



**Energy Efficiency Board
Special Meeting**

Wednesday, August 22, 2012

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, Joel Gordes, Katie Dykes, Taren O'Connor, Amy Thompson

Utilities Representatives: Ron Araujo, Joe Crocco, Pat McDonnell

Not in Attendance: Daniel Esty, Eric Brown, Rick Rodrigue [DEEP Liaison], Michael Wertheimer, Dale Williams

Other Attendees: Tim Cole, Kim Oswald (phone), Jeff Schlegel (phone) [Consultants]; Chris Bernard, Sheri Borrelli, Rebecca Meyer, Peter Ptak, Tilak Subrahmanian [Companies]; Cindy Jacobs, Alex Kragie, Art Marcelynas [DEEP]

The officially noticed special meeting of the Energy Efficiency Board commenced at 1:08 pm with Vice Chairman Jamie Howland presiding.

1. Process

- A. Agenda – Review
- B. Minutes – The minutes of the August 8, 2012 board meeting² were approved as a presented on a motion by Joel Gordes seconded by Taren O'Connor. Neil Beup abstained.
- C. Public Comments – There were no comments from the public.
- D. Consultant Committee – Mr. Howland reported that consultants had been asked to submit workplans for the period from September – December 2012 for consideration by the Committee by September 9 and by the board on September 12 at its next meeting. It was agreed that the \$850,000 budget approved by PURA in its decision on docket 12-02-01 is the amount that will guide the Committee in its consideration.
- E. EE Board Calendar and Schedule
 - Executive Secretary announced that he would be making much greater use of Google Calendar for scheduling and announcements going forward, to alleviate some of the difficulties reliance on the traditional calendar format was presenting.³

¹ Meeting Materials Available in Box.net Folder <https://www.box.com/s/85cf267670207eff6227>

² 120808 EEB Minutes F.pdf

³ EEB Calendar Management Protocol F.pdf

2. Issues and Tasks

- Outstanding Issues –
 - The companies confirmed that they are working on HES manual revisions and will present them to the board at its next meeting on September 12.
 - Shirley Bergert reported that conversations with various parties are proceeding regarding low-income financing programs. She will inform the board of further developments.
- Stepping Stones Museum Center – Executive Director Rhonda Kiest reviewed the proposal for future partnership the SSMC has developed together with Rebecca Meyer from CL&P and Jocelyn Anastasiou from UI.⁴ Ron Araujo observed that the companies were highly satisfied with the collaboration with SSMC and encouraged the board to support the proposed 3 year plan. In response to a question from Mr. Howland, Ms. Kiest extended an open invitation to host a meeting whenever the board wished to come. Mr. Howland reported that he and Amy Thompson had a phone conference with Ms. Meyer and SSMC staff and recommended going forward with the proposed plan, with a single exception. He and Ms. Thompson did not feel it appropriate for the Energy Efficiency Fund to support the proposed solar train, however he encouraged SSMC to explore possibilities with CEFA. Ms. Meyer noted that the revised budget before the board reflected this exception. Mr. Howland and Ms. Thompson confirmed that the companies should include the proposal in the 2013-15 plan with the board's endorsement.

3. Programs and Planning

A. DEEP Performance Contracting and Lead By Example initiatives –

- DEEP request for funding for LBE technical consultant –

On behalf of DEEP, Alex Kragie introduced the Department's request for funding a position for an LBE program administrator. The proposal is a key piece of the performance contracting strategy DEEP is developing in response to PA 11-80 sec 123. A level of expertise not currently on staff is required. The position will be responsible for communications among state agencies and municipalities, technical know-how, and organizational capacity. At this time, it is envisioned that 4-5 municipalities and 2-3 state agencies will participate in year 1. The position is to be filled by a consultant, not a state employee, and will serve as a resource to both DEEP and the board. Preferably, the person retained will be housed at DEEP in order to encourage continuing the cooperation with agencies already going on.

Mr. Howland noted that the statute allows funding of aspects of this program, now it is a matter of sorting out technical details. Mr. McDonnell commented that it will not be a problem for the companies to execute purchase orders for the position as they do with the board's consultants. Ms. Bergert inquired how it would be handled from a budgeting perspective. Mr. McDonnell suggested it be treated as a separate line item; comparable to how funding for the Institute for Sustainable Energy is handled. Mr. Howland stressed that it is

⁴ SSMC Final CEEF Proposal ppt.pdf; SSMC FINAL Stepping Stones Payment Schedule (8-22-12).pdf; SSMC Proposal.pdf

important that the position not be viewed as part of the EEB consultant budget.

Mr. Gordes inquired whether the Connecticut Conference on Municipalities could be involved. Mr. Kragie responded that CCM is already a key partner. However, since it runs its own performance contracting program with one selected firm, in this case there could be a conflict. He indicated he would be willing to check to see whether they could potentially help with the cost. Mr. Kragie added that Commissioner Esty would like to see the annual budget for the position bumped from the \$100,000 in the draft proposal up to \$120,000. Ms. Bergert observed that the statutory language calls on the EEB to help get the performance contracting program up and running, until it reaches the point that it could become a stand-alone program.

In response to the proposal's call for three years of funding, Mr. Howland noted that the board does not have the ability to provide funding beyond the current year. However, future funding could be included in the 2013-15 plan. Mr. Beup stated his strong support for the proposal from the C&I perspective. He expressed his expectation that in short order the workload will go beyond what one position can handle. However, to begin the program manager will need first to get to know players and build relationships.

Mr. Kragie reiterated that the department would like to issue an RFQ and fill the position as soon as possible. In response to Ms. O'Connor's question why the position should be housed at DEEP, Mr. Kragie commented that it is not crucial; however in terms of functionality it would be most practical this way. Three waves are envisioned: 1) An early-win wave, getting 4-5 municipalities and 2-3 state agencies lined up; 2) Building further engagement over the following few months; 3) 5-6 months out begin building volume. In terms of metrics to look at to judge the value of the position's performance, the department and board should focus on how many municipalities, how many agencies, how many projects. Mr. Araujo proposed that the board think about the position as a program manager retained as a contractor to clarify that it does not belong with the consultant budget. Mr. Kragie agreed that the position should be accountable both to DEEP and the EEB. Mr. Araujo suggested that regular reporting be included in the scope of services in the RFQ. Mr. Beup proposed in addition that a report should become a standing agenda item for board meetings.

Ms. Bergert and Mr. Howland expressed their support for the concept and noted that it will help towns and agencies get up to speed and be well supported in doing so. At Mr. Howland's suggestion, Mr. Beup and Mr. Araujo agreed that the companies and the C&I committee would review the RFQ and the responses together. Mr. Araujo agreed that CL&P's RFP system could be used for the process and the selected program manager will work under contract with the companies. Ms. Bergert moved that the board approve \$30,000 from 2012 funds to cover the position through the end of the year, and that \$120,000 per year be included in the budgets for the three years of the 2013-15 plan. Mr. Beup seconded the motion. Ms. Bergert pointed out that because of the 5-day rule requiring that time for comment be allowed before a vote on a funding allocation can be taken and it would be important to get input from Michael Wertheimer at the Attorney General's office. It was agreed that an electronic vote on the

resolution would be taken by the close of business on Monday, August 27. The Executive Secretary will follow up with Mr. Howland and Mr. Kragie on exact wording for the resolution.

B. DEEP coordination update and 2012 plans

- 2012 C&LM Plan – DEEP and PURA Review
 - PURA Final Decision on 2012 Base Plan - implications for programs and planning – Noting that PURA’s approval had been reported at the previous meeting, Mr. Schlegel asked the companies to comment on what it means for the programs through the end of 2012. Mr. Araujo stated that carry-over funding and spend-forward authorization make it likely that they will end the year in the \$102-105 million range. There has been an increase in volume in large C&I. Residential is slow but expected to pick up in the fall. August results will be reported at the September 12 meeting. Mr. McDonnell stated that until the PURA decision was released UI programs were expected to run short of resources. The 15% spend-forward authorization means that the programs can continue as planned through the end of the year.
 - Board discussion of CAM Proceeding and PURA review of DEEP Determination on Expanded Plan – Mr. Howland asked the companies to comment on their current positions relating to PURA’s opening of a docket. Mr. McDonnell noted that UI had filed the letter requesting CAM authorization and it clearly had attracted attention in many quarters. Mr. Araujo reported that CL&P is currently investigating the matter and has not yet decided on what its course of action will be.

C. 2013-2015 Multi-Year Plan

- Status update and progress report – Mr. Schlegel reopened the discussion of the model for three-year planning, picking up on the August 8 meeting exploration of the issues.⁵ Mr. Araujo recommended that the companies should work with the consultants to prepare a letter for the board outlining the details of the proposal. With the board’s approval the letter would then be sent to Commissioner Esty. The letter would be ready for the board’s review by the September 12 meeting. Ms. O’Connor inquired about how the updating process was envisioned, whether other parties will have input in the review and update process. Mr. McDonnell indicated that the concept is that there will be an open process each year, with review of the proposed changes, but not the whole plan. Ms. Dykes added that to the extent that projections in the original plan differ from actual experience, such matters would be subject to review in the out years. Mr. Schlegel stated that the letter should be presented as a joint proposal of the board and companies, rather than a letter from companies endorsed by board. Ms. Bergert moved that the companies be directed to use the first three pages of slides in Mr. Schlegel’s PowerPoint presentation for guidance in preparing the letter. Mr. Gordes seconded the motion. The motion was approved, with Ms. Dykes as DEEP’s representative abstaining.

⁵ EEB_2013-2015PlanningUpdate_08082012.ppt

- Review priorities for the 2013-15 Plan – Mr. Schlegel stressed the importance of providing guidance to the companies on priorities, as sketched out in the PowerPoint presentation. He noted that work on details is progressing at the committee level. C&I is focusing for instance on Strategic Energy Management and targeting customer segments. Mr Beup commented that the committee is also interested in capturing non-energy benefits. Ms. Bergert reported that the Residential committee is looking at meeting HES savings goals, improving the effectiveness of HES-ie, bringing in licensed contractors, financing, and stabilizing the vendor pool.

Ms. Dykes noted that DEEP is pleased to see that there is a focus on leveraging funding and financing, and is happy that CEFIA is working more closely with EEB now. Better coordination and less duplication should help with the attainment of overall savings goals. Regarding C&I, she further noted that in the industry chapter of the Comprehensive Energy Strategy, there is focus on capturing savings in industrial processes. There may be an impact on the C&I budget.

Ms. Bergert raised the issue of how cost effectiveness is measured, noting that past measures have been very rigid. Mr. McDonnell responded that the companies are aware that total resource or all fuels savings measures would capture savings that don't show up in electric only. Mr. Howland stated his interest in getting to an all fuels approach to measuring program effectiveness. Mr. Araujo commented that the CES's interest in water savings is noteworthy because pumping and processing water up and down stream do actually involve energy savings. He also touched on the question whether an updated potential study might be needed, noting that the 2010 study was based on 2008 data. Current data will be needed for the 2014 IRP. Mr. Schlegel suggested it might be possible to combine a variety of different existing sources of information to cover what a potential study would do. It might make for a more manageable and less costly process than doing another big potential study comparable to 2010. One could use for example housing studies now going on, available EM&V reports, market assessments, etc. Ms. Dykes asked Mr. Schlegel if he could provide a memo spelling out his suggestion so DEEP could have a sense of what the agenda might be for bringing the information together he describes. Mr. Schlegel agreed to provide the requested memo.

- Review schedule –
 - Mr. Howland raised the issue of the current October 1 filing deadline, inquiring whether it was still realistic or whether an extension should be requested. Mr. Araujo stated that companies intend to have tables and goals drafted in time for the next board meeting and suggested it would be best to see how far they can get before asking for an extension.
 - Mr. McDonnell inquired whether the budgets should be developed based on an assumed CAM rate or by the 2% savings route. Ms. Dykes stated that she planned to take this up in her discussions with PURA about the planning process. She suggested the uncertainty might be reason to ask for an extension. Mr. Araujo stated that CL&P planned to proceed using the 2.1% savings goal in accord with previous guidance provided by the Integrated

Resource Plan. However, budget tables will show both CAM and 2.1% savings goal versions. Noting that direction from DEEP is needed to clarify, Ms. Dykes stated it would be challenging to provide it in time for October 1. Mr. Schlegel observed that besides CAM and 2.1% savings goal, there are other alternatives to guide budgeting, such as financing and leveraging. He recommended staying with CAM and 2.1% for now, because they are the known factors at this time. The key will be whether PURA approves a funding strategy in line with the goals spelled out in the IRP. Mr. Howland concluded the discussion by noting that according to statute any funding beyond the 3 mil charge must be based on the IRP.

D. Customer Engagement RFI proceedings –

- Mr. Schlegel reported that the companies were now in the process of reviewing the presentations received from a number of vendors on the residential side. On the C&I side, the process of information gathering will be continuing over the next few weeks.

4. Outreach and Marketing

- Joint DEEP/EEB/CEFIA statewide marketing project update – Mr. Schlegel reported that progress continues. The brand is done. Collateral pieces are coming. Priority pieces are being done first. A proposal for Phase II has been received from ClearResult and RoboBoogie, which the Marketing Services Committee will review this week. Mr. McDonnell raised the question where the funding is coming from, noting that it is not included in UI's 15% spend forward allocations recently approved by PURA. Mr. Araujo noted that CL&P did have funding included in its \$18 million carry-over budget, which could be used to cover 2012 needs. Mr. Howland suggested the funding questions be worked out offline. Ms. Dykes observed that two numbers are needed. What the final cost of Phase I has been and what the anticipated cost of Phase II is.
- Update on current company program marketing efforts – Mr. McDonnell distributed a number of flyers about upcoming events and programs that demonstrate some of the new Energize CT templates. He also commented that a code training is coming up and that the Family Science Day will be held at the Smart Living Center on October 20, 2012. Mr. Araujo reported that CL&P is still exploring how best to use the new templates and referred the board to the calendar for upcoming events.

5. Other

- Mr. Araujo informed the board of the companies' response to the recommendations offered by the Dispute Resolution Committee at the August 8, 2012 meeting regarding disciplinary actions taken against Lantern Energy. The companies removed the points that had been assigned. However, the 30 day suspension was to remain in place, ending on August 30. Lantern had been advised that they could now begin scheduling appointments again.

6. Adjourn – There being no further business to attend to, the meeting adjourned at 3:17pm

Respectfully submitted,

Timothy Cole, Executive Secretary