Efficiency Maine
Leveraging Power Saver Loans to boost residential energy upgrades

NASEO Call
July 22th, 2014
About Us

- The Efficiency Maine Trust is
  - Maine’s energy efficiency utility – the independent administrator for all energy efficiency programs in Maine

- Mission:
  - To lower the cost and environmental impacts of energy in Maine by promoting energy efficiency and alternative energy systems.
What does Efficiency Maine do?

In connection with a residential customer’s purchase of energy efficient products and services, we provide:

- Rebates (From $250 to $5,000)
- Trusted Information (web, videos, energy calculators)
- Contractor Network and Locator Tool
- Financing (5 loan products: $1,000 to $25,000)

www.efficiencymaine.com 1-866-ES-MAINE
Marketing and Outreach

- Earned Media (Press Releases and Events)
- Social Media
- Google Ads and Google Display Ads
- Hulu and YouTube
- Classifieds Statewide
- Fall Home Improvement Sections
- Direct Mail to Heat Pump Installations
  - Best Practices
  - Additional Incentives
- Property Tax Mailers
Path 2 Menu
Choose your own plan up to $1,500

$400 For Air Sealing with Assessment
$500-$1,000 For Insulation
$250-$500 For Qualified Heating Systems
$500 For High Efficiency Central Heating Systems

$100 Next Step Bonus for one additional menu measure in conjunction with Air Sealing with Assessment
Informational Videos

Heat Pump Water Heater Instructional Video

Ductless Heat Pump Case Study
Technical Information and Financial Examples

High-Efficiency Boilers and Furnaces

Most Maine homes are centrally heated with either a boiler or furnace. Energy-efficient options for boilers and furnaces are available for all heating fuels. Efficiency Maine offers rebates and financing for homeowners installing high-efficiency heating equipment. Read on below to find out more about high-efficiency systems, rebates, and how much you might save with a system upgrade.

Central Heating Systems

Boiler and furnace efficiency is often measured or compared by annual fuel utilization efficiency (AFUE). AFUE measures how much of the fuel that goes into the system gets turned into heat in the system. The typical Maine home has a boiler with an AFUE of 75% and many new systems can achieve efficiency ratings of 90% or higher. This efficiency difference can significantly cut your fuel bill but before making the switch, Efficiency Maine recommends improving the energy efficiency of your home (by air sealing and insulating).

This can also be a time to address other heating distribution improvements including sealing and insulating ducts and pipes, particularly in basements and crawl spaces, and adding distribution controls (more on these below). As a result of improvements to the building envelope and distribution system, you may be able to install a smaller heating system than the one currently in place, further reducing the costs of installation and on-going heating.
<table>
<thead>
<tr>
<th>Vendor</th>
<th>Services Provided</th>
<th>Miles</th>
<th>More Info</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Breathable Home</td>
<td></td>
<td>8</td>
<td></td>
</tr>
<tr>
<td>Manchester, ME - 207-512-2408</td>
<td><a href="http://www.thebreathablehome.com">www.thebreathablehome.com</a></td>
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<tr>
<td>Home Energy Answers</td>
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<td>18</td>
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<tr>
<td>Albion, ME - 207-200-1880</td>
<td><a href="http://www.homeenergyanswers.net">www.homeenergyanswers.net</a></td>
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<tr>
<td>Advanced Spray Foam</td>
<td></td>
<td>21</td>
<td></td>
</tr>
<tr>
<td>Clinton, ME - 207-426-2500</td>
<td><a href="http://www.advancedsprayfoam.com">www.advancedsprayfoam.com</a></td>
<td></td>
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</tr>
</tbody>
</table>

Vendor-supplied information:

Advanced Spray Foam
dawn@advancedsprayfoam.com
PO Box 705
207-426-2500
Clinton, ME
www.advancedsprayfoam.com

Established
2000

About our Company
Advanced Spray Foam is a family-operated business that takes pride in outstanding workmanship, honesty, competitive pricing and customer service. We treat our customers' homes and businesses as if they were our own.

Our Services
Advanced Spray Foam provides energy audits, air sealing, insulation services and all aspects of weatherization services to tighten the home or business and make the customer more comfortable while saving money.

Typical Project
Most of our projects begin as spray foam insulation and air sealing, and then may proceed on if the home requires additional work.

Service Area
Counties: Kennebec, Somerset, York, Cumberland, Androscoggin, Sagadahoc, Lincoln, Knox, Penobscot, Piscataquis, and Oxford. Other areas can be accessed pending the scope of the project.

Updated Vendor Locator
- Contractors provide credentials, insurance, EM agreement and code of conduct to be listed.
Training with Dale Carnegie

- Sales Training (Offered in Portland and Bangor, Fall 2013)
- Customer Service Training (Offered in Portland and Bangor, Fall 2013)
- Marketing Training (Offered in Portland and Bangor, Fall 2013)
- Combined Sales and Customer Service Training (Offered in Augusta, Spring 2014)

Workshop participants developed a better understanding of the customer contact process to better sell energy efficiency, including building rapport and effectively gaining customer commitments. Participants also focused on improved service quality and increased customer loyalty.
Power Saver Loans

Launched in Maine April 2012

- Up to $7,500 unsecured.
- Up to $25,000 secured to the property.
- Single Family Detached Dwellings
- Available Statewide
- AFC First providing underwriting and servicing.

- Assessment and Air sealing.
- Insulation Projects.
- Supplemental Heating Equipment.
- Central Heating Equipment.
- Pellet Boilers / Geothermal.
- Solar PV and Thermal

- 5, 10, 15, 20* year terms.
- 4.99% APR.
- One online application – fast process.

$2.4M
190 projects funded with Power Saver
Power Saver Loans – by the numbers

Average credit score: 740
Average DTI ratio: 28%

$2.4M value of projects in 9 quarters.
190 projects funded with Power Saver
102 Power Saver Unsecured ($6,200 average)
88 Power Saver Secured ($20,500 average)
No defaults so far.

Power Saver loans account for 25% of EM portfolio.
Other Financing Options for Homeowners in Maine


- **PACE Loans**
  - Fixed 4.99% APR loans for energy efficiency upgrades
  - $6,500 up to $15,000
  - No credit score – LTV 100%
  - DTI 45%
  - 1 to 4 unit residential
  - Up to 15 year terms
  - Available in 176 towns

- **Efficiency Maine Energy Loans**
  - Type 1 & 2
    - Fixed 4.99% & 5.99% APR
    - 620 min. credit score
    - Up to 55% Debt-to-Income
    - Up to $15,000 type 1
    - Up to $7,500 type 2
    - 10 years
## Energy Loan Comparison Chart

<table>
<thead>
<tr>
<th>Feature</th>
<th>Maine PACE</th>
<th>PowerSaver ($7,500 to $25,000)</th>
<th>PowerSaver (Up to $7,500)</th>
<th>Efficiency Maine - Type 1</th>
<th>Efficiency Maine - Type 2</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Availability</strong></td>
<td>176 Participating Municipalities</td>
<td>Statewide</td>
<td>Statewide</td>
<td>Statewide</td>
<td>Statewide</td>
</tr>
<tr>
<td><strong>Loan Terms</strong></td>
<td>Up to 15 years</td>
<td>Up to 15 years or 20 years with solar installation</td>
<td>Up to 10 years</td>
<td>Up to 10 years</td>
<td>Up to 10 years</td>
</tr>
<tr>
<td><strong>Interest Rate</strong></td>
<td>Fixed 4.99% APR</td>
<td>Fixed 4.99% APR</td>
<td>Fixed 4.99% APR</td>
<td>Fixed 4.99% APR</td>
<td>Fixed 5.99% APR</td>
</tr>
<tr>
<td><strong>Building Type</strong></td>
<td>Residential with 1 to 4 units</td>
<td>Single Family Detached</td>
<td>Single Family Detached</td>
<td>Residential with 1 to 4 units</td>
<td>Residential with 1 to 4 units</td>
</tr>
<tr>
<td><strong>Loan Amounts</strong></td>
<td>$6,500 to $15,000</td>
<td>$7,500 to $25,000</td>
<td>Up to $7,500</td>
<td>Up to $7,500</td>
<td>Up to $7,500</td>
</tr>
<tr>
<td><strong>Mortgage</strong></td>
<td>Junior to primary mortgages and existing liens</td>
<td>No less than 2nd position mortgage</td>
<td>Not secured to property</td>
<td>Not secured to property</td>
<td>Not secured to property</td>
</tr>
<tr>
<td><strong>Energy Assessment Required</strong></td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td><strong>Minimum Project Work Scope</strong></td>
<td>1) Set of custom measures with total projected whole home savings &gt;/=20% from an approved energy model or; 2) A scope of work that includes 6 hours of air sealing and insulation work as recommended PLUS any additional measure included in the prescriptive list of Home Energy Savings Program incentives. Additional energy or health and safety measures may be included.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Credit Score Minimum</strong></td>
<td>None</td>
<td>660</td>
<td>660</td>
<td>640/680</td>
<td>620</td>
</tr>
<tr>
<td><strong>Homeowner Equity</strong></td>
<td>Lending to 100% of value</td>
<td>Lending to 120% of value</td>
<td>None Required</td>
<td>None Required</td>
<td>None Required</td>
</tr>
<tr>
<td><strong>Debt to Income Ratio</strong></td>
<td>45%</td>
<td>45%</td>
<td>45%</td>
<td>45%/50%</td>
<td>55%</td>
</tr>
<tr>
<td><strong>Assumable upon transfer</strong></td>
<td>Yes</td>
<td>No</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
</tbody>
</table>
See Scope of Work form for details on 2 pathways to scope of work approval:
  Prescriptive list OR Modeled to exceed 20%
For a project to be financed:
1) The borrow must meet underwriting criteria (approved for loan).
   - AFC First underwriters review applicants credit, debt, and perhaps equity.
   - Loan docs and details must be in order before installation begins.

2) The “scope of work” must meet minimum energy saving criteria. (project approval).
   - BPI Assessment and 6 hours of air sealing plus any other HESP rebate eligible measure. (or)
   - Custom Modeled Project projected to save min. 20% whole home energy by BPI auditor using approved modeling software and approved by technical team.
Rebates: HESP FY14 Results
Sept 2013 to June 2014

<p>| | |</p>
<table>
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<tbody>
<tr>
<td>Number of Projects</td>
<td>4678</td>
</tr>
<tr>
<td>Average Job Cost</td>
<td>$4,939</td>
</tr>
<tr>
<td>Average Rebate $</td>
<td>$848</td>
</tr>
<tr>
<td>Ave Rebate : Job Cost %</td>
<td>17%</td>
</tr>
<tr>
<td>Total Project Costs</td>
<td>$23.1 M</td>
</tr>
<tr>
<td>Total Rebate Amount</td>
<td>$4.0 M</td>
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<tr>
<td>Private Investment</td>
<td>$19.1 M</td>
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<tr>
<td>Active Registered Vendors</td>
<td>589</td>
</tr>
<tr>
<td>Vendors comprising 80%</td>
<td>90</td>
</tr>
<tr>
<td>#Loans during HESP2 FY14</td>
<td>290</td>
</tr>
<tr>
<td>$Loans during HESP2 FY14</td>
<td>$3.2 M</td>
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</table>

$8.7M budgeted for rebate activity to June 30th 2015. Funded with a combination of Regional Greenhouse Gas Initiative auction dollars (RGGI), Forward Capacity Market revenues, System Benefit Charges.
Discussion, Questions, Comments

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Or by email to: dana.fischer@efficiencymaine.com