

April 2, 2013

Tim Cole, Ph.D.  
Executive Secretary, Energy Efficiency Board  
West Wind Consulting  
157 Whitney Street  
Hartford, CT 06105

**RE: CL&P Review of the Large Commercial & Industrial Research: Participant Trend Analysis.**

Dear Mr. Cole:

The Connecticut Light and Power Company (CL&P) is pleased to submit these written comments with regard to a draft final evaluation report: *Large Commercial & Industrial Research: Participant Trend Analysis* (“Study”), April 2, 2013, by EMI (“the evaluator”). The complete Study was released on March 19, 2013, with a request for comments to be provided by April 2, 2013. CL&P is pleased to submit the following comments on the Study.

Given the original conception of this study as a “quick start” market assessment, development of this study was slow. Data was provided nearly one year ago. As a result, the analysis is dated, and does not include any analysis of the 2012 program year. CL&P understands that studies must be reprioritized and rescheduled in order to serve priority and emerging evaluation needs, and appreciates the efforts of the Evaluation Consultant and evaluator in this regard. However, long delays do affect the applicability of study results.

This study was not designed as a full market assessment, and the scope and budget may not have permitted a detailed analysis. However, in contrast to previous expectations that the study would use time series analysis and look at changes in the programs, the study appears to simply compare the program tracking database to itself. No resources or analyses seem to tie to external data or market characteristics, little of the analysis addresses changes in the program over time, and no statistical analysis appears to have been conducted to test the relevance of differences between subgroups. While these kinds of observations may be suggestive, and point to fruitful areas for future study, CL&P feels that simple, summary-level observations provide little support to the sweeping recommendations for the EO and ECB programs. CL&P suggests that these recommendations be revised.

For example, the study recommends that the Companies target retail outlets and office buildings for comprehensive projects in the EO program, because the incidence of comprehensive projects was lower in these facilities than in the program as a whole. However, the study also cautions that:

“As of this report, it is difficult to determine whether this trend is the result of the program not leveraging existing opportunities or if, at offices and retail outlets, there are limited opportunities for cost-effectively retrofitting any systems beyond the lighting.”

This evidence does not justify a shift in program focus and marketing without further investigation. Such a shift could likely be harmful if, as the evaluators allow, there are indeed limited opportunities in this area; or if this space is already being aggressively targeted by other programs, such as the Small Business

Energy Advantage program. In order to be actionable, recommendations need to be adequately investigated, accounting on some level for the opportunity costs of focusing on specific areas.

CL&P requests that the projects be categorized using the end uses that are provided in the Connecticut Program Savings Documentation (PSD). CL&P does not understand why the evaluators chose to recategorize all projects according to a new set of end-uses at significant effort, rather than use the end-uses provided and detailed in the Connecticut Program Savings Document and used by CL&P's tracking system and previous evaluations. The new end-uses appear similar to those used in Massachusetts. While the evaluators may have had a higher comfort level with the Massachusetts end-use definitions, continuity in evaluation is very helpful when implementing recommendations. Additionally, these new, more fragmented end-uses make it difficult to analyze incidence of comprehensive projects, and may lead to incorrect findings. For example, under the evaluator definition, combining process improvements and air compressors is one of the most common comprehensive projects in the ECB program. CL&P would classify these under the process end-use, and require additional measures in order to classify the project as comprehensive.

The evaluators provide several recommendations regarding data collection. CL&P appreciates these observations, but notes the expense of overhauling its tracking system. Additionally, CL&P emphasizes that under the Evaluation Roadmap, the Companies cannot contact evaluators. It is critical that evaluators reach out to the Companies, as permitted under the Evaluation Roadmap under the auspices of the Evaluation Consultant, to seek clarification about data issues. This outreach can help resolve these issues before the draft final report stage, where it is often too late to address inaccuracies. CL&P is able to provide contact information for sampled projects upon request; CL&P's large C&I database contains seven date fields tracking projects; and CL&P has improved the consistency of the North American Industry Classification System code and related fields since 2008.

CL&P appreciates the opportunity to comment on this evaluation and looks forward to the final report.

Very Truly Yours,

*Joseph Swift*

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