



**Energy Efficiency Board
Monthly Meeting**

Wednesday, November 13, 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 (Chair), Shirley Bergert, Neil Beup, Eric Brown, Diane Duva, Amanda Fargo-Johnson, Joel Gordes, Taren O'Connor, Amy Thompson, Michael Wertheimer

Utility Representatives: Ron Araujo, Michael Cassella (phone), Chris Ehlert (for Joe Crocco), Pat McDonnell, Dale Williams

Not in Attendance: Joe Crocco

Other Attendees: Tim Cole, Lori Lewis, Glenn Reed, Jeff Schlegel, Les Tumidaj [Consultants]; Tyra Peluso, Pam Penna, Violette Radomski, Marissa Westbrook [Utilities]; Linda Foreman, Alex Kragie [DEEP] ; Rob Cappaletti, Walt Mikowski, Paul Pizzo [Meriden Housing Authority / Yale Acres Project]; Doug Cahill, Leticia Colon, Harry Cullinane, Ricky Gratz

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 – The agenda was reviewed and accepted without changes.
- B. Minutes – Draft minutes for the September 11 and October 9, 2013 board meetings were presented for review and approval.² The September 11, 2013 minutes were approved on a motion by Taren O'Connor seconded by Diane Duva, with Mr. Howland and Michael Wertheimer abstaining. The October 9, 2013 minutes were approved on a motion by Eric Brown seconded by Ms. O'Connor, with Joel Gordes and Neil Beup abstaining.
- C. Public Comments
 - Meriden Housing Authority – Energy Consultant Walt Mikowski introduced Meriden Housing Authority Executive Director Robert Cappalletti and architect Paul Pizzo and offered a presentation on the recently completed first phase of MHA's Yale Acres Modernization Project.³ Having created the first Energy Star Model Building, the whole Project aims to establish a Renewable Energy District

¹ Meeting Materials Available in Box.net Folder <https://app.box.com/s/rbxsbpnz1c5sr3jihfls>

² 130911_EEB_Meeting_Minutes_F; 131009_EEB_Meeting_Minutes_F

³ MHA EEB Presentation 111313

by renovating a total of 47 buildings with 162 apartments. The district combines on-site generation with solar PV, solar thermal, and geothermal energy systems. Mr. Cappalletti underscored that the challenges now are to secure financing for the next phase and to find geothermal contractors who can work at this scale. A key goal is to become independent of the grid. The plan includes creation of fuel cell powered community center which could serve as an emergency resource during storm-related outages.

In response to a question from Mr. Gordes about whether the state's microgrid program might be a possible source of funding, Mr. Cappalletti confirmed that the option is being explored. He noted, however, that the Yale Acres site is remote from the downtown area the microgrid is designed to serve. Shirley Bergert expressed her appreciation for the emergency planning aspect of the project and inquired with the Authority might be able to host an EEB meeting at the site. Mr. Cappalletti responded that he would be happy to make arrangements to host an upcoming meeting. In response to a further question from Ms. Bergert about whether information is being compiled in such a way that the project can be replicated by other housing authorities, Mr. Cappalletti confirmed that the MHA is working together with the Connecticut Housing Finance Authority and the Department of Housing on a vision to modernize the whole state housing portfolio.

Responding to a question from Mr. Wertheimer about sources of funding, Mr. Cappalletti mentioned they had received grants from the Department of Housing among other sources. He stressed that the Project is expected to realize \$14 million in energy savings alone. Tenant rents maybe raised incrementally, but tenants will come out ahead by several thousand dollars per year due to savings on heating bills. Ms. Bergert invited Mr. Cappalletti to consult with her to address concerns that might arise respecting impacts on income guidelines. Answering a question from Mr. Wertheimer about what the MHA is seeking from the board, Mr. Cappalletti noted that \$450,000 still needs to be raised to finish Phase I and to plan the transition to Phase II. He also noted that they may be seeking funding support from the legislature.

Mr. Howland asked Ron Araujo to put together for the board a one page summary of the financing and incentives currently available. Mr. Araujo agreed to do this. Mr. Howland raised the question how savings achieved by combining solar thermal and geothermal systems compare to those from installing full systems in individual units. Mr. Pizzo responded that they need to wait for results from the Measurement and Verification process now starting in order to provide accurate data about the benefit of shared systems.

- D. Consultant Committee – Mr. Howland reported that the Committee is now working on 2014 workplans and expects to have a package ready in time for the December meeting
- E. Board Operations Committee – Ms. Bergert reported that the Committee had not met. A meeting will be scheduled in order to address by-laws revisions with respect to

problems raised by legislative changes. A report should be ready by the December meeting.

- F. Review 2014 Calendar – Tim Cole directed the board’s attention to the draft calendar included in the packet and highlighted several date conflicts needing to be addressed at the Committee level.⁴ It was agreed to take up the question of when to reschedule the February 12 meeting, which falls on Lincoln’s Birthday, a state holiday, after further discussion of how the timeline for the required Plan update process appears to be shaping up.

2. Program Update/Highlights

- A. ACEEE State Scorecard results – Ms. Duva directed the board’s attention to the press release from Governor Malloy on Connecticut’s improved standing on the national state energy efficiency scorecard.⁵ In rising to number 5, the state is improving in a highly competitive environment in which other states are also improving. She was happy to see that the national recognition responds to both the quality of our programs and policy innovations. Jeff Schlegel noted that ACEEE took account of new legislation and the direction set in the Plan decision from DEEP. He indicated that he would circulate a spreadsheet showing how the scoring is changing over the years as ACEEE modifies and updates the standards for comparison.
- B. US DOE Awardee Recognition – Ms. Duva invited Leticia Colon from Energy Efficiencies Solutions to come forward to accept the board’s recognition of the US DOE award the company had recently received as the Best in the Nation for Customer Service and Market Leadership. Ms. Colon informed that board that the award came as a result of the strong emphasis her company put on post-visit surveys and follow up, and on developing educational tools and materials for use with children. She noted that interacting with children helps engage adults in green energy conversations. The goal is to communicate at the level people can understand. The company has launched a nonprofit affiliate called Green Eco Warriors, which produces publications and videos aligned with US science standards for use in schools.⁶ She further noted that 75% of the company’s crew members were unemployed before obtaining training and certification for green jobs. Currently the company is working on starting a sustainability center with a tie-in to certified organic farming. She expressed the hope through the company’s educational efforts increased HES business for all vendors will be generated.
- C. Quarterly Reports / 2013 3rd Quarter – Companies –
 - Mr. Araujo offered a brief presentation summarizing results for Connecticut Light and Power and Yankee Gas.⁷ He noted that the cited energy savings goals reference the original base level funding budgeted at \$81 million. Highlights included strength in the Retail Products and Energy Opportunities programs. Operations & Maintenance and Retrocommissioning programs are lagging

⁴ 131108 standing meeting schedule

⁵ 131106 GovMalloy_ACEEE_Scorecard_PR

⁶ GEW_Oct_0924

⁷ CL&P CLM QTR Report 2013 Q3; YGS_ CLM QTR Report Q3 2013

somewhat but are expected to improve by the end of the year. PRIME is doing well. Small Business Energy Advantage is already about 84% expended and activity is increasing, so there will be no problem hitting goal. Regarding Yankee Gas results, he noted that the gas and gas water heater programs are lagging. The Energy Conscious Blueprints program is forecast to improve by the end of the year. SBEA will also end well as projects now underway are completed in the fourth quarter.

- Mr. McDonnell was awaiting printed copies of his report to distribute. It was agreed to receive his report on UIL results later in the meeting.

3. Programs and Planning

A. 2013 Progress Reports – Companies

- Financial Update – Mr. McDonnell reviewed the monthly results for UIL.⁸ He emphasized again that the results are presented relative to the “base budget” from the originally filed 2013-15 Plan. On that basis, he noted that expenses were running ahead of budget. Currently, UI was projecting to be 15% ahead of budget as of October 31. Mr. Araujo directed board members’ attention to the summaries for CL&P and Yankee Gas showing results as of October.⁹ Mr. McDonnell pointed out that the future funding mechanism is not yet clear. Currently the programs are bumping up against the approved 3 mill CAM. Insofar as it is not desirable to continue resorting to forward spending each year, he was looking forward to seeing the suggested funding mechanisms confirmed to sustain the programs at the planned levels into the future.

B. DEEP / PURA coordination

- 2013-2015 Multi-Year Plan
 - DEEP Final Decision¹⁰ – Mr. Schlegel conveyed the consultants’ view that the decision provides helpful and good direction, especially insofar as it follows through on stated goals of supporting a continuing smooth ramp up. Going forward there should be less need for repetitious planning requirements. The concerns expressed in the Board’s comments on the draft decision were fairly addressed, although some clarifications are still needed. He noted that the companies are now working on developing the budgets to support the Conservation Adjustment Mechanism request for PURA. Mr. Araujo commented that the PURA filing will also go to DEEP as part of the Plan Update proceeding. The total budget will go to PURA, however his team is now underway with preparing to go to PURA for CAMS for CL&P and YG. Mr. McDonnell concurred that the requests to PURA need to be made on a per-company basis. Mr. McDonnell reported that UI had filed a letter with PURA today. Ms. Duva noted that PURA is contemplating combining all the related proceedings under the 13-03-02 docket.

⁸ UI CLM EEB Chart 2013.10-EEB; SCG_CNG 2013 CLM.2013.10

⁹ CL&P-YGS EEB Financial Summary October 2013

¹⁰ <https://app.box.com/s/h570cl82ndrr6jiv2e9m>

- Mr. Schlegel returned to the meeting scheduling issue. It was agreed that with board meetings now scheduled for January 8th and 29th, 2014, it made sense to schedule the February meeting for the 19th to avoid conflict with the February 12 Lincoln's Birthday holiday. An electronic vote would then be held once the final Plan Update package is ready for filing on March 1.
- HES Revisions – Mr. Schlegel reported that with the final decision the HES budget remains at the “base” level, pending the results of the impact evaluation now underway. Ms. Thompson noted that the Evaluation consultants are striving to obtain the collected data from the contractor early in the winter, before the full analysis is undertaken. Mr. McDonnell inquired about the HES innovations working meeting announced by DEEP. Ms. Duva responded that DEEP's purpose is not to duplicate work done on HES before. Rather the goal is to create a continual ability to process good ideas that may be solicited or received from the public, vendors, and others, thereby making the gathering of best practices an ongoing effort. In the department's view, Evaluation, which is inherently backward looking, has a separate role and is not the right forum for looking forward. Mr. Brown expressed his confusion and concern that current talk about DEEP's workshop and the evaluation process is fluid, while language in the decision such as on page 55 is more directive. He inquired what the charge is for the workshop proceeding. Mr. Howland noted that there is much more work going on concerning the future of the HES program besides the innovation workshop and the evaluation currently underway. Mr. Schlegel noted that the consultants are currently working with the companies on the directives in the decision. The companies for example are now working on a residential segmentation analysis. It is understood that the home performance track needs more of a level playing field to ensure all providers are meeting quality standards. Mr. McDonnell pointed out that qualified contractors can already get the same incentives as HES vendors for work they do when they are in-house. Ms. Bergert commented that in order to work toward market transformation, there needs to be a consistent data-driven method to ensure quality services are delivered outside of HES programs. Glenn Reed cited the last point on this issue in the decision. The utilities should not be the enforcers for the whole home performance industry. Mr. Brown expressed the view that the goal should be to have one home performance industry, open to any contractors who can meet established standards. Mr. Araujo remarked that the companies are now moving in just that direction. Anyone can play now if they meet established criteria. Mr. McDonnell reflected that five years ago no contractors in the state were fully qualified. Now a vendor base has been developed that is incented to sell upgrades and others are interested in getting involved. Ms. Bergert offered to speak to Mr. Brown offline about the Residential Committee's work on this issue.
- Mr. Schlegel reported that the EEB is now authorized to make changes in the schedule of co-payments. He suggested it would be timely to make changes in

the spring, following a notification process that would start soon, beginning with a communication to interested parties about what is being considered. Ms. Bergert reported that at the Residential Committee meeting vendors had expressed the wish for a single co-pay amount to be introduced effective January 1. Mr. Araujo concurred. Ms. Duva noted that there are three points to be considered: a start date for an increase, a shift to a single co-pay structure, and introduction of a new co-pay level. Mr. Howland inquired whether the poll vendors who were present wished to express a view. Ms. Colon indicated she thought it best to make the change in January and not to have to change it twice. Ms. Bergert noted that a proposal was not ready for a vote today. Ms. O'Connor indicated that she considered the less customer confusion the better. Mr. Howland concluded the matter would be deferred for now, with the understanding that change is coming. Co-pay revisions will be integrated with the budget review now underway. A change will not be introduced on January 1 and for the time being the present co-pays will stay the same. A revised co-pay schedule may come in April when DEEP issues its decision on the annual Plan Update.

- Marketing Materials and Approval – Mr. Schlegel reported that the companies are currently revising and updating their program marketing materials and will soon be sharing the revised versions with the vendors.
- Update on Customer Engagement – Mr. Schlegel reported that both companies are now working on revising their proposals. Beyond that there was no new information to report.
- Standardized Programs for All Fuels – Referencing requirements in the new legislation, Mr. Schlegel reported that DEEP's cost effectiveness process will be starting soon. He also noted that implementing standardized approaches for all fuels will be addressed in the programs as well, including not only HES. Mr. McDonnell confirmed that equalizing incentive structures for all fuels will touch Small Business, Retrocommissioning, Residential New Construction, along with other programs.
- Smart Living Center – Mr. McDonnell reported that with DEEP's approval of Expanded Plan funding in its final decision, negotiations are now proceeding involving several locations in North Haven. It was agreed that the SLC needs more space. The current issue was that the lease on the existing space expires in March, by which time the new center will not be ready. The best option appeared to be to close the current center at the end of school year and then be ready in new site to open again by start of school in the fall. Mr. Brown moved that the companies be authorized to continue negotiations with the goal to be ready for a fall opening. Ms. Bergert seconded the motion. All members voted in favor.
- Financing and Leveraging Ratepayer Funding – Mr. Schlegel directed members' attention to a table providing an overview of easier vs. harder to

achieve options.¹¹ The challenge is to figure out how to position future programs to have the right combination of services and financing to achieve objectives. The table had been shared with Commissioner Esty, who is now considering what this means in terms of how DEEP should be involved. Mr. Howland noted that the goal is to facilitate discussions about different levels of difficulty and the repercussions of increasing leverage in coming years. Mr. Beup commented that for C&I the main struggle has been how to work with CPACE, which seems to be in tension with moving ahead with EEF goals. He expressed uncertainty about who needed to be involved in order to address this question. Mr. Howland suggested that question could be placed on the agenda of the currently ongoing joint meetings with DEEP and CEFIA. Mr. Beup pointed out that CPACE program goals seem to cause some confusion with the overall focus on going broader and deeper. Mr. McDonnell noted that he shares the concern that CEFIA's promotion of CPACE reaches people who should in fact be involved with the EEF programs rather than with CPACE, with the unforeseen consequence that customers become confused and possibly turned off.

C. Lead By Example Update

- Representing DEEP, Alex Kragie reported that the program now shows \$13.1 million in committed projects, 31 of which have been completed. They include projects at the Convention Center, commuter lots, the State Supreme Court, among others. The performance contracting program is starting now, with the first four projects at Connecticut Valley Hospital, the Department of Motor Vehicles, the Department of Corrections, and the City of Bristol. There is good collaboration among project partners, department program staff and the utilities' program administrators. Currently discussions are underway with the Office of Policy and Management with the aim of establishing a third party financing program. Finally, the State will soon be able to take advantage of SBEA offerings once the agreements are ready. Les Tumidaj expressed his appreciation for the fact that Program Manager Matthew Cohen has been actively promoting Strategic Energy Management, which he views as a very important step in improving the State's management of its facilities.

D. Residential Furnace and Boiler Replacement Program Plan Update

- Reporting for DEEP, Linda Foreman advised the board that the companies' plan had been reviewed and approved with conditions. Details are available in the final determination from the department released on November 7.¹² The deadline for requested revisions is December 31. The program will offer a 2.99% interest rate guaranteed over 10 years. Consumers' eligibility determination will be based on

¹¹ FinancingEasier&HarderDecisionsTable103113d2

¹² 131107 DEEP Cover Letter to decision; Residential Furnace Boiler Replacement Program 2013 Decision to Approve

six months good payment history on gas bill. All three gas companies will use the same tool to administer the program.

- E. Deep Energy Efficiency Resource Assessment / Analysis of Potential Update
- Mr. Schlegel reported that work on a draft RFP is underway. It is expected that a document will be ready for review at the December board meeting.

4. Committee Reports

- A. Commercial & Industrial – Mr. Tumidaj reported that the Committee has been reviewing the decision and seeking clarification of some points. At the next meeting there will be a focus on self-direct programs, with a presentation by the Connecticut Industrial Energy Consumers. Representatives of SolarCT had made a presentation to the Committee on solar thermal opportunities. The consultants will be following up on this with the companies and expect to come back to the board with recommendations.
- B. Evaluation – Mr. Howland noted that project description for new studies had been presented by the consultants and were awaiting approval by electronic votes due Friday. Ms. Thompson asked Mr. Cole to forward the project descriptions to C&I committee members.
- C. Residential
- Communicating high efficiency conversion options to residential customers – Ms. Bergert reported that the committee was sorting through the implications of the expanded budget now approved with respect both to HES / HES-IE and achieving parity for low income consumers. SB expanded budget – companies working on parity for LI consumers. She noted that the companies are currently also working on upstream rebates. Yet to be determined is how to ensure that rebates offered upstream eventually redound to the consumer, though the approach appears to be advantageous in terms of promoting market transformation. Also discussed was the topic of bridge financing for improvements and upgrades on multi-family units. Mr. Araujo clarified that there are two issues – one involving bridge loans to available through the community action agencies, which have been approved by DEEP; a second involving properties needing long term financing that are not eligible for CPACE. He noted that the companies are working with CHIF and CEFIA to put a package together. As things stand, CEFIA needs board action to put up \$1.3 million. In December. CL&P has several thousand units ready to go and is now looking for authorization from DEEP to make a short term \$1 million loan from its loan pool in the expectation that the obligation will be covered later by CEFIA after its board considers the matter.
- D. Marketing
- Marketing metrics for social media and website – Mr. Schlegel reported that the Committee plans to meet next Tuesday, November 18. He pointed out that the meeting packet includes a brief PowerPoint giving an overview of what is currently going on.¹³ There will be more to come at the December meeting on the subject of metrics for gauging the effectiveness of marketing efforts. Regarding the sections

¹³ MarketingMetricsEEBUpdate111313

in the final decision relating to enhanced marketing, the companies have been asked to present to the committee their thinking on this. They need to show what resources and capacity they already have available or can access. Also under consideration will be opportunities for joint marketing initiatives with CEFA.

5. Other

- Mr. McDonnell provided a quick overview of UI's 3rd Quarter results.¹⁴ He noted that HES-IE is performing extremely well, at 184% of base budget. In C&I, the small business program is coming on strong. The other programs are largely on budget, with some lagging only with the gas water heater replacement program.

6. Adjourn – With no further business to attend to, the Board adjourned its meeting at 4:00 pm.

Respectfully submitted,

Timothy Cole, Executive Secretary

¹⁴ UI CLM 3rd qtr 2013; CNG_SCQ CLM QTR Report 2013 Q3