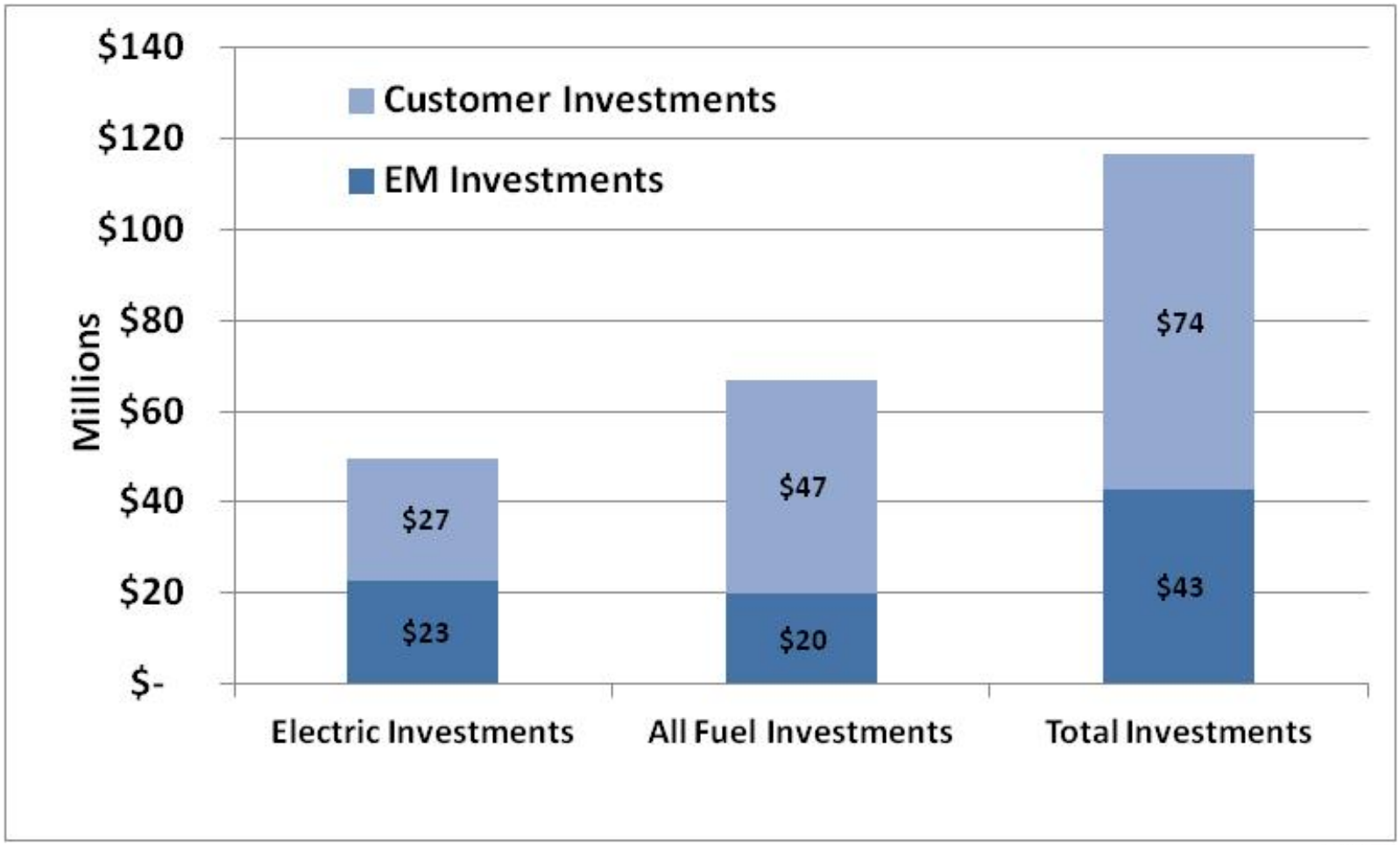


Without EM's FY11 Programs …
Mainers Would Spend $449M More on Energy



NPV, Lifetime Savings

EM Partnered with Customers
to Leverage Private Investment in Maine



Investments + Savings = Jobs

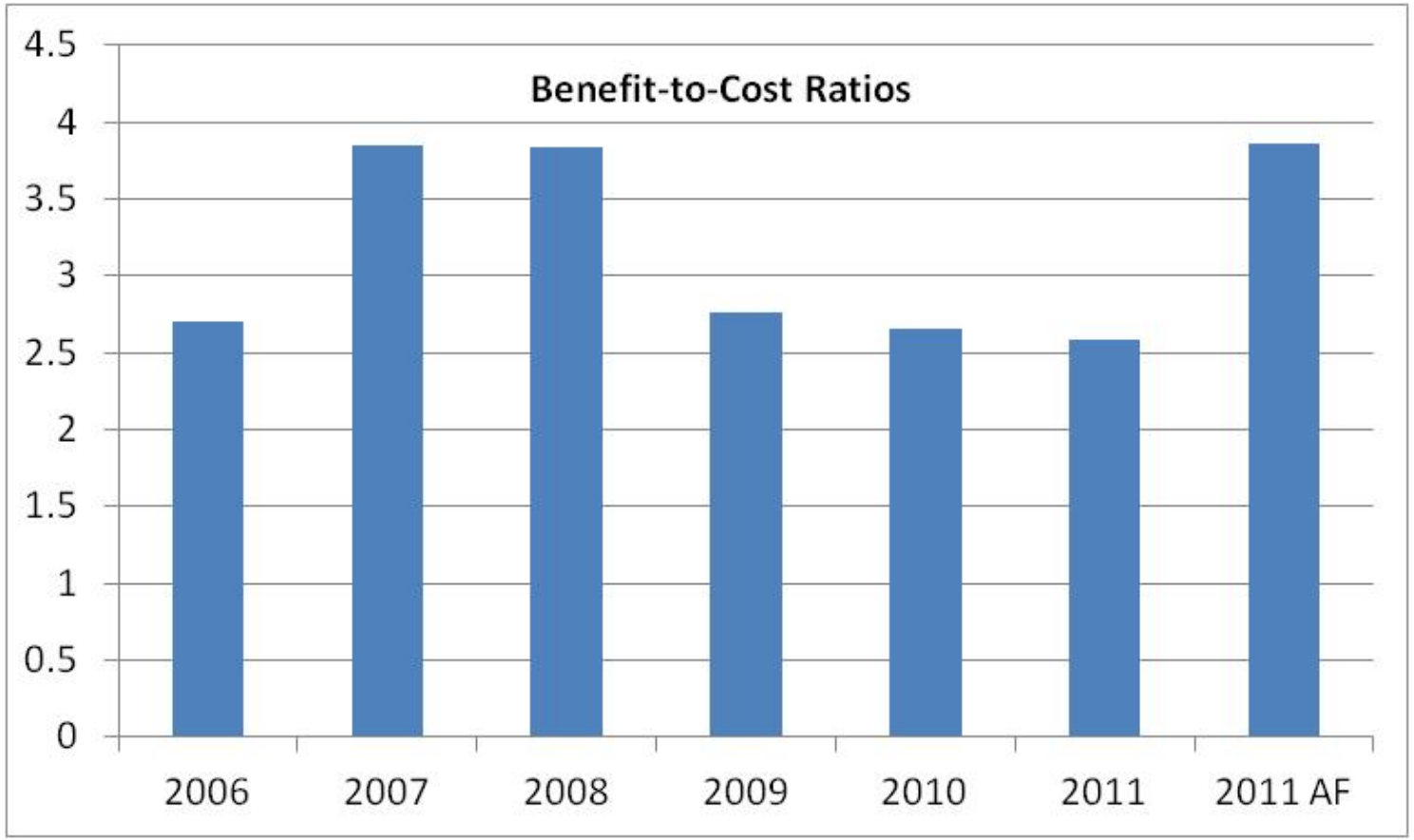
- Macro-economic study* shows that for every $1 million invested by efficiency programs:
  - 50 FTE jobs for 1 year, if invested in electric saving measures
  - 70 FTE jobs for 1 year, if invested in fuel oil saving measures

- EM's FY11 programs invested:
  - $22.8 million in electric saving measures
  - $19.9 million in fuel oil saving measures

- Total jobs retained/generated from EM's FY11 programs
  - **2,538** FTE job-years

* ENE and Economic Development Research Group, Inc., *Energy Efficiency: Engine of Economic Growth,* Oct. 2009

Excellent Benefit-to-Cost Ratio



Exceeded Triennial Plan Metric of 2.3-to-1 Ratio.

B:C Ratios declining due to lower energy costs and slower economy.

AF = All Fuels (includes programs that saved heating fuels).

Efficiency Maine
Program Highlights -- Year 1

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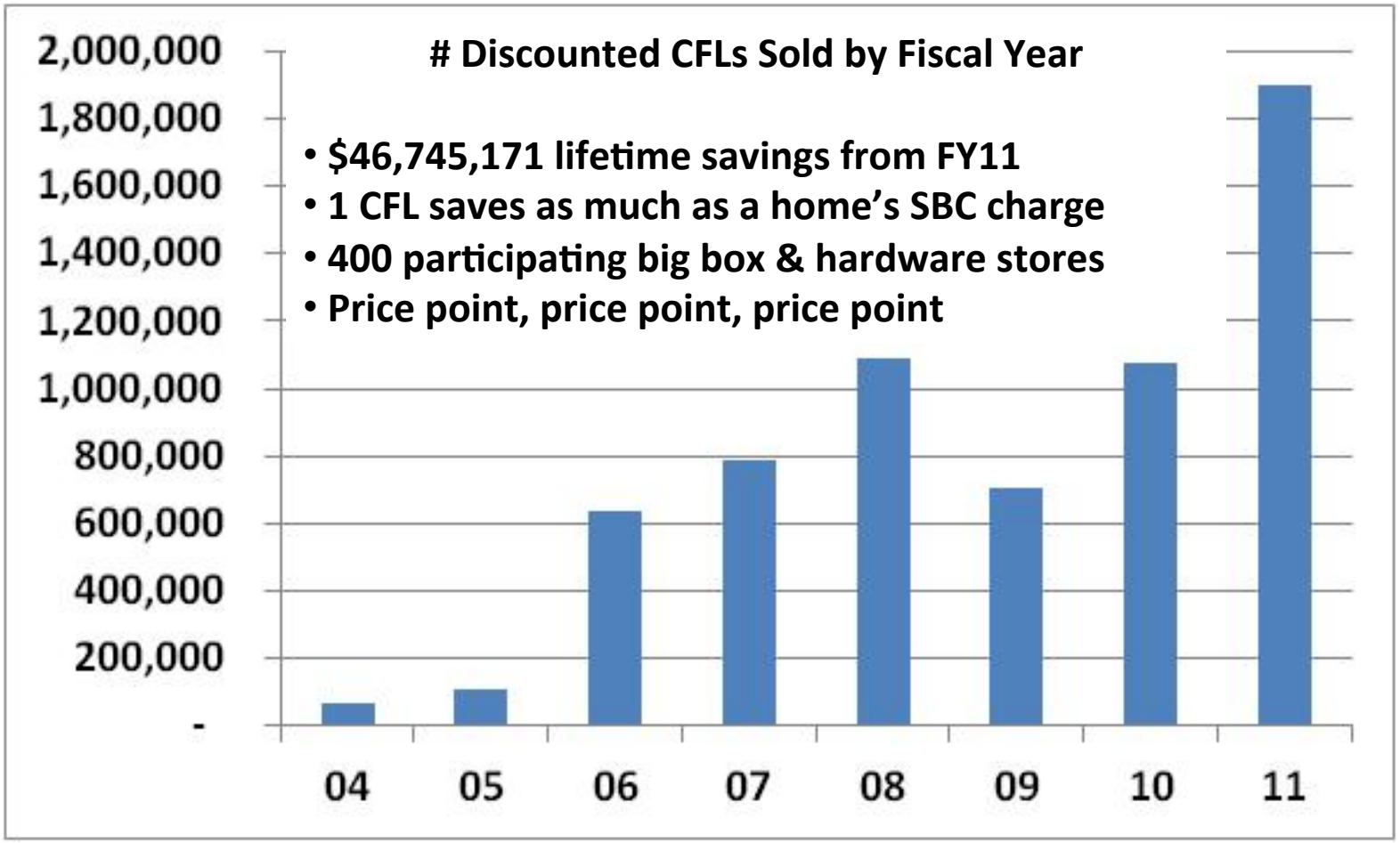
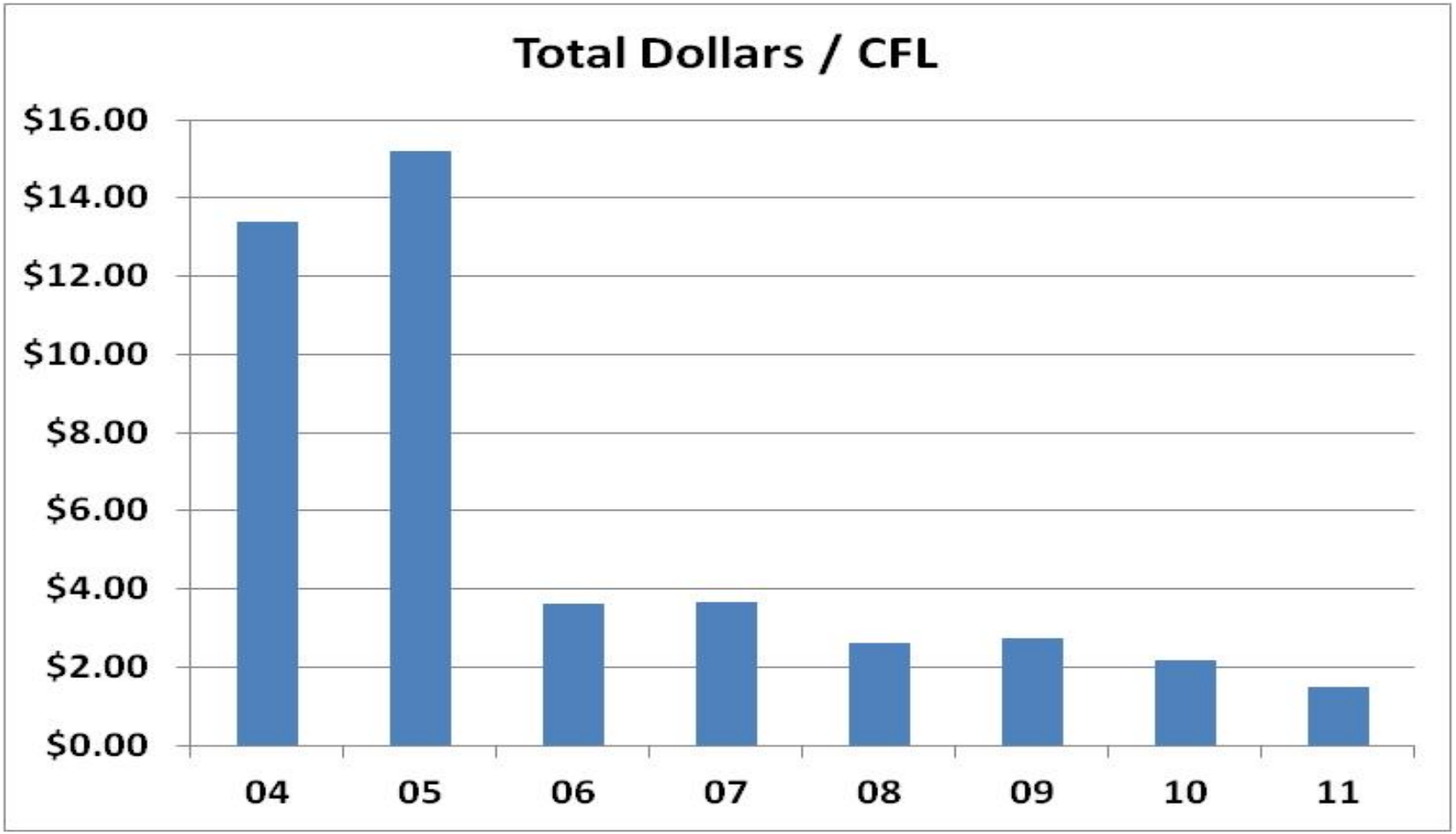
Residential Lighting



Residential Lighting
Illustration of Market Transformation



Home Energy Savings Program

Metric	Results
Audits	5,053
Completed Energy Upgrades	3,211
Average Cost/Home	$8,349
Average Energy Savings/Home	40%
Average Annual Energy Savings/Home	$1,473
Cost/gallon of oil saved	$1.16
Total Annual Energy Saved	1,290,000 gallons
Total Annual Energy Savings	$4.7 million
Total Investments in Sector	$26.8 million
Customer Satisfaction	83% Highly Satisfied w Program

Competitive Bid Program

- Very large projects for Maine's large employers
  - Ex. Huhtamaki, Madison Paper, Twin Rivers, Gen'l Dynamics, Mt. Abram, Colby, UMO, Jackson Labs
- Funded by RGGI and ARRA
- Major oil use and electric reductions
- Very low administrative costs, huge savings

Bid Criteria	EM Investment	Leveraged Private Investment	Saved	$ Saved (lifetime)
GHG/$	$3.4 Million	$15.8 Million	620,000 tons CO2e	$197.5 Million
kWh/$	$4.7 Million	$8.4 Million	423,000,000 kWh	$28.5 Million

Municipal EECBG Grants

- **FY11 Results:**
  - 83 municipalities received grants
  - Totaling $4.8 million
- **Eligible energy upgrades include:**
  - Interior and exterior lighting
  - Occupancy sensors
  - Insulation
  - Air sealing building envelopes
  - Replacing or retrofitting heating systems
  - Geothermal system
  - Street lights

Business Incentive Program

- More than 400 Qualified Partners Serving as Trade Allies
- 1,205 Participating Business Customers
- 586.6 million kWh energy savings (lifetime)
- $47.3 million lower electric costs (lifetime)
- Trained 175 new Qualified Partners
- Added new prescriptive LED lighting incentives
  - Wall pack fixtures, outside light fixtures, parking garage fixtures, refrigerated case light fixtures, screw-in & pin based LEDs

Opportunities Ahead

FY12 Highlights

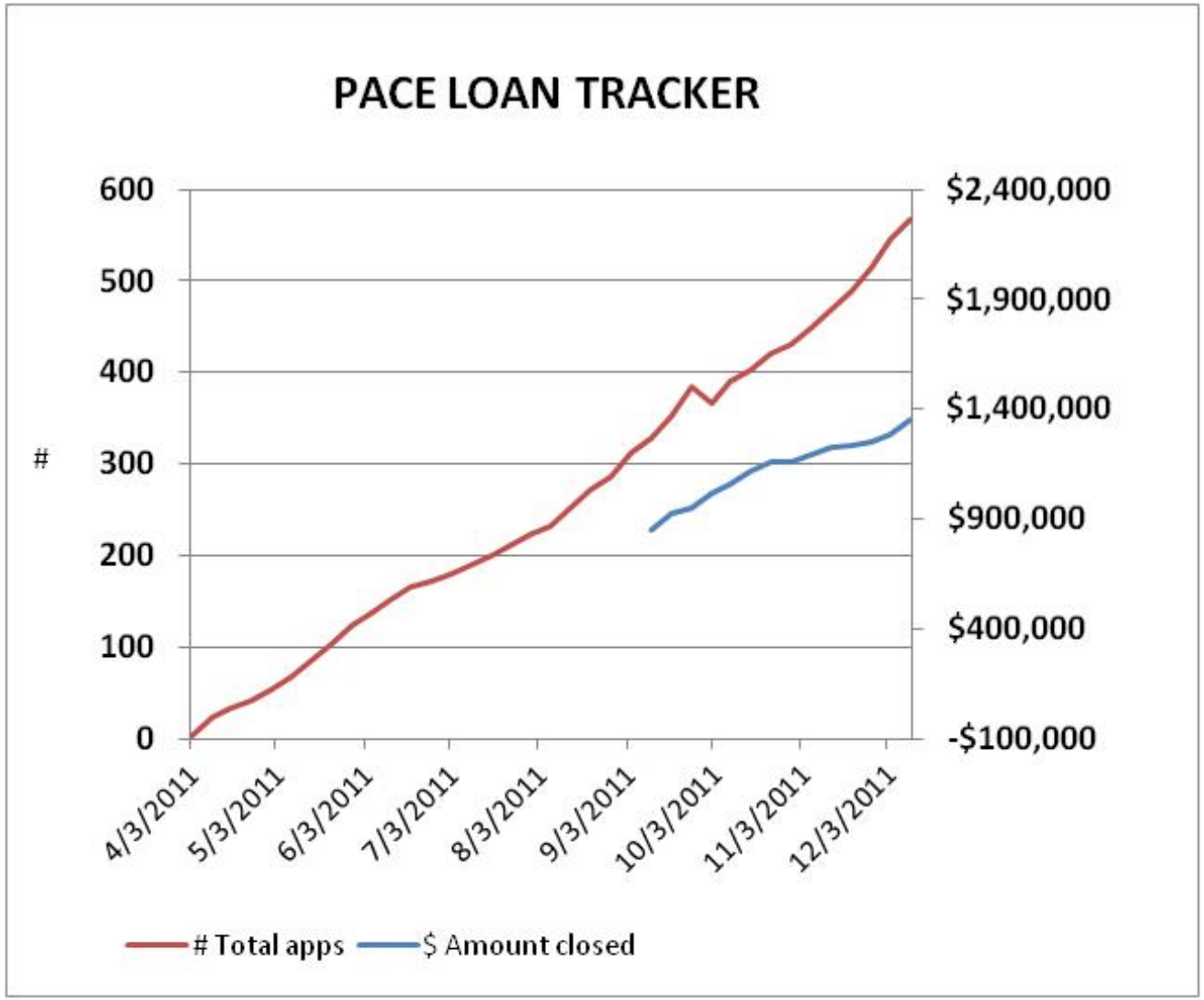
- **Business Programs**
  - Fluorescents and LEDs, motors, drives, HVAC, compressed air
  - $17.9 million program budget
  - 85.5 million kWh saved (year 1 - projected)
  - $106.3 million saved (lifetime)

- **Residential Programs** (Non-Low-Income)
  - Lighting, Appliances, Refrigerator Recycling
  - $7.9 million program budget
  - 108 million kWh saved (year 1 – projected)
  - $65.5 million saved (lifetime)

Home Energy Loans

- **Maine PACE Loans**
  - 15-yr, 4.99% APR loans up to $15,000 for cost-effective energy improvements
  - Secured loan runs with property, transferable upon sale
  - Closing at the kitchen table
  - Average project
    - costs $72/month and saves >$100/month
  - Available in (103) towns that opt-in
  - Extensive marketing
  - www.efficiencymaine.com/PACE

PACE Is Picking Up



Alternative Energy

- **New legislation**
  - Discontinued SBC for Solar/Wind Rebate
  - Required new rulemaking to establish criteria for:
    a) R&D projects at UMaine, ME Maritime, Community Colleges
    b) Demonstration projects at non-profits, towns, COUs, schools
    c) Rebates to customers for eligible renewable equipment
- **Criteria**
    a) R&D for novel, measurable, scalable renewable technologies
    b) Demonstration of cost-effective demonstration projects
    c) Rebates where customer's NPB > NPC of the project over the equipment's useful life
- **Budget for FY12+13** = ~$1.5M, mostly for rebates

Business Energy Audit Program

- Walk-through energy audits
- For "small businesses"
  - Less than 50 employees or $5 million revenues
  - More than 1,000 sq ft
  - Includes non-profits
- No customer co-pay for the audit; no obligation
- ARRA funding for this ends April 30, 2012

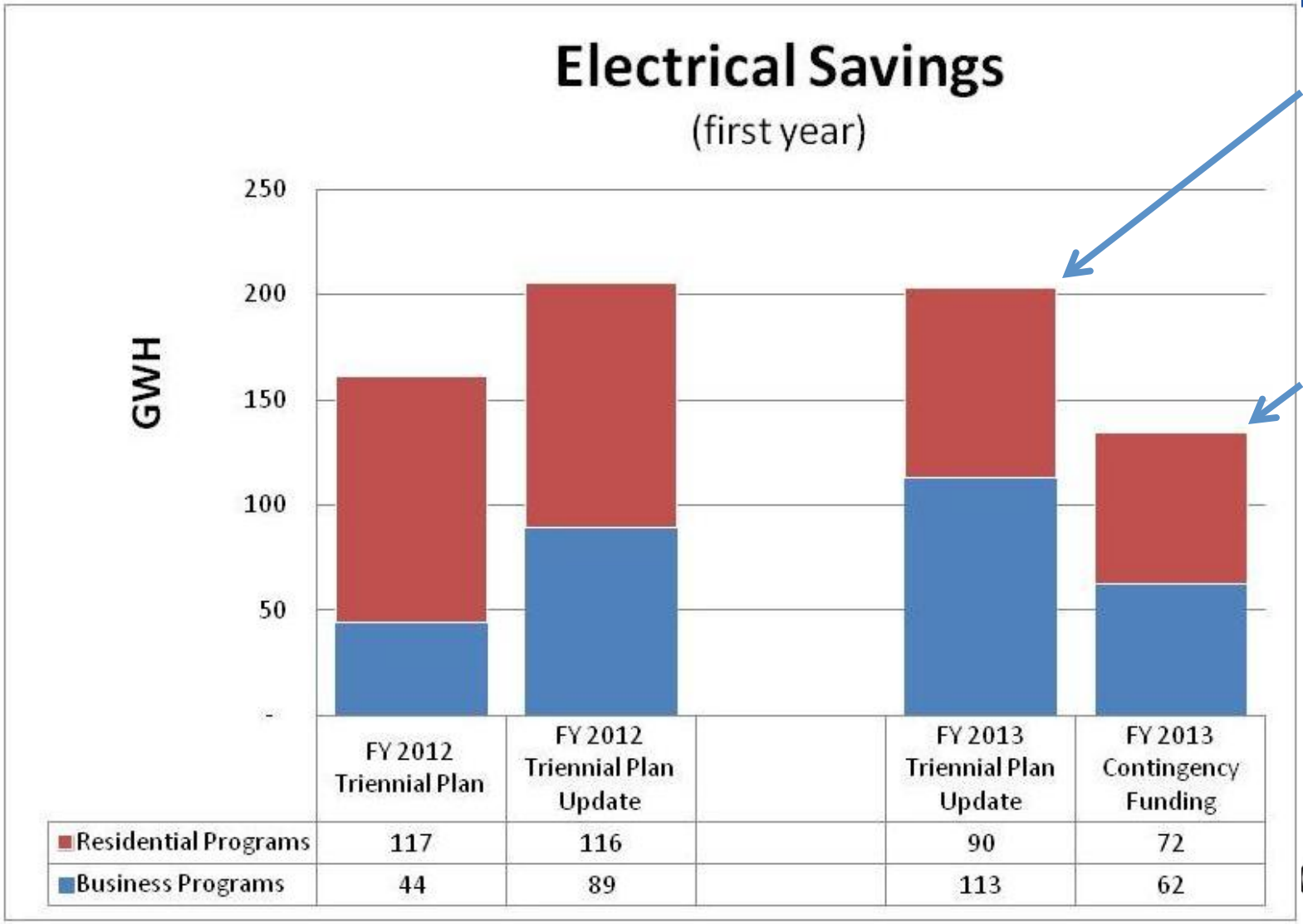
Low Income
Weatherization for Electrically Heated Homes

- Rising concern about LIHEAP customers for winter 2011-12
- Dedicating 100% of FY12 Low Income electric budget to weatherizing LIHEAP homes
  - Principally heated by electricity
- $5 million in funds
- 25% expected savings for average home, year after year
- Looking at alternative / supplemental heat options
- Coordinating with others to build a vision for a long-term solution

FY13 – Door Open or Closed?
(All Fuels)

- **Lack of unregulated fuel revenue impacts**
  - $10.1 million reduction during FY13 Period (beginning July 1, 2012)
  - No rebates for homeowner home weatherization
  - No incentives or technical support for All Fuels support for commercial, industrial, institutional, municipal customers in FY13 (except multi-family apts.)
- **Decline of projected RGGI revenue**
  - Loss of at least $5.9 million over FY12-13

FY13 – Door Open or Closed?
(Electric)



	FY 2012 Triennial Plan	FY 2012 Triennial Plan Update		FY 2013 Triennial Plan Update	FY 2013 Contingency Funding
Residential Programs	117	116		90	72
Business Programs	44	89		113	62

If budget gap filled by Long Term Contract

If budget gap <u>not</u> filled by Long Term Contract, <u>customers' costs increase by $86.4M</u>

Awareness Campaign: "Save Like a Mainer"

Awareness Campaign

SAVE LIKE A Mainer

- **Objectives**
  - Promote awareness of the individual and community benefits of energy efficiency and alternative energy
  - A growing "culture of conservation" around energy purchases and operations
  - Access to information (about efficient products, alternative energy options, technical assistance, contractors, suppliers)

- **Activity**
  - Launched October 20, 2011
  - Success stories of commercial and residential customers
  - Web Ads, Newspaper Ads, Radio and TV
  - Recruit more success stories and partners in the campaign

... WE NEED YOUR HELP !

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Old Town Canoes & Kayaks

$40,000/year Energy Savings

After consulting with Efficiency Maine, Old Town Canoe & Kayaks installed motion sensitive lighting and a new gas fired oven.

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Gifford's Ice Cream

$8,000/year Energy Savings

With help from Efficiency Maine, Gifford's installed new freezer compressors to cool the ice cream faster and more efficiently than ever before.

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Gilman Electrical Supply

$450,000/year Energy Savings

As one of Efficiency Maine's Qualified Partners, Gilman employees take pride in having helped hundreds of Maine businesses save over $450,000 by providing them energy efficient equipment and technical advice.

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Takeaways

- Efficiency is the lowest-cost energy resource in Maine
- Through EM's FY 11 Programs
  - Price to save 1 kWh was 3 c/kWh
  - Price to save 1 gallon of oil was $1.16/gallon
  - Private investment of $117M was leveraged
  - Electric costs for ME ratepayers will be $128M lower than they would have been without EM programs
  - Heating and industrial process costs for ME fuel customers will be $321M lower than without EM programs
- EM's FY12 Programs are on track for similar results
- FY13 May See Dramatic Changes
  - Depends on support for budgets
- Save Like A Mainer Campaign
  - Will increase appreciation for individual and community benefits of EE
  - Needs help from contractors, suppliers, trade associations, community leaders

Thank You !

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