

**Impact Evaluation of the Energy Opportunities Program -
Recommendations**

Recommendation 1: The evaluation team recommends that the program administrators investigate the feasibility of offering qualifying organizations some form of subsidized energy audit.

CL&P Response: CL&P has investigated the feasibility of subsidized energy audits in multiple programs, including Energy Opportunities as well as the Retro-commissioning and Operations & Maintenance programs. Under current program guidelines, subsidized energy audits are currently offered.

CL&P notes that the paper¹ cited by evaluators as a basis for this recommendation does not compare energy audit programs to programs without energy audits, but a single evaluated energy audit program to other energy audit programs. CL&P feels that energy audits have value and help some customers build confidence, but emphasizes that they need to be reviewed for cost-effectiveness and offered with a reasonable expectation that they will lead to a completed project.

Offering energy audits and site assessments, even under a cost-share arrangement, needs to be balanced against program implementation budgets and general program activity.

Recommendation 2: The evaluation team recommends that the PAs consider expanding the timeframe for determining which energy efficiency projects qualify for the added comprehensive projects incentive.

CL&P Response: Many comprehensive projects currently span multiple years and multiple phases, and program staff do a great deal of work ensuring that comprehensive projects meet program guidelines and can be properly considered for all applicable program incentives. Timeframes are always discussed with customers at time of compiling the Letter of Agreement (LOA). Historically, customers have not been denied a multi-year time frame to complete a set of measures in any given LOA. CL&P and YGS extend LOA expiration dates based on the needs of the customer.

Additionally, there exists an inherent difficulty in only evaluating one calendar year of EO projects, as a significant number of projects span multiple years. Thus, the measures that the evaluator sees may only be the first set of many or the last set of many measures in a comprehensive LOA project, which may skew the evaluator's perspective of what was done in that year compared to the total number of measures in the LOA.

Recommendation 3: The evaluation team recommends that the PAs continue to improve vendors' awareness of the comprehensive project incentive.

¹ Paper presented at the 2013 International Energy Policies & Programmes Evaluation Conference (IEPEC) by Jonathan Maxwell, Satyen Moray, and Rebecca Reed Gagnon titled, "Auditing Audits: Big Savings Found in Long-Term Assessment."

CL&P Response: CL&P conducts frequent vendor training sessions and believes that there is strong awareness among many vendors of comprehensive incentives. As noted by the Study, however, many vendors do not see a competitive advantage to installing energy efficiency equipment outside their strategy, and may therefore be less aware of available comprehensive project incentives. Simply educating these vendors about incentives may not be sufficient encouragement for them to change their business model, although CL&P will continue its strong focus on vendor education.

Recommendation 4: The evaluation team recommends that program designers and implementers should reconsider whether increasing uptake in ESPC should be a goal in its own right.

CL&P Response: CL&P agrees with this recommendation, and notes that the current C&LM Plan does not include such a metric. The reason for this is that since 2010 and 2011, there has been significant attention given to ESPC by the utilities and by the State of CT itself, by way of Lead by Example (or LBE). Please reference the work that CT has done in direct collaboration with the utilities:

http://www.ct.gov/deep/cwp/view.asp?a=4405&Q=489980&deepNav_GID=2121%20

Recommendation 5: The evaluation team recommends that the PAs continue to support the “Lead by Example” ESPC program that targets municipalities and state agencies.

CL&P Response: CL&P has been extremely collaborative and very helpful with the Lead by Example program led by CT Department of Energy and Environmental Protection (or DEEP), with incentives and program staff, and will continue to do so in the future.

Recommendation 6: The evaluation team recommends that the PAs provide additional marketing of the utility-sponsored financing in order to raise awareness of this specific program component.

CL&P Response: CL&P has continued to market and refine these programs since the 2011 program year and increase awareness of utility financing options. The energy efficiency financing landscape in Connecticut has changed significantly since the 2011 program year. CL&P is hopeful that the pending market research highlighted by evaluators will better illuminate what gaps currently exist in financing and how best to fill them. Evaluations C10, C11 & C17 will better evaluate what financing barriers currently exist, if any, for medium sized C&I Customers, in the range of 10 to 750 kW.

Recommendation 7: The evaluation team recommends that the PAs provide materials designed to raise customers’ awareness of the benefits of strategic energy planning in addition to existing personal interactions by program staff.

CL&P Response: CL&P continues to work in the Energy Opportunities program, as well as the Business Energy Sustainability (BES) program, to raise awareness of strategic energy planning, through direct communication as well as distribution of education materials such as case studies.

Recommendation 8: The evaluation team recommends that the PAs consider straightforward methods for supporting customers to benchmark their buildings and operations.

CL&P Response: CL&P recognizes the importance of energy benchmarking as one of the first steps toward making energy efficiency investment decisions, and will continue to encourage customers in benchmarking their facilities as one step toward strategic energy management.

Recommendation 9: Set clear guidance on when vendors should use the PSD and what inquiries and assumptions that should be used in different circumstances.

CL&P Response: CL&P guides vendors to use the PSD in all applicable circumstances. While custom calculations are sometimes used, these calculations should be guided by the assumptions and general algorithms of the PSD, where appropriate. As noted by evaluators, a long-term goal of the evaluation process is to provide some deemed values for incorporation into the PSD, and to update PSD savings calculations to better concur with these estimates, but CL&P reviews vendor savings calculations for compliance with the PSD.

Recommendation 10: Require sufficient project documentation from vendors as a condition of payment.

CL&P Response: CL&P always requires project and savings documentation from vendors as a condition of payment. CL&P has strived, and will continue to strive, to provide evaluators with all data necessary to conduct evaluations, and appreciates the significant effort made by evaluators to process this documentation.

Recommendation 11: Consider improvements to program processes for application review to mitigate documentation errors.

CL&P Response: CL&P continues to refine its processes to avoid errors and is currently executing another such review to further standardize program submissions.

Recommendation 12: Consider ‘Pay for Performance’ for at least part of incentive on larger complex projects.

CL&P Response: CL&P has considered “Pay for Performance” as a part of incentive payments. CL&P notes that the risk involved in this option makes it highly unpopular with customers, who view incentive payments as a way to reduce the risk of energy upgrades, and frequently enter into arrangements such as ESPC in order to mitigate risk.

However, CL&P does maintain a rigorous inspection and verification program, including the use of both program staff and independent third parties.

Recommendation 13: Require documentation on EMS projects that includes the programming for controls and implementation.

CL&P Response: CL&P works to obtain all possible documentation on EMS projects. In many cases, as noted in the 2013 Retro-commissioning and Operations & Maintenance evaluation, controls are set or reset by customers after installation and initial implementation due to lifecycle changes in facility use and operation. While CL&P supports efforts to document the initial state of controls, and works to ensure that control programming is clearly understood by customers, customers ultimately have control over these settings. CL&P appreciates the work by evaluators in examining these projects so that implementers can better understand performance and persistence of EMS control savings.