



**Energy Efficiency Board
Monthly Meeting**

Wednesday, November 14, 2012, 1:00 – 3:30 PM

Department of Energy and Environmental Protection – Public Utilities Regulatory Authority
Hearing Room 2, 10 Franklin Square, New Britain, Connecticut

MINUTES¹

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

Utility Representatives: Ron Araujo, Michael Cassella (phone), Joe Crocco, Pat McDonnell.

Not in Attendance: Neil Beup, Dale Williams

Other Attendees: Tim Cole, Kim Oswald (phone), Glenn Reed, Jeff Schlegel, Les Tumidaj [consultants]; Cindy Jacobs, Alex Kragie, Art Marcelynas [DEEP]; Sheri Borrelli, Steve Bruno, Tilak Subrahmanian, Joe Swift, Donna Wells [companies]; Bryan Garcia, Bert Hunter [CEFIA]; Kerry O'Neill, Roger Smith [Neighbor to Neighbor]; Bill Leahy [Institute for Sustainable Energy]; Sabrina Szeto [Housing Development Fund]; Theresa Lavoie [FOCB]

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

1. Process

A. Agenda – The agenda was accepted as presented with one change. To accommodate a scheduling conflict for committee chair Amy Thompson, it was agreed to move discussion of items from the Evaluation Committee up.

B. Minutes – The board reviewed draft minutes from the October 10, 2012 board meeting.² Several changes were requested. It was requested that Katie Dykes and Rick Rodrigue be moved from Voting Members in Attendance to Other Attendees. Regarding the discussion of co-pays for oil customers under item 3.B., Joel Gordes asked to clarify his position on how oil companies could contribute to co-pays, namely by setting up or using an existing 501(c)(3) nonprofit into which the oil companies could make contributions for which they could later take a tax deduction. The contributions would then be used to cover co-pays for HES audits for oil customers. Shirley Bergert noted that the Fuel Oil Conservation Board's existing fund could be used for this purpose. The minutes were approved as amended on a motion by Mr. Rodrigue seconded by Mr. Gordes.³

¹ Meeting Materials Available at <https://www.box.com/s/4qmcyw456de5vvrno2j>

² Draft Minutes from 10_10 Meeting_Rev.docx

³ 121010 EEB Minutes F.pdf

C. Public Comments

- Beth Angel from Easthampton reviewed with the board the issues spelled out in her written testimony regarding difficulties she experienced as an applicant for the HES-IE program with CL&P.⁴ She was especially concerned about the slow turnaround time and that there appear to be different benefits offered to participants in the HES-IE and the standard HES programs. She urged the board to revisit the policy to ensure that all homeowners can get optimal energy savings. In order to expedite things, Ms. Angel paid the \$75 co-pay to get in as a regular HES participant. In the course of further conversations with CL&P staff, she received an offer to reimburse the co-pay, but so far it had not happened. Ms. Bergert remarked that in the time since Ms. Angel applied for the program, CL&P has clarified its rules. Unfortunately, there is now a hold up with the Department of Social Services regarding how it processes eligibility determinations. Ron Araujo stated that he would look into the \$75 reimbursement issue. Mr. Howland requested that Mr. Araujo circulate a memo clarifying steps taken since this matter was first brought to the attention of the board by Neighbor to Neighbor. Mr. Araujo agreed to do so.
- For the Institute of Sustainable Energy at ECSU, Bill Leahy provided a quarterly update on recent and current activities.⁵ He drew special attention to the “Green Leaf Schools” program, a joint project with the State Department of Education, DEEP, the Department of Construction Services, the Department of Public Health, and the companies’ eeSmarts program. He agreed to do a special presentation on the Green Leaf Schools project together with Rebecca Meyers from CL&P and Jocelyn Anastasiou from UI. Mr. Rodrigue inquired whether the project is being promoted under the EnergizeCT brand and agreed to check with Rachel Suny at DEEP about this.

D. CEFIA Report

- CEFIA updates – Providing an update on recent developments, Bryan Garcia reviewed a number of current initiatives:
 - Work on the C-PACE program is now moving very quickly. Buonicore Partners (BP) and its team, including Sustainable Real Estate Solutions (SRS) and Celtic Energy, have been awarded the contract for Program Administrator of the C-PACE Program. CEFIA also recently completed an RFQ to qualify capital providers for CEFIA-sourced C-PACE deals. This process resulted in our approval of eight capital providers: Ameresco, Bostonia Partners, Citigroup Global Markets, Clean Fund, Peoples Bank, Structured Finance Associates, Urban Energy Advisors, and Wells Fargo Securities. The intent behind the selection is to create a set of approved capital providers projects can be submitted to. The next challenge to get the towns bought in. Bridgeport, Hartford, Middletown, and Norwalk are already committed and another list of towns is on deck. The goal is to see C-PACE fully launched by early January.
 - The Residential Solar program is growing. 5MW of installed capacity has been achieved in 8 months. CEFIA expects to see 7MW in place by the end of the year. Mr. Garcia distributed a Market Watch report detailing the numbers. He noted that private capital funding is available to support the leases.

⁴ Beth Angel Testimony for HES Board.doc

⁵ ISE 2012 YTD November Report to EEF wlm.ppt

- Work is moving forward on the creation of low interest loan products. In this connection, CEFIA is working with two CDFIs, the Housing Development Fund and the Connecticut Housing Investment Fund. They are also working with four credit unions in UI territory on the establishment of a loan loss reserve program. The hope is to have these partnerships in place by early January. Envisioned are a range of 5-year up to 12 year loans.
- The Megacommunities Stakeholders report has been released. It includes a table of the CEFIA residential programs now in development.
- Mr. Rodrigue inquired whether CEFIA will have a check list of items to look at in buildings under consideration for the C-PACE program. The point is to ensure that investments go broader and deeper, and do not settle for just the low hanging fruit. Speaking for CEFIA, Bert Hunter noted that Investment grade audits will be required, and these audits should capture everything. Les Tumidaj reported that the C&I committee has been working closely with CEFIA on C-PACE. He noted that right now the program has no energy efficiency standards. It is relying on those set by the programs administered by the utilities.

E. Consultant Committee –

- On behalf of the Evaluation Committee, Ms. Thompson reported that the committee has reviewed drafts of an RFP for an evaluation consulting team. It is expected that the final text of the RFP will be posted on Monday, November 19, 2012. The deadline for bids will be December 15. The committee plans to work toward a short list of 2 to 3 bidders, who will be invited to come to present before interested board members and stakeholders. Mr. Howland noted that the issuance of an RFP for the evaluation consultant is in keeping with the Consultant Committee’s commitment to review all consultant engagements on a three-year cycle.

F. Energy Efficiency Board Calendar and Schedule –

- Tim Cole drew the board’s attention to the calendars included in the board packets, which include dates through June 30, 2013. He noted that a public input session had not yet been included, and that a board retreat was tentatively booked for June 26, the fourth Wednesday. It was agreed that a public input session should be held the morning of May 8, at the Legislative Office Building if space is available. The Residential Committee meeting normally scheduled for that time will be cancelled for the month.

2. Issues and Tasks

- Outstanding Issues⁶ –Pat McDonnell reported that item 1.d. has been completed. The HES Manual has been revised to clarify disciplinary proceedings and has been shared with the Dispute Resolution Committee.

3. Programs and Planning

A. Comprehensive Energy Strategy –

- For DEEP Mr. Rodrigue reported that the schedule of technical meetings and public hearings has been published.⁷ The technical meetings will all be held at 10 Franklin Square in New Britain. Public hearings will be held at various sites around the state. The

⁶ 121114 Outstanding Issues F.pdf

⁷ 121016 Schedule - CES.pdf

technical meetings are designed to be interactive and questions and inputs are welcome. These meetings will be more technical and topical, while the public hearings will be more general. Mr. Howland noted that the EEB will be represented by its consultants at the two technical meetings on efficiency in buildings and industry on November 27th and 28th.

- Eric Brown requested an update on the Renewable Portfolio Standard study. Alex Kragie reported for DEEP that the process is moving along. DEEP has identified a consultant and the terms of the contract are currently being negotiated. It is expected that work will begin in December. There will be a public input process after a draft has been prepared. Mr. Rodrigue commented that the CEAB's previous study included recommendations that will be followed up on. The aim of this study is to provide more detailed analysis. Mr. Brown noted that the Comprehensive Energy Strategy both calls for another look at RPS and possible legislative proposals. Mr. Kragie stated that the contemplated study will take into account inputs from the Integrated Resource Plan, the CES, and the CEAB study.

B. DEEP coordination update and PURA proceedings

- Mr. Rodrigue reported that DEEP is developing a schedule of technical meetings, solicitation of comments, and issuance of draft and final determinations on plans that were filed. It is expected that PURA staff and OCC representatives will participate in the process. Yet to be clarified is the issue of the gas plans going directly to PURA while electric plans are first considered by DEEP.
- CAM Proceedings – Companies
 - Electric CAM proceedings – Regarding UI's filing, Mr. McDonnell reported that the matter is now in PURA's hands. Supporting documentation has been provided as requested. For CL&P, Mr. Araujo reported that the company made a new filing the previous week. He indicated he believed it applied only to 2013, not to 2012.
 - Gas CAM clarification and reconsideration – Mr. Schlegel reported that DEEP has made a motion in docket 11-10-03RE01 for reconsideration of its September 19, 2012 decision to hold gas CAM collections in abeyance pending approval of the electric expanded plan. PURA has not yet responded to the motion.

C. 2013-2015 Multi-Year Plan

EEB Review and Action on 2013-2015 Plan

Referencing the memorandum⁸ consultants had prepared including their recommendations with respect to the 2013-15 C&LM plan filed by the companies, Mr. Schlegel pointed out the recommendations fall into three categories: 1) Decisions by the EEB itself it may wish to review, specifically the decision to move the Smart Living Center from its current location in Orange to a new location in North Haven; 2) DEEP or PURA decisions that constrain the company the board may wish to see changed, such that the board might opt to submit a noncompliant supplemental budget with a request for changes; 3) Incremental but important changes in savings goals and performance incentives included in the companies' November 1, 2012 filing. He suggested that the consultants should be authorized to spend the next weeks working with the companies on the array of issues listed in the memorandum, with the intent

⁸ 2013-15Plan_ConsultantReview_111312d.docx

of arriving at consensus positions as far as and wherever possible. The board could then expect to see a new set of tables with revised savings goals, budgets, and performance incentives. The sense of the board and the companies was to pursue such discussions, with the understanding that on points where the consultants and companies might not agree, the matters would come back to the board, and separate filings might eventually be made to DEEP and PURA.

Mr. Howland then asked the board to consider two issues: first the question whether a recommendation should be made to DEEP and PURA to remove the requirement that funds be allocated to a self-funded financing pool; secondly, whether the proposed Smart Living Center move should be postponed. On the first point, Mr. Schlegel stated that in light of current revenue challenges it would be better to allocate the \$3 million now in CL&P's self-funding budget to the program budget in the base plan and to reduce the self-funding allocation in the expanded plan. Mr. McDonnell and Mr. Araujo commented that there would indeed be regulatory problems as matters now stand, but they would be willing to work with the board if the restrictions could be removed. Ms. Bergert then moved that the EEB recommend to DEEP and PURA that the budget allocation for self-funded financing not be used for that purpose in 2013 and instead be reallocated to other programs items on the base plan. Mr. Gordes seconded the motion. All voting members approved the resolution, with the exception of Mr. Rodrigue who abstained on behalf of DEEP.

Regarding the contemplated Smart Living Center move, Mr. Schlegel made the point that due to budget pressures arising from sluggish revenues and expected increases in program demands, with base budget funding alone the \$1 million now allocated for the move might better be invested in programs. It would take approval of the expanded budget for the move to become affordable. Mr. McDonnell reported that the lease negotiations for the site in North Haven were still ongoing, but that timing of a decision is an issue. It is not immediately clear whether the lease in Orange can be renewed for one year. It was suggested that the option of landlord financing for the build-out in North Haven should be explored to reduce the near term outlays. Noting the continuing interest on the board in having the outreach opportunities the new site might offer, Mr. McDonnell agreed to investigate all the options and then to report back to the board.

Finally, regarding savings goals and performance incentives, it was agreed that the consultants would work with the companies and report back by early December. Mr. Wertheimer noted that the filing is in, so both the board and the companies can communicate any differences they may have independently. Ms. Bergert and Mr. Araujo underscored the point that for audience impact the best course is to communicate jointly as far as possible and to strive to minimize the areas of difference.

D. Evaluation Committee – For the Committee, Ms. Thompson referred the board to the letter in the packet reflecting the committee's consensus about recommended budget levels for the base and expanded plans for the next three years.⁹ Mr. Howland noted that Kim Oswald is

⁹ 121109 Evaluation Budget Transmittal Letter.pdf

preparing a detailed budget that will show what is needed on a year by year basis. Ms. Oswald observed that the challenge is to account for carryovers from one year to the next. At the suggestion of Mr. McDonnell and Mr. Araujo it was agreed that charges would be booked to the year when the funds are committed and a Purchase Order is issued. For clarity's sake Mr. Schlegel suggested that the revised budget be presented to show both cash and accrual. Ms. Thompson underscored the committee's interest in seeing the budget reflect over time 3.5% of the whole C&LM budget, and that this should be shown in the revised budget tables.

E. Program Targeting & Enhancements for Storm Sandy Recovery Efforts – Mr. Rodrigue acknowledged the important roles played by Mr. Gordes and Ms. Bergert in coming forward with the idea of special incentives for residents impacted by Storm Sandy. Thanks to the active engagement of the leadership at DEEP, the Governor and his office became involved. Funds from the NU-NStar merger fund have been allocated to create incentives so that replacements are of the most efficient quality.¹⁰ There has been a strong response already to the program. Financing is also available and there will be insurance and FEMA dollars available to help with the rebuilding as well.

F. Quarterly Reports – Mr. McDonnell and Mr. Araujo directed board members' attention to the quarterly reports included in the packets.¹¹ Mr. McDonnell highlighted continuing growth in the Clean Energy Communities program. Mr. Araujo noted the contribution of the RD&D Policy Working Group included in the report.

4. Committee Reports

A. Commercial & Industrial Committee – Les Tumidaj reported that the committee has begun focusing on developing an action plan to realize the goals included in the 2013-15 C&LM plan, pursuing ideas the committee has discussed for last 9 months. Budget uncertainty is the biggest obstacle the people working on the action plan are facing. With respect to C-PACE, Mr. Rodrigue expressed the committee's desire to make sure the "broader and deeper" theme is pursued. Mr. Tumidaj also noted that the committee is taking an active interest in the Lead By Example initiative and hopes to see an emphasis on high efficiency standards and performance as the program rolls out. There is an opportunity to push the market to the high performance level. He noted that neither C-PACE or LBE have built in such standards. Mr. Gordes commented that there could be an opportunity to make use of the Energy Improvement District language included in PA07-242.

B. Residential Committee – Shirley Bergert reported on a range of topics currently before the committee. She noted the increased interest in air quality and health and safety, and expressed appreciation for the noticeable improvement in the tone of discussions between the companies and vendors. She cited the gas leaks issue as an example. The gas companies are now helping vendors with recalibration of equipment so they get accurate readings. Mr. Araujo noted that the companies are currently looking at ways to certify vendors to repair gas leaks, so that when they find them they don't have to leave a HES visit and wait for them to be repaired. In addition, Ms. Bergert reported that:

- DEEP has published a draft determination on weatherization standards. There will be a presentation at DEEP on December 7.

¹⁰ Final Sandy Incentives 11-13-12.pdf

¹¹ CL&P CLM QTR Report 2012 Q3 FINAL.pptx; CL&P CLM QTR Report 2012 Q3.xlsx; UI CLM 3rd qtr 2012.ppt; UI CNG_SCG CLM QTR Report 2012 Q3.ppt; YGS_ CLM QTR Report 2012 Q3.pptx; YGS CLM QTR Report 2012 Q3.xlsx

- Co-pays for HES have now been modified: \$75 for oil and propane customers; \$ 50 for electric and gas customers.
- Expanded financing options are now in place.
- The companies have introduced new HES performance metrics – Vendors will not get leads if they do not achieve the required performance goals. This is intended as an extra incentive.

C. Fuel Oil Conservation Board – Theresa Lavoie reported for the FOCB that a \$1 million request for funding will be presented to the Bond Commission by December 6.

5. Outreach and Marketing

- A. EEB Marketing Committee & Joint DEEP/EEB/CEFIA statewide marketing project update – Mr. Schlegel reported that work on Energize CT is now going ahead on parallel tracks. Website development continues on an aggressive schedule. Simultaneously, the joint Marketing Services Committee is deeply involved in the creation of a Public Relations plan. The intent to be ready to go live between January 2 and the start of the legislative session on January 7 when it is expected the Governor will be available to lead some high profile launch events.
- B. Update on current company program marketing efforts
- Media update – Mr. McDonnell and Mr. Araujo highlighted the large number of events currently scheduled on each company’s calendar.¹²

6. Other – Mr. Schlegel directed the board’s attention to proposed changes in the allocation of CL&P’s \$18 million carry-over from 2011.¹³ He indicated that the consultants had reviewed the proposed changes and recommended the board approve them. Approval is needed to meet a PURA requirement. It was agreed to hold an electronic vote once members had an opportunity to review the changes.

7. Adjourn – With no further business to attend to, the meeting adjourned at 3:40 pm

Respectfully submitted,

Timothy Cole, Executive Secretary

¹² CLP Events as of 20121108.xlsx; UI November 2012_EEB Calendar.docx

¹³ CLP 2012 CLM BUDGET MASTER-Revised VO for \$18 M Carryover.XLS