



**Energy Efficiency Board
Monthly Meeting**

Wednesday, July 10, 2013, 1:00 – 3:30 PM

Department of Energy and Environmental Protection – Public Utilities Regulatory Authority
10 Franklin Square, New Britain, Connecticut

MINUTES¹

EEB Voting Members in Attendance: Jamie Howland (Vice Chair), Shirley Bergert, Eric Brown, Diane Duva (DEEP), Joel Gordes, Taren O'Connor, Amy Thompson, Michael Wertheimer

Utility Representatives: Ron Araujo, Joe Crocco, Donna Wells, Dale Williams

Not in Attendance: Neil Beup, Michael Cassella

Other Attendees: Tim Cole, Glenn Reed, Jeff Schlegel [Consultants]; Roy Haller, Tyra Peluso, Pam Penna, Barb Roderick, Tim Simmonds, Tilak Subrahmanian [Utilities]; Kate Boucher, Cindy Jacobs [DEEP]; Tina Halfpenny [MEEAC]; Natalie Hildt Treat [NEEP]; Doug Cahill, Dick Desroches

The officially noticed regular monthly meeting of the Energy Efficiency Board commenced at 1:10 pm with Chairman Jamie Howland presiding.

1. Process

- A. Agenda – The agenda was accepted as presented without change
- B. Minutes – Approval of the minutes of the May 8, 2013 board meeting was deferred to the next meeting to allow more time for review.
- C. Electronic Votes – The Board received the results of electronic votes held in 2012 and 2013 and entered them into the minutes.²
- D. Public Comments – There were no public comments.
- E. Consultant Committee – Mr. Howland reported that the Consultant Committee had no report, however a meeting of the Board Operations Committee discussed at the June 26 Board retreat was being planned. Shirley Bergert had agreed to schedule the meeting.
- F. Scheduling and Calendar –
 - It was agreed there was no need for the tentatively scheduled July 24 Board meeting.

¹ Meeting Materials Available in Box.net Folder <https://www.box.com/s/6aoi7lm0185w0ustqbg7>

² 130708 electronic votes memo - final

2. Program Update/Highlights

- Roy Haller from United Illuminating and Tim Simmonds from CL&P offered a special presentation on the Small Business Energy Advantage Program.³ The presentation covered what the program is, who is eligible to participate, what the measures of success with respect to energy and financial savings are, and highlighted the Master Agreement soon to be signed with the state's Department of Administrative Services to allow state entities to participate in the program.
- Mr. Gordes inquired what role the PRIME (Process Reengineering for Manufacturing Efficiency) program plays. Mr. Haller responded that they are fairly segregated at this point. However, the next RFP will ask PRIME vendors to be able to help with referrals to the SBEA program. In 2014 the companies are looking for greater integration between PRIME and SBEA. Among vendors, for instance, they are already seeing electrical contractors coordinating more now with mechanical contractors.
- Mr. Schlegel inquired what percent of SBEA participants are financing customers, what percent are rebate customers, and what practices are supporting growth in comprehensive projects. Mr. Simmonds responded that the incentive structure is driving more comprehensiveness as the market becomes more aware. Mr. Haller noted that vendors like being able to make more money through bigger projects. More than 95% therefore involve financing. Problems arise when a project becomes so big that the positive cash flow is lost. Mr. Simmonds noted that paying vendors for performance is helping, comparable to the new framework HES vendors are working within.
- Eric Brown inquired about possible connections with the CPACE program now being offered in eligible towns. Mr. Simmonds responded that the first CPACE project was an SBEA project. The companies are working closely with CPACE staff at CEFIA to exchange information on prospective projects. Mr. Araujo reminded the Board that CPACE is targeting loans over \$100,000, while most small business loans are below that.

3. Programs and Planning

A. 2013 Progress Reports – Companies

- Mr. Araujo reviewed the CL&P and Yankee Gas statements of results through the end of June.⁴ He noted that at the current rate 114% of budget will be spent, and he is therefore looking for additional funding to be approved by DEEP and PURA. He also noted that revenues are above forecast because proceeds from the Forward Capacity Market and the Regional Greenhouse Gas Initiative auctions are up. Mr. Schlegel commented that it would be helpful to see percentages broken out by company on the summary financial statement of combined activity.
- Donna Wells for UI reviewed the companies' charts for the electric and gas programs.⁵ Expenses are currently at about 60% of budget now for the electric program, while the gas companies are at about 50%. She also mentioned that the

³ 2013 SBEA Overview to EEB_7 10 2013_tvs_rwh FINAL

⁴ CLP-YGS EEB June 2013 Projection

⁵ UI CLM EEB Chart 2013.05-EEB; SCG_CNG 2013 CLM.2013.05

HES-IE program has reached the maximum now allowed for oil measures. She referred the Board to the letter included in the packet asking DEEP for authorization to continue.⁶

B. Legislative Update and Review –

- Mr. Schlegel drew the Board’s attention to two summaries included in the meeting packet, one prepared by Environment Northeast and prepared by the consultants for the retreat.⁷ Work currently is underway at DEEP and companies on clarifying the impact of the financing and multiple fuels language in the legislation, specifically concerning how it will be implemented and delivered in the marketplace. A financing table taking account of the changes is in development.

C. DEEP / PURA coordination

- 2013-2015 Multi-Year Plan –
 - Mr. Schlegel reported that the legislation impacts planning process in the following ways: it affirms the creation of joint electric and gas plans and the shift to a three-year planning cycle. Furthermore, it calls for DEEP to review both the electric and gas plans, while assigning PURA with responsibility for reviewing DEEP’s determination with attention to its impact on rates. He noted that the EEB had supported these policies.
 - DEEP and PURA Proceeding – Schedule and Process – Diane Duva informed the Board that the draft determination will be published by end of July. The Department recognizes the need to clarify budget questions as quickly as possible. The determination will include both the electric and gas plans. The intent is to publish notice of a tentative determination with a public comment period and an open meeting. The final determination will then follow. She noted that pursuant to PA 13-268 PURA has 60 days to ensure revenue is there to match the budgets. Mr. Schlegel commented that therefore a review of the draft determination will likely be on the agenda at the Board’s August meeting. In response to a question from Mr. Araujo about how long the comment period would be, Ms. Duva indicated about 30 days. Mr. Araujo noted that the year will be nearly over by the time PURA acts, because the companies will need time to implement collections mechanism if it is approved.
 - Board Comments in Response to PURA Request Regarding Process – Mr. Schlegel referred to PURA’s request included in the meeting packet.⁸ He noted that the Board has already commented and suggested it made sense to wait for other comments to be filed before considering making additional comments if necessary. Mr. Araujo noted that the issue of the Gross Earnings Tax is unclear. Ms. Bergert remarked that the Board would need to understand this issue better in order to comment. Mr. Howland expressed the

⁶ UI oil approval letter v4

⁷ ENE_CT_2013_PA_13-298_AAC_Implementation_CES_and_Various_Statutory_Revisions_FINAL; EEB_EElegislationSummary062613

⁸ 130628 PURA Request for Written Comments

view that it is beyond the board's purview and competence. Mr. Araujo pointed out that the question is whether the GET is part of 3 mills and CCF charges. Ms. Bergert noted that the Attorney General's office and the Office of Consumer Counsel will be looking at the issue. Once they have reached some conclusions, the EEB can take the matter up if it appears some action is desirable. She added it would be helpful to have an analysis from the companies about the likely impact on energy efficiency programs.

- Financing Update: 2013-2015 Plan, Legislation, and CEFIA Product Offerings – Mr. Schlegel referred to the table in the packet provided with the help of CL&P showing the mix of residential financing offerings.⁹ An improved table is in development to clarify opportunities which will specifically be designed to be usable by consumers and contractors. The idea is that it should be straightforward for people to figure out which options are best for them with their specific needs. The “Convenient, attractive, effective” memo the Board prepared is foundational for this effort.
- RGGI Funding for Energy Efficiency, Priorities – Mr. Schlegel referred to a memo on the topic included in the packet.¹⁰ He noted that DEEP has the discretion to reallocate excess RGGI auction revenues above the set rates for EEF and CEFIA along the lines of the options identified in memo. Ms. Bergert commented that there remain equity issues around how extra funding is allocated – by fuel source, by service territory. In her view, every customer class should get a fair return on what they contribute. Mr. Howland added that this principle should apply to RGGI too. Mr. Schlegel remarked that this point can be included in the letter he is preparing. Mr. Brown observed that transparency is more and more important as more and more dollars come in. He pointed out that the discussion here concerns just two years and a temporary situation. Mr. Schlegel affirmed the need for the Board to clarify what it believes would be the best way to do handle this. Ms. Bergert suggested the parity charts in the plan could be a helpful place to start. Michael Wertheimer requested a more granular analysis of who is paying in and how it is being distributed. Mr. Araujo responded that such an analysis is represented in the parity pies. He noted too that the FCM revenues are similarly allocated by who contributes. Mr. Brown stressed the importance of doing an effective job of communicating who benefits. Mr. Howland concluded that it seemed the Board should have the opportunity to vote on a revised draft of the letter, taking into account the discussion and including support for UI's request for additional funding for oil measures. Mr. Schlegel agreed to revise it by Thursday evening, with an electronic vote scheduled to go out on Friday, July 12, with a close date of Wednesday, July 17. The recommendation will be addressed to DEEP commissioner, cc: to CEFIA.

⁹ ResFinancingOffers2013-05-29 - Final

¹⁰ EEBCommentsRGGIandCEFIA_071013Dr

- Revised Budget and Plan Tables – Mr. Schlegel directed the Board’s attention to the budget tables presented at the June 26 retreat and to UI’s letter on customer engagement.¹¹ These will be reviewed and a recommendation regarding scope and cost to the Energy Efficiency Fund will be ready by the August 14 meeting.
- D. Regional Avoided Costs Study Results –
- Mr. Schlegel reported that the AESC study, which is due to be released in two days on July 12, would show significant new values. The electric values are generally lower – lower on energy, although higher on capacity. Gas is 20% lower. There are new DRIPE (Demand Reduction Induced Price Effects) categories. These changes will have an impact on how Connecticut budgets going forward. Mr. Howland observed that it will be good report, with clear improvement in the analytics.

4. Committee Reports

A. Commercial & Industrial –

- Ms. Thompson reported that at its meeting the previous day, the Committee had received a presentation by EMI on Large C&I trends, and followed with a discussion of the continuing work on an assessment of market segments that seem to have unrealized potential.

B. Evaluation –

- Ms. Thompson highlighted the two recent presentations by Tetra Tech on the Free-Ridership / Spillover study to the C&I Committee and by NMR on the HES Focus Groups to the Residential Committee.¹² She also mentioned the webinar on impact evaluation and billing analysis offered by the SERA team, and the current work on defining goals for the upcoming HES / HES-IE impact study. She noted that the Committee is now in process of evaluation planning and is reviewing SERA’s prioritized list which is intended to guide the Board’s evaluation work for the next 2-3 years. Once the DEEP determination has been released, the Committee will work to align its priorities accordingly. Members who wish to see the current draft of the prioritized list can get it from either Mr. Cole or Ms. Skumatz. Next month’s meeting packet will include a list of projects that are now coming on line. A draft of the results of the weatherization study is expected in August, while a draft of the housing characterization study is expected in July. Mr. Araujo commented for the record that he likes having evaluation presentations offered in conjunction with committee meetings.

C. Residential –

- Ms. Bergert reported that the Committee was focusing on the challenge of coordinating financing programs, facing the two related questions about how to reach customers and how to get them to go broader and deeper. She also highlighted the presentation on the HES Focus Groups conducted by NMR and organized by the Evaluation Committee. The Committee is also continuing to

¹¹ Table A2 Draft.2013.06.18; UI HER DEEP Approval Letter

¹² CT CrossSector CI FR SO Study Presentation_v2; CT HES Focus Groups Presentation 07102013

explore the future of residential energy conservation. Ms. Duva commented that as DEEP continues its work on HES innovations it will be asking for input from the Committee and the Board. The Department is also considering the possibility of a public hearing to solicit more ideas. Ms. Bergert noted that the Committee is not yet ready to provide concrete suggestions. Mr. Araujo mentioned that an impact evaluation of the HES program is contemplated with a target time in 2014. Ms. Duva suggested then that the Department should plan on a Spring-Summer 2014 time frame.

- D. **Marketing – Metrics for tracking results of marketing activities –**
- Mr. Howland reported that the Committee met on July 3 and focused on the task of developing metrics for determining the effectiveness of specific marketing efforts and approaches. Such metrics should be comparable to the HES metrics the companies now provide every month. This work is now in the initial phase of getting the right tools for tracking in place.
 - Mr. Araujo reviewed the CL&P events list.¹³ Noting that this a slow time of year, he pointed out that most events involved the just launched Energize Waterbury initiative the list here. On July 30 there will be a program update for C&I contractors and on August 1 there will be a technical training for HES vendors.
 - Ms. Wells highlighted for UI that a large number of tours had been scheduled at the Smart Living Center and that there were likewise a large number of activities scheduled in connection with the Energize Hamden initiative.
 - Mr. Brown informed the Board that the annual “What’s the Deal?” event jointly offered by CBIA and the CT Power and Energy Society would be held on October 10.

5. **Other** – Mr. Howland introduced Tina Halfpenny who was visiting from the Massachusetts Energy Efficiency Advisory Council, the Board’s peer organization in that state.

6. **Adjourn** – With no other business to conduct, the Board adjourned at 3:10 pm.

Respectfully submitted,

Timothy Cole, Executive Secretary

¹³ CL&P Events as of 20130709