



**Energy Efficiency Board
Monthly Meeting**

Wednesday, September 12, 2012, 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, Shirley Bergert, Neil Beup, Eric Brown (phone), Katie Dykes (designee), Daniel Esty, Joel Gordes, Taren O'Connor, Rick Rodrigue (designee), Amy Thompson, Michael Wertheimer

Utilities Representatives: Ron Araujo, Michael Cassella, Joe Crocco, Pat McDonnell

Not in Attendance: Dale Williams

Other Attendees: Tim Cole, Kim Oswald, Glenn Reed, Jeff Schlegel, Les Tumidaj [Consultants]; Chris Bernard, Sheri Borrelli, Tyra Peluso, Peter Ptak, Barb Roderick, Ellen Rosenthal, Tim Simmonds, Tilak Subrahmanian, Lomont White [Companies]; Cindy Jacobs, Alex Kragie, Art Marcelynas [DEEP]; Roger Smith, Madeleine Priest, Annie Harper, John Greeno, Sam Nutter, Alice Hildt

The officially noticed monthly meeting of the Energy Efficiency Board commenced at 1:06 pm with Vice Chairman Jamie Howland presiding.

1. Process

- A. Agenda – The agenda was accepted without changes as presented.²
- B. Minutes – The minutes³ of the August 22, 2012 board meeting were approved on a motion by Shirley Bergert seconded by Michael Wertheimer, with the following changes: Mr. Wertheimer was absent, Katie Dykes was present, and Kim Oswald participated by phone. Joel Gordes noted as a point of information that on August 9, 2009 the 5-day advance notice rule was changed to a 3-day rule.

Mr. Howland took the opportunity to introduce Katie Dykes as Commissioner Esty's new designee on the EEB.

C. Public Comments

- Speaking on behalf of the Yale Community Carbon Fund, Annie Harper provided an update on the low income insulation project it is currently pursuing in collaboration with Neighborhood Housing Services of New Haven and UI.⁴ Her particular focus was on finding ways to strengthen outreach in low income

¹ Meeting Materials Available in Box.net Folder <https://www.box.com/s/tudz68brrc9na5hfyvo3>

² 120912_EEB_Agenda_F2.pdf

³ 120822_EEB_Minutes_F.pdf

⁴ YCCF CEEF feedback August 2012.pdf

communities. Ideas she shared included: 1) Improve data sharing among entities working in the same space and make more creative use of the data; 2) Recognize the importance of local outreach mechanisms and using local vendors, who can help create local jobs; 3) Incorporate vendor feedback in program planning. Pat McDonnell noted that YCCF works closely with UI staff. He mentioned that some of the cost figures cited in Ms. Harper's memo are now adjustable. Ms. Harper agreed and mentioned she would revise the memo to reflect this.

- Representing Celtic Energy, Chris Halpin commented on the Lead By Example and Energy Services Performance Contracting initiatives now being launched by DEEP. Highlighting his many years of experience working with the Department of Energy, Mr. Halpin stressed that at the state level it is very important that there be enough funding at the beginning to get projects properly launched. He supported the proposed LBE program manager consultancy as a way to strengthen DEEP's bench. He urged the program to encourage the use of owner's representatives to ensure that state agencies and municipalities execute well on performance contracting opportunities and suggested a revolving loan fund might be a good way to support this.
- Jean de Smet addressed the board on behalf of the Windham Clean Energy Coalition regarding several issues: First, she expressed her frustrations with the administration of the HES-Income Eligible program. She noted that 45% of the residents of Windham are income-eligible. Windham is a Neighbor to Neighbor community. She stated that it takes months for paperwork to be processed when applications are submitted. She requested that the EEB do what it could to expedite the process. She feels there is a need for clear rules about who qualifies, so that outreach workers can sell the program effectively. Secondly, she is concerned about the lack of a fair approach to dealing with landlords. There needs to be a way for them to make improvements to their properties, especially considering many of them are also economically limited in what they can afford to do. Thirdly, there are no local people approved as vendors. She expressed the wish to see local contractors qualified to do energy efficiency installations, and her concern about the process by which HES vendors are selected. Mr. Howland observed that the EEB takes comments such as these seriously. Mr. Wertheimer inquired about the cause for the delays. Ms. de Smet responded that it is with the processing of the paperwork, which can take many months. Her group has stopped asking people to apply because they cannot assure a timely response. She agreed to provide the number of people who have applied to date. Ron Araujo noted that a new HES vendor RFP is going to be released by end of week. Any vendors she is familiar with should be encouraged to apply. He noted that vendors can also participate through the Home Performance with Energy Star program, plus individually submitted proposals from contractors can be considered. He indicated that CL&P will follow up with her. Ms. Bergert noted that she is currently working with the companies on clarifying eligibility guidelines to expedite the approval process for HES-IE applications.

- Responding to two complaints about HES-IE application processing forwarded to him by Mr. Howland, Mr. Araujo offered the results of CL&P's initial review.⁵ He expressed concern about the quality of the applications received from Neighbor to Neighbor in the two cases. He noted that an HES vendor did provide services and the customer would be credited with the \$75 co-pay she had paid. He stressed that customers receive the same services regardless of whether they are served by HES or HES-IE. There appeared to be confusion about how this was communicated to customers. His team has been instructed to contact customers as soon as applications come in so customers know what they need to do if the applications are incomplete. They will also be meeting again with Neighbor to Neighbor to improve the quality of the applications submitted.
- On behalf of Neighbor to Neighbor, Roger Smith and Madeline Priest addressed three issues that had arisen between them and CL&P as mentioned by Mr. Araujo.⁶ In the first case, in Windham the customer acted independently of Neighbor to Neighbor. At this point N2N was simply interested in determining if she could be helped retroactively. In the second case, regarding the processing of applications by town social services in Westport, the timeline was strung out because N2N was working with CL&P on a cover letter to match weatherization and fuel assistance applications and HES-IE applications. Mr. Smith stressed that N2N does not hold applications as CL&P seemed to believe. Ms. Priest stated that they are hand delivered to CL&P in bi-weekly batches, because of previous confusion about when applications arrived. Customers are told that it may take a month before they hear anything to allow for this. In the third case involving Ms. Beth Angel there are differences between the timelines presented by N2N and the company.
- Mr. Esty proposed as an aspirational goal the board and involved parties should strive to handle the whole application process electronically. It should be on everyone's agenda now, in the era of iPads, laptops and smartphones. He noted that DEEP has a two year goal to go paperless. He recognizes that DSS has a severe processing problem, which makes coordinating HES-IE applications with DSS programs challenging. Ms. Bergert observed that a lean process lends itself to this type of approach, and expressed her hope to see weatherization and energy assistance programs move in that direction.
- Mr. Howland concluded the discussion with the recommendation that the issues raised be taken up at the next Residential Committee meeting.

D. CEFIA Report –

- Chief of Staff Mackey Dykes provided a summary overview of the results of the joint CEEF-CEFIA meeting held on September 5th. He noted that the two sides are focused on working toward greater integration of programs and on coordinating their involvements in the launch of the new EnergizeCT marketing initiative. The long-term objective is to institutionalize the framework for collaboration, so it continues to work effectively even after a change in administrations.

⁵ 120912.rja-jh.hes-ie.complaints.pdf

⁶ NU_CTN2N_HES-IE_MtgNotes_2012_03_20.pdf; N2N_BethAngel_Timeline.pdf

- Mr. Dykes also provided an update on progress with the solar leasing program.⁷ CEFIA is seeing a marked increase in leasing activity. It also has its own lease product in development, as part of its effort to expand third party options for customers. In addition, CEFIA is working on a solar thermal program. Mr. Araujo stated CL&P's interest in working together with CEFIA on this project. Rick Rodrigue noted that the EEB C&I Committee hopes to see more coordination regarding EM&V for the C-PACE program as a positive example of not duplicating effort. Mr. Dykes agreed that coordination is needed in order to ensure capital markets understand how EM&V is handled. Mr. Howland noted that the CEEF evaluation program is required to meet Forward Capacity Market standards in order to be able to bid in. Daniel Esty underscored that it is therefore important that the through joint EM&V efforts, what all stakeholders require is fully captured.

E. Consultant Committee –

- Consideration of September–December workplans – Mr. Howland reported that the Committee had just received the revised workplans and would review them in time for a vote at the September 26 meeting of the board.

F. EE Board Calendar and Schedule –

- Tim Cole referred board members to the samples of calendar printouts from the Google calendar now in use on the board website, which can always be referenced.⁸ It was agreed that a second meeting for the month of October, to be held on the 24th, should be added in light of the delayed November 1 filing date for the new 2013-15 C&LM plan.

2. Issues and Tasks

- Outstanding Issues⁹ – Mr. Howland reported that he planned to review the list with Ms. Dykes before the next meeting of the board.

3. Programs and Planning

A. DEEP Performance Contracting and Lead By Example initiatives –

- Update on DEEP request for funding for LBE technical consultant
Alex Kragie reported that the draft RFQ before the board provides for a one year renewable contract.¹⁰ No costs after year 3 are anticipated. By then it is expected that a self-sustaining system will be in place. Ms. Bergert moved the adoption of the draft resolution language presented, with replacement of the semicolon in the fourth line by a comma.¹¹ Neil Beup seconded the motion. Mr. Wertheimer noted that he was again concerned about adhering to the 3-day rule process. He acknowledged that the matter has been thoroughly discussed, however the 3-day has to mean something. The point is that 3 days are needed once the full final packet is ready. He stated that he would not object today, however this cannot be standard practice going forward. Lynn

⁷ Residential_Solar_Investment_Program_Market_Watch_Report_September_7_2012

⁸ EEB Calendar 9_12_12-12_12_12.pdf

⁹ 120912 Outstanding Issues F.pdf

¹⁰ ESPC Program Manager position description 09 10 12.pdf

¹¹ 120911 LBE PM resolution F.pdf

Stoddard stated that it is DEEP's intent to have an MOU with CL&P as the issuer of the RFQ. Details of the performance outcomes will be spelled out in the MOU. DEEP will work together with the EEB and program administrators on how the consultant's performance will be evaluated. Mr. Kragie noted that DEEP expects to work closely with the C&I committee, which has been heavily involved in developing the proposal as it stands. Mr. Araujo noted that the board approves a budget every year and will continue to do so. This position will be a line item in the budget, so renewal of the contract will depend on that line item being approved. Mr. Wertheimer stated his understanding that there will be a one year contract that will have to be affirmatively renewed. Mr. Araujo confirmed that renewal would not be automatic. Mr. Wertheimer noted that the statute characterizes these costs as start up costs and inquired whether there are plans to transfer these costs to participants in time? Mr. Kragie responded that they have had extensive discussion with OPM Secretary Barnes, and they agreed that they will likely have a more effective program if the administrative fees are not taken out of the agencies' budgets. Therefore this will be a DEEP or EEB budget item for three years. Mr. Rodrigue noted that after three years there will be an evaluation of who should pay. Mr. Kragie again noted that they don't expect either DEEP or EEB funding will be required once the program is fully established. Eric Brown inquired whether there was further exploration of other funding, such as from the Connecticut Conference of Municipalities. Mr. Kragie noted that he has spoken with CCM, but feels they are already making a strong contribution to the development of the program. Mr. Wertheimer wondered whether there might be any other possible sources. Mr. Kragie mentioned the Council of Small Towns, but noted that they are dealing with limited resources themselves. He offered to discuss with Mr. Wertheimer any other ideas that might be thought of. Mr. McDonnell noted that this is a very important outreach position that will assuredly benefit programs and should be seen as an investment to move our programs forward. Mr. Wertheimer concurred, but noted his concern that EEB funds were being used for activities not directly in the control of this board. Because this is unusual, it is important to get the details clear. Mr. Howland called the motion and it was approved with all in favor.

B. DEEP coordination update and 2012 plans

- 2012 C&LM Plan – DEEP and PURA Review
 - Update on CAM Proceeding and PURA review of DEEP Determination on Expanded Plan – Jeff Schlegel confirmed that the process is continuing at PURA and there is nothing new to report.

C. 2013-2015 Multi-Year Plan

- Mr. Schlegel directed the board's attention to the August 30, 2012 letter from companies to DEEP and PURA on key issues recently discussed with the board, the multiyear plan concept and the filing date extension request. The letter also asked for a reopening of the decision requiring a separate gas plan, consistent with board preference for single combined electric and gas plan.¹² In its September 6, 2012 letter to the companies, PURA approved the multi-year plan concept and the requested November 1 filing extension.¹³ The plan must be consistent with the

¹² Multi-year_Plan_Proposal_Letter_August 30 FINAL.docx

¹³ 120906 PURA Response Motion 9.doc

statutory 3 mill funding authorization for the base plan. PURA has also issued a decision to reopen the dockets for combined plan request.¹⁴ Mr. Araujo raised the question whether the approval of the multi-year plan applies only to the electric plan. The annual updating mechanism is consistent with an expectation of a multi-year combined electric and gas plan. In any case, the point needs clarification. Mr. Schlegel indicated that such clarification could be sought through the proceedings. He expects the issue regarding introduction of a CAM as a funding mechanism might be taken up there as well.

- Mr. Schlegel further reported that the consultants and companies have been working on both base and expanded plan models. Mr. Howland noted that the base plan has to be filed, while the expanded plan strictly speaking does not. He expressed the view that the board should explicitly support expanded level funding. Mr. Araujo suggested that the companies file one document, which will show what can be done at the base level vs. an expanded level. Ms. Bergert agreed that it made sense to include all options in the filing, in light of the intent to move toward a rolling budget model. Ms. Thompson noted that this approach is also consistent with how the C&I Committee has been thinking for over a year. Mr. Araujo proposed to put the two sections in separate chapters, following the lead from the DEEP determination, in order to show what will not happen if additional funding is not available. Mr. Schlegel reminded the board that depending on the outcome of the reopened proceedings with PURA, there may yet need to be a separate gas filing. Mr. Howland noted that this year the gas plan might be treated as an update year, since the expanded plan was approved in docket 11-10-03.
- Peter Ptak noted that a new milestone schedule has been included in the board packet, reflecting the November 1 filing date and including the newly added October 24 board meeting.¹⁵ He welcomes comments from the board.

D. Customer Engagement RFI proceedings

- Mr. Schlegel reported that most of the intended presentations have been done. The companies are considering inputs received. There may be different responses between the companies and between them and the Residential and C&I Committees. It is expected that some of these responses will be reflected in the draft language of the plan which will be presented shortly.

4. Committee Reports

A. Evaluation Committee

- Referencing Kim Oswald's monthly report,¹⁶ Ms. Thompson offered the report for the Evaluation Committee.
 - The committee is working on a long term evaluation plan going out through 2015.
 - The committee has concluded some revisions in the evaluation roadmap could be helpful to clarify how studies are classified as either evaluation or market

¹⁴ 111003reopening-091212.docx; 120201reopening-091212.doc

¹⁵ EEB 2012 Milestone Schedule for 2013 - 2015 C&LM Plan Rev 09_11_2012 pwp

¹⁶ EEB Evaluation Report 09-2012 v.pdf

research and assessment. The classification affects how the studies are conducted. The committee expects to discuss possible changes at its October 3 meeting, for inclusion in the November 1 plan filing.

- Two draft studies have been posted for comment, one on Residential New Construction and one on the HES finance focus groups.
- Noting that some questions had arisen about the weatherization study now underway, she noted that a four page summary of what the study entails will be posted on the website. People who have questions should feel free to contact her or Ms. Oswald.
- She reported that a Connecticut geothermal contractor had contacted the evaluation contractor conducting a ground source heat pump (GSHP) evaluation study. wanting to know about the study in progress and to be involved in the planning and conduct of the study. The contractor then sent a letter stating his concerns to Ms. Oswald. Ms. Thompson and Mr. Howland have responded to him with a letter outlining the procedures the board follows in fulfilling its evaluation responsibilities. The Executive Secretary will email a copy of their letter to the board.
- Ms. Oswald noted that the draft Lighting Saturation Study was inadvertently left off the monthly report. It too has been posted for comments.

B. Commercial & Industrial Committee –

- Reporting for the committee, Neil Beup made the following points:
 - He underscored the good collaboration with CEFIA mentioned earlier by Mr. Rodrigue.
 - Regarding the ESPC program, he noted that the committee has been working very closely with DEEP on the LBE project. This should be viewed as the beginning of a very big program. He expects that in fact there will be roles for third party representatives as Mr. Halpin discussed in his public comments. The October committee meeting will focus more intensively on what the next level of the program will look like.
 - He expressed great appreciation for the companies' review of long-term strategic planning offered at the committee meeting on Tuesday. The key take-away is that the future should be focused on behavior, market segmentation, and customer needs. The companies have agreed to offer the presentation to the whole board at the next meeting on September 26. In Mr. Beup's view, it is clearly the exciting outcome of discussions going back over many years. Mr. Rodrigue and Ms. Thompson concurred with Mr. Beup's assessment.

C. Residential Committee –

- Reporting for the committee Ms. Bergert covered the following points:
 - Discussions are underway about vastly enhanced financing programs. The idea is to leverage the historically very low default rates on loans for upgrades and thereby facilitate access to capital.
 - Regarding HPACT, she noted that the group supports the rolling budget concept and has expressed its desire to share this view with DEEP and PURA.
 - The committee has been making an effort to facilitate better working relationships between companies and vendors, and feels that it is seeing some

- success, as there appear to be improved communications and connections between program administrators and vendors appear to be getting stronger.
- She noted that the HES vendor RFP is due to be released shortly.
 - The companies will soon release a new version of the manual incorporating changes in the disciplinary procedures as discussed at recent board meetings. The new manual will appear first in draft form so vendors can comments
 - There is now increased focus on coordinating efforts with other resources, such as health and safety, housing rehabilitation, lead abatement, and asbestos removal programs.
 - Ms. Dykes noted that DEEP has been reviewing the recommendations on weatherization definition received from the board. The Bureau of Energy and Technology Policy's intent is to publish a draft determination for comment very soon, hopefully within ten days, in order to be able to have a final determination ready no later than November 1. BETP's goal is to harmonize our definition with the federal WAP program. Consideration is also being given to possible proxies for verification when direct assessments would be overly costly. Finally, along with needing a robust definition to help with compliance with the statutory goal, it could also be useful for facilitating a voluntary building labeling program. In this connection, Ms. Bergert noted that a longstanding concern is the fact that the building code is not in fact available for free, though legislation requires adherence to it. She would like to see it posted and accessible electronically, and proposed that it could be included when work on the weatherization definition is completed.
 - Mr. Howland raised the issue what the plans were for modifying the co-pay as provided for in the revised energy legislation. Ms. Bergert commented that the companies plan to submit a proposal to the board. The intent is to reduce co-pays for electric and gas customers to \$50, and leave the co-pay for oil and propane customers at \$75. Mr. Araujo noted that a draft letter is in the packet.¹⁷ However, for the board to approve it, consideration of if must conform to the 3-day rule. It was agreed the matter would be voted on at the next meeting on September 26. In response to a question from Mr. Schlegel about whether what is being proposed is limited-term, Mr. Araujo responded that the intent is to include it in the 3-year plan in order to be able to implement it going forward. Mr. Schlegel noted that as a matter of policy there is interest in seeing co-pays eventually increase, so it might be preferable not to make it permanent. Mr. Araujo noted that with the envisioned annual update process it will be possible to make adjustments on the co-pays, depending on activity levels. Glenn Reed remarked that here the focus is on short term needs, though long-term the objective is to move toward market rates. Observing that on the gas side, performance is currently lagging, a modest reduction in the co-pay for gas customers may be helpful. Mr. Gordes commented that there might be – another option for increasing customer interest. The Hartford Financial Group has announced that it is publicly committed to reducing use of fossil fuels due to its concerns with climate change. He suggested that the board should consider engaging with the

¹⁷ HES copay modifications FINAL 09_12.docx

property casualty industry to get help with co-pays. It might be possible to develop a new model program that would work with both residential and business customers. Mr. Schlegel proposed the board support the recommended change in co-pays as a temporary measure, while working on getting more customer participation and encouraging vendors to do more to promote deeper savings. Ms. Bergert suggested the proposed approach be included in the plan for one year, with an agreement to review. In the meantime, the board could engage with the insurance industry as suggested by Mr. Gordes. Mr. Schlegel noted that Mr. Gordes's suggestion could be included in the proposal.

- Mr. Schlegel directed the board's attention to a draft letter to DEEP from the companies regarding proposed changes in financing approaches, specifically with reference to self-funding.¹⁸ He noted one concern: Given funding uncertainty because PURA has not yet endorsed an expanded plan ramp-up strategy, funding geothermal systems this way may raise questions. Such systems are— expensive and appeal primarily to high-end consumers. It is not clear that the broad benefits the board and programs aim for are there. Mr. Reed pointed out that there is also need to think through the likely impact on fuel switching. Mr. Schlegel suggested the letter should clarify which technologies are eligible in which instances. He noted that this letter is informational for the board, because it is in fact the companies' letter. Mr. Howland suggested that the companies consider requiring other measures be taken first before this financing is made available for higher end measures.
 - Ms. Bergert finally noted that HES vendors were extending an invitation to board member to see audits being done. She commented that if members hadn't done it, they absolutely should. This is an open invitation. They might also be willing to do a presentation to the board on how audits are done. Mr. Esty proposed that by the end of the year, 100% of members should either have an audit done themselves or go on a ride-along. Mr. Beup commented that the same invitation stands from C&I vendors.
- D. Fuel Oil Conservation Board – Ms. Bergert reported that the FOCB had now met. While hoped-for bonding money has not yet come through, OPM wants the board to come forward with some proposed projects. An administrator has been hired, using unexpended ARRA funds.

5. Outreach and Marketing

- On behalf of the companies, Barb Roderick from UI and Ellen Rosenthal offered an update on public relations activities undertaken in partnership with Energize Connecticut.¹⁹ Both companies have a strong focus on coordinating program marketing and general public relations with the launch of the new brand. YTD activities. See slides.
- The companies directed the board's attention to the events calendars included in the packets.²⁰ Among the highlights were a September 18 advanced lighting design

¹⁸ Residential Loan Program Modifications FINAL 09_12.docx

¹⁹ 2012 PR Efforts.pdf

²⁰ UI September2012_EEB.docx; CLP Events as of 20120910.xlsx

training, the October 25 “What’s the Deal” event put on by CBIA and CPES, and a series of upcoming Clean Energy Communities events.

- Mr. Schlegel thanked the companies’ for the presentation. He noted that the companies’ are doing a high quality job implementing the new Energize Connecticut brand in their day to day marketing work. He noted that some special fall activities are planned, including a high profile radio and TV campaign. Mr. Araujo noted that the hope is to involve the Governor as a spokesperson for some program marketing before the official launch. Ms. Bergert noted that Lieutenant Governor Wyman might also be available to help with such promotions.
- Mr. Schlegel directed the board’s attention to sample slides from the working draft of the new website included in the packet.²¹ The aim is to give the web presence a very clean modern look. He reported that the joint Marketing Services Committee is now wrapping up its Phase I work on the brand and collateral development, and is shifting into Phase II. With respect to the budget, he noted that the Phase I budget included \$769,000 to go as far as the initial web discovery design stage. Currently it is estimated that \$731,000 will have been spent through the end of Phase I, leaving some funds to carry over to Phase II. Ms. Bergert inquired whether it would be possible to include a worksheet for HES-IE eligibility on the website. Mr. Schlegel responded that it could indeed be done, though there would not be room for it on the homepage.

6. Other

- Mr. Howland noted for the record that HPACT (Home Performance Alliance of Connecticut) is not a PAC.
- Mr. McDonnell noted that on the basis of the latest spending updates through the end of August, it looks like at the current rate they would end the year at roughly 5% over budget. He noted additionally, however, that revenues from RGGI are above expectations.

7. **Adjourn** There being no further business to attend to, the meeting adjourned at 3:29 pm

Respectfully submitted,

Timothy Cole, Executive Secretary

²¹ ECT_WebsiteCreativeComparison091112 (pp8-9-11).pdf