



**Energy Efficiency Board
Monthly Meeting**

Wednesday, January 8, 2014, 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 (Chair), Shirley Bergert, Diane Duva, Amanda Fargo-Johnson, Joel Gordes, Taren O'Connor, Amy Thompson, Michael Wertheimer
Utility Representatives: Ron Araujo, Michael Cassella, Chris Ehlert, Pat McDonnell, Dale Williams

Not in Attendance: Neil Beup [Joel Gordes proxy], Eric Brown

Other Attendees: Tim Cole, Glenn Reed, Jeff Schlegel, Lisa Skumatz (phone), Les Tumidaj, Ellen Zuckerman (phone) [Consultants]; Tyra Peluso, Pam Penna, Jeff Pollock, Kara Rogers, Marissa Westbrook [Utilities]; William Dornbos [ENE], Sharron Emmons [Wallingford Electric Division], Ricky Gratz [Opower], Diane Griffiths [Winter Associates]

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

1. Process

- A. Agenda Review – It was agreed to move the discussion of the evaluation budget to the top of the agenda.
- B. Minutes – The minutes of the December 11, 2013 board meeting² were approved on a motion by Amy Thompson seconded by Taren O'Connor. Amanda Fargo Johnson abstained. Joel Gordes voted Neil Beup's proxy.
- C. Public Comments – There were no public comments.
- D. Evaluation Budget – Ms. Thompson introduced the discussion of a proposed increase in the 2013 budget for the SERA evaluation consulting team. Referencing the memo developed by Lisa Skumatz from SERA³, she noted that the Evaluation Committee has been managing the team's work closely and that there were costs arising from the transition to a new team and from the time spent on developing the 2014-16 Evaluation Plan approved previously that were impacting the budget originally approved. The team had absorbed some of these costs themselves, however through the end of December 2013 a slight overrun of \$13,376 was likely. The Evaluation Committee had approved a resolution to recommend a budget increase to cover this overrun. Mr. Howland noted

¹ Meeting Materials Available in Box.net Folder <https://app.box.com/s/58fz82ozjds32ruh4>

² 131211 EEB Meeting Minutes F.pdf

³ CTEEB_EvalCmte_SERATeamBudgetMemoDec13_v1.pdf

that this could be accomplished by reallocating funds from the evaluation projects line item, where unspent dollars remain as of the end of the year. He also commented that the committee expects to come to the board in the future with a recommendation for a policy change so small adjustments like this one would not need to come to the full board for approval. The requested increase was then approved on a motion by Ms. O'Connor seconded by Diane Duva, with all members voting in favor.

- E. VOTE: Consultant Committee – Consultant workplans were not yet ready for board action. He expected the committee would present them to the board at the February meeting after questions that have arisen at DEEP have been addressed. Pending that action, he proposed that the board approve a one-month resolution to cover the consultants' activities during the month of January. The authorization would be based on 1/12 of the proposed new workplan totals. Shirley Bergert moved approval of this proposal. Amanda Fargo-Johnson seconded the motion. The motion was approved with all members voting in favor.
- F. Board Operations Committee – Mr. Howland reported that no further action on by-laws revisions was required at this time.
- G. VOTE: Election of Vice-Chair – Ms. Duva nominated Ms. O'Connor to serve as Vice Chair. Ms. Bergert seconded the motion. Ms. O'Connor was elected with all votes in favor. Ms. O'Connor abstained.
- H. Executive Administrator RFP –
- Michael Wertheimer stated that the Office of the Attorney General had looked into the legality of retaining a consultant as an Executive Director for the board and had send comments to the Board Operations Committee. While there is no question about the board's right to hire consultants, the OAG's opinion is that an Executive Director is a different kind of position. The board would be effectively hiring a full time employee, which is not contemplated in statute. There are concerns about the control of consultants and possible conflicts of interest insofar as consultants are paid by the companies. In his view, the board's best course would be to seek legislative clarification and to get authorization for this type of position. Ms. Bergert inquired whether this represents a policy argument or a legal argument. Mr. Wertheimer responded that the OAG is treating this as a request for clarification and that this therefore represents the Office's opinion. Ms. Duva inquired whether there might be a difference between and Executive Director and an Executive Administrator. Mr. Wertheimer responded that the Office does not see a difference, the point being that what is intended is to have a full time employee to manage the business of the board, which is what the Office is recommending against trying to achieve this way.
 - Ms. Bergert noted that she did not see the role in the same light. Rather, the point is that the board needs more administrative support given the significant growth in budget and activities in recent years. It is therefore not a matter of someone "running the board". The board will still need to be vigilant. The important point is that the person be independent, to support the board's independent role. While she agreed it might be helpful to get legislative clarification, she stated that she did not see this as a legal problem, insofar as the board has the authority to hire a

consultant as an administrative cost. More to the point, there is really a policy question about how to define the person's role and oversee their activities.

- Mr. Howland indicated that he thought it important to find an interim solution. He pointed out that in the present arrangement there is a heavy time and work burden on the Chair, which is not a paid position and which makes it difficult to find members willing and able to take on such leadership responsibilities. As an interim step, he suggested issuing an RFP for the Executive Secretary position with 200 more hours.⁴ In response to a question from Ms. Bergert about establishing a physical presence, mailbox and phone number, Mr. Howland noted that a mailbox already exists and a phone line would be doable. Ms. O'Connor inquired whether there would be a transition. Mr. Howland responded there would be a transition if Timothy Cole does not continue as Executive Secretary. The new RFP would add hours, address the issue of a physical presence and clarify some technical details. Ms. Bergert suggested that the RFP be circulated in a Word red-line version so members can see the desired changes. Mr. Howland responded that the RFP would be circulated the next day for an electronic vote, with votes to be in by close of business Monday, January 13.

2. Program Update/Highlights – Residential Segmentation – Companies

- Kara Rogers from Northeast Utilities' product management team in Massachusetts made a presentation on the company's Continuous improvement process model for promoting energy savings through residential segmentation.⁵ The approach allows for the development and implementation of different strategies for different customer groupings.
- Mr. Gordes inquired whether in light of increasing awareness of health and safety concerns and storm risk there has been any effort to reach out to customers on the basis of their resilience concerns. Ms. Rodgers responded that this is an area still in development. Ms. Bergert commented that there is now a clear need to institutionalize the health and safety piece and referred to a suggestion frequently advocated by Mr. Gordes about the possibility of engaging the insurance industry in these efforts because of its unmistakable high level of risk exposure. Ms. Rodgers noted that the company has been thinking about health and safety issues within what they call "the barriered group." The challenge is to identify early on in the process customers who need extra screening, noting that distinguishing between homes and persons is proving useful for the model the company is developing.
- Dale Williams inquired about the operating implications of this work this year. Ms. Rodgers responded that they are currently looking first at doing more target marketing. Having done some tests in Massachusetts, they now plan to do more tests in Connecticut. They will explore for instance how to drive people into the HES program. Mr. Williams commented that segmentation is a good approach, but it raises the question whether there are the resources to highlight the different

⁴ Consultant RFP - Executive Director committee 9-4-13.doc

⁵ NU Segmentation Model for EEB 1-8-2014.ppt

bundles. This is essentially a public policy issue, namely getting at the most accessible vs. those most difficult, when all pay into the fund. Ms. Bergert asked that NU share the results of the tests as they get them with the Residential Committee.

3. Programs and Planning

A. 2013 Progress Reports – Companies Financial Update

- Speaking for CL&P and Yankee Gas, Ron Araujo suggested that due to the fact this month's meeting is happening early, before the companies have closed the books on the previous month and year, it would be best to defer presentation of the end-of-year results until the January 29 special meeting. He offered a high level overview for now⁶, noting that CL&P's revenues were \$101.4 million while spending was \$100.9 million, representing 125% and 124% of base budget respectively. He expressed satisfaction about these results. Yankee Gas showed \$8.57 million in revenues compared to a budget of \$8.52 million. Overall the company did well covering the stretch budget, with 121% of the base budget on the revenue side and 124% on the spending side because more funding was available due to the facts that the proceeds from the Regional Greenhouse Gas Initiative and Forward Capacity Market auctions were both up.
- Speaking for UI, Pat McDonnell reported that the electric company results came in at over 20% ahead of budget, while revenue held pace. Both SGC and CNG gas companies were tracking on budget.⁷
- Mr. Araujo noted that the NU companies are going into 2014 with no carry over or spending ahead. Mr. McDonnell noted that UI's revenue is slightly behind, but PURA has authorized CAM collection as of January 1, which will help fill the gap. Jeff Schlegel commented that these reports indicate that the companies indeed got the beginning of the smooth ramp up of activity to match the higher budgets that the board was looking for in the last months of 2013. The programs are therefore on a good footing for 2014, with good momentum going forward.

B. Marketing Updates

- Development of the 2014 Marketing Plan – Mr. Schlegel directed the board's attention to the Marketing Plan overview and outline document included in the board packet.⁸ The document details the steps to be covered and the planned budgets for each. He noted that comments and input are welcome and should be directed to him, Ellen Zuckerman, or Mr. Howland.
- Marketing metrics for the Energize CT website and social media – Mr. Schlegel pointed out that marketing metrics are being developed and implemented to ensure the resources are be used effectively and fairly. Ms. Zuckerman walked the board through an update presentation on the development and implementation of the metrics.⁹ Mr. Schlegel commented that with the metrics in place, there will now be

⁶ NU EEB December 2013 Projection.xlsx

⁷ UI CLM EEB Chart 2013.12-EEB; SCG_CNG 2013 CLM.2013.12

⁸ MarketingPlanOverview&Outline.docx

⁹ EEBMarketingMetricDevelopmentUpdatetoEEB12082013Final.pptx

quarterly reports to be shared with the board, with the goal being to track the effectiveness of the marketing investments and make changes as needed on the basis of what tracking shows.

- Update on Customer Engagement – Mr. Araujo reported that CL&P has selected 3 finalists from the respondents to the RFP for a vendor to provide the customer engagement platform. Mr. McDonnell stated that there was nothing new to report from UI.

C. DEEP / PURA coordination

- 2013-2015 Multi-Year Plan
 - Update on PURA proceedings – Mr. McDonnell reported that PURA issued a ruling on December 23, 2013 authorizing implementation of a Conservation Adjustment Mechanism as of January 1, 2014 across all companies. A hearing will be held but a date has not yet been set. PURA may prefer to wait until the company makes a CAM filing on February 1 with a true-up.
 - Next Steps in Implementing the Plan: Compliance Items, 2014 Plan Update – Mr. Schlegel referred the board to the summary list of compliance items and the milestone timetable for the 2014-15 Plan Update included in the packet.¹⁰ Mr. McDonnell alerted the board to the fact that the companies are already rolling out as of January 1 some program changes that will be included in the Update. Mr. Schlegel noted that the consultants and companies have been working closely together on details. The consultants would like to see greater energy savings than are in the working documents now. Mr. Howell urged the companies to make sure the consultants are fully informed about any program changes they roll out.
 - Energy Efficiency Resource Assessment / Analysis of Potential Update – Ms. Duva informed the board that DEEP is looking at unaddressed needs and opportunities to reach larger state goals, including includes water, transportation, and waste management, among others. The ultimate objective is energy waste reduction and system strengthening across sectors. At this point it is important also to determine what are the data gaps, what information is required in order to be able to reach goals? Noting that full blown potential studies are time consuming and expensive, Mr. Schlegel highlighted the importance of looking at all the data resources, addressing multiple values, above and beyond energy efficiency potential. Mr. Araujo noted that this work is time sensitive because results will be needed by early 2015 to inform the next 3-year C&LM planning cycle.
 - Financing and Leveraging Ratepayer Funding: Priority Financing Needs – Mr. Schlegel reported that a joint EEB-CEFIA meeting had been scheduled for January 22nd. By way of background he noted that the board had begun clarifying its criteria for financing programs and priorities in 2012 and work implementing them has been ongoing since. The C&I committee, for instance, has expressed strong interest in identifying and addressing unmet priority financing needs. The

¹⁰ 13-03-02 Compliance Items 13 14 16 18 27.doc; EEB 2014 Milestone Schedule for 2013-2015 C&LM Plan Update.xlsx

key is to clarify the needs the board wants to tee up for CEFIA as the green bank. SBEA is one known program area. At this point, the EEB's objective is to urge CEFIA to support the EEF program needs. He encouraged board members to communicate with him as soon as possible regarding any input or feedback they would like to see taken up with CEFIA.

4. Committee Reports

- A. Commercial & Industrial – Les Tumidaj reported that the committee has been reviewing the implications of last year's decision from DEEP and taking a close look at the basic framework. There is interest in understanding better what adjustments are contemplated and to what degree they reflect committee priorities, such as greater emphasis on Strategic Energy Management and comprehensive projects for instance. The committee has also been discussing how to work more closely with the evaluation committee and consultants, with an eye to ensuring that it gets full value out of the evaluation.
- B. Evaluation – Ms. Thompson covered a series of highlights in her report for the Committee:
- At the request of the C&I Committee the Evaluation Committee had voted to approve an extension of the comments deadline for the Energy Opportunities draft study until February 14.
 - The deadline for comments on the Weatherization study was now set for January 17. Glenn Reed noted that the Residential consultants may ask for an extension. Ms. Thompson responded that the request could be taken up at the Evaluation Committee's January 13 meeting.
 - The drafts for the SBEA barriers and Low-income/Limited-English studies would be released soon for comment. Mr. Tumidaj expressed concern about a tight turnaround while the consultants are deeply involved in supporting the Plan Update process. Ms. Thompson indicated again willingness to talk about timing at the January 13 meeting of the Evaluation Committee.
 - The Committee hoped to be able to present the final 2014 Workplan for the SERA team at the next board meeting.
 - There was no news to report on the HES/HES-IE evaluation now underway.
 - Ms. Duva raised the possibility of an educational presentation to the board on the Evaluation Roadmap, in light especially of potential revisions that may be recommended in the course of the year. Ms. Thompson indicated a willingness to consider a 10 - 15 minute presentation. Ms. Bergert agreed that members and others need to better understand and independence built into the evaluation process. Ms. Duva commented that participants in the previous day's C&I Committee meeting wanted to be sure there is more focus on why the evaluation process is important to the work of the committees.
- C. Residential – Ms. Bergert highlighted the Committee's interest in the current effort led by DEEP to look at HES innovation, which it is following closely and supporting as it is able. The Committee has also received updates on financing initiatives. There is

currently excitement about the companies' segmentation work and a sharpened focus now on financing approaches to support upgrades in multi-family residences.

5. Other

- Ms. Duva inquired whether there could be more time at full board meetings for committee reports so there is time for more discussion. She noted that the question came up at the C&I Committee meeting. Ms. Fargo-Johnson concurred, noting that it would help members to be more engaged concerning topics dealt with in committees they are not able to take part in. Mr. Schlegel observed that the current goal is to do more to highlight specific topics that are being worked on in the committees. Ultimately, the board members should assess what their needs are for information. Mr. Howland stated his preference to focus on a few topics at each meeting and urged the committees to use the agenda-planning and preview process to see that the topics they are concerned about are covered.
- Mr. Howland informed the board that notification had been received that the Wallingford Electric Division has separated from CMEEC. Ms. Bergert raised the question whether there are links to the municipal conservation programs on the EnergizeCT website. Mr. Schlegel responded that they are not there at this time. Ms. Bergert also noted that the municipalities are required to present plans under the law. Mr. Howland responded that plans had been received and that the next step would be for them to be reviewed by the consultants.

- 6. Adjourn** – With no further business to attend to, the Board adjourned its meeting at 3:31 pm.

Respectfully submitted,

Timothy Cole, Executive Secretary