



**Energy Efficiency Board
Monthly Meeting**

Wednesday, September 11, 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: Amy Thompson (Chair), Shirley Bergert, Neil Beup, Eric Brown, Bill Dornbos (Jamie Howland Designee), Diane Duva and Katie Dykes (DEEP), Amanda Fargo-Johnson, Joel Gordes, Taren O'Connor, Amy Thompson

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

Not in Attendance: Michael Wertheimer, Dale Williams

Other Attendees: Tim Cole, Glenn Reed, Jeff Schlegel, Lisa Skumatz (phone), Les Tumidaj [Consultants]; Chris Ehlert, Amy McLean-Salls, Jeff Pollock, Tyra Peluso, Pam Penna [Utilities]; Peter Mizejeski, Lynn Stoddard [DEEP]; Bill Leahy [ISE]; Matthew Cohen [Lead By Example]; Frank Gorke [Clear Result]; Ricky Gratz [Opower]

The meeting began at 1:05 with Amy Thompson presiding.

1. Process

- A. Agenda – The agenda was reviewed and accepted as presented.²
- B. Minutes of August 28, 2013 board meeting were approved on a motion by Taren O'Connor seconded by Shirley Bergert, with Amanda Fargo-Johnson and Bill Dornbos abstaining.³
- C. Public Comments – There were no public comments.
- D. Consultant Committee – There was no report from the Committee.
- E. Board Operations Committee – Ms. Bergert reported that the Committee had held several meetings in the interim. The Committee is working on an RFP for the new position of Executive Administrator, which will be designed to create a physical presence and phone number for the Board, oversee consultant expenses, and fulfill other administrative responsibilities.
- F. Electronic Vote Results – Tim Cole reported that the electronic vote on whether to support companies' budget increase request had been approved and the result would hereby be entered into the record.⁴ Jeff Schlegel noted that Michael Wertheimer had

¹ Meeting Materials Available in Box.net Folder <https://app.box.com/s/ho2udf8ms8kf80hlg4gc>

² 130911_EEB_Meeting_Agenda_F

³ 130828_EEB_Meeting_Minutes_F

⁴ 130906 budget increase e-vote results

inquired about the fact the letter was addressed to both DEEP and the EEB. Mr. Schlegel explained that this was to give the Board with an opportunity to provide a recommendation. The approved letter has now been forwarded to DEEP by Mr. Cole. Diane Duva commented that DEEP is now preparing a response to the letter to be sent to the Board and the companies.

2. Program Update/Highlights

A. Lead By Example / Energy Services Performance Contracting Program Update⁵ – Matthew Cohen provided a progress report on DEEP’s launching of the LBE/ESPC program. Highlights included:

- There is a high level of interest among state agencies and municipalities. DEEP is now working on fine tuning the process for screening suitable projects.
- Connecticut Valley Hospital is conducting an investment grade audit. Planned is a \$30 million project promising \$2 million in energy savings per year. Currently CVH is spending \$4 million on electricity and natural gas annually, but does not know where it is going on campus. Sub-metering will be part of the solution.
- The City of Bristol is currently developing a \$12 million project.
- The Department of Corrections has a \$70 million project promising \$4 million in annual savings involving three facilities, Somers, Niantic, and Cheshire.
- Overall the program is focusing on how projects are managed. To help with this a web-based platform from Sustainable Real Estate Solutions is being deployed. CEFIA is already using this platform, which helps when comparing different companies’ data.
- An RFP has been issued for owners’ representatives who are knowledgeable about performance contracting industry practices and who will provide technical assistance to state agencies and municipalities exploring entering into performance contracts.
- CEFIA is providing help with developing outside financing for projects. A one-stop financing model is envisioned to support the program. Altogether about one dozen projects are now in the pipeline at different stages of development.

In response to a question from Ms. Bergert about whether the program is using standardized language for the projects it supports, Mr. Cohen replied that there is indeed a package of standard language. However, municipalities not bound to use it though it would be wise for them do so, considering that Qualified Energy Services Providers have their own language.

B. Institute for Sustainable Energy Update – In connection with a presentation of a workplan for the upcoming year, Bill Leahy provided an update on recent and current activities of the Institute for Sustainable Energy at Eastern Connecticut State University.⁶ Highlights included:

- ISE has been working closely to help get the Lead By Example program successfully launched.

⁵ Cohen presentation on ESPC program to EEB Sept 11 2013

⁶ ISE Progress Report to EEB August 2013 wlm

- The Energy Star Portfolio Manager Benchmarking – ISE has now benchmarked over 400 municipal, school, and state agency buildings in Connecticut
- The Green Campuses initiative now includes three Community Colleges and the four members of the State University System. The focus is now on adding nine remaining community colleges
- ISE plays the leadership role in Connecticut’s Green Leaf Schools initiative, a joint undertaking with DEEP, the State Department of Education, the Department of Public Health, and Department of Construction Services and the Energy Efficiency Fund eeSmarts program administrators, in support of the US Department of Education’s Green Schools program.
- Additionally ISE has been supporting the development of the green workforce through partnerships with secondary and higher education and workforce development programs; providing Energy and Building Code training; and serving as an expert resource for a range of associations and agencies involved in environmental and clean energy issues.
- Regarding the new budget proposal ISE is now submitting, Mr. Leahy noted that a modest increase is requested to allow the Institute to serve as the hub for Portfolio Manager Benchmarking for all state and municipal facilities.⁷ Quarterly benchmarking can then become a tool for smart facilities management. The funds would be used to support training and commissioning of facilities as they are benchmarked. Some additional funding will be used for more outreach. In sum, \$60,000 in additional funds are being requested. Mr. Schlegel commented that the draft decision on the C&LM Plan appears to create an opportunity for that to happen and the request seems consistent with the state’s policy goals and the EEB’s priorities.

3. Programs and Planning

A. 2013 Progress Reports – Companies

- Financial Update – Ron Araujo reported for CL&P and Yankee Gas.⁸ As of August 31, 2013, \$68.6 million in revenue has come in. There are no changes foreseen in the projected results for the remainder of the year.
Mr. McDonnell reviewed UI’s summary reports, noting that there was some increase in revenue from RGGI and Forward Capacity Market auctions and Class III Renewable Energy Certificates.⁹
Jeff Schlegel inquired whether these projections are consistent with those included in the budget increase request letter sent to DEEP. Mr. Araujo confirmed that there has been no change in the projections since last month. The companies now foresee a smooth transition to 2014.
- Dashboard Update – Mr. Araujo noted that the data on the dashboard is not fully up to date. The data now shown is from July. Monthly results are uploaded on the

⁷ 2013 - 2014 ISE Workplan Narrative-WML

⁸ NU EEB August 2013 Projection

⁹ UI CLM EEB Chart 2013.08-EEB; SCG_CNG 2013 CLM.2013.08

15th of the month. Katie Dykes inquired whether could this could be moved up, insofar as the dashboard is used to prep for meetings. Mr. Araujo and Mr. McDonnell expressed doubt about the possibility, given the time required internally for the companies' accounting to close each month.

Mr. Araujo pointed out that the overall performance metrics for both companies as of July were based on existing approved budgets. They currently showed 16 MW in savings for both companies, on track for saving 25 MW by year's end. This would be ahead of the planned pace for the base plan, while probably on track for the expanded plan if it is approved. Drilling down to see Residential and C&I results, they are comparable to 2012. He noted that lifetime savings are increasing and that there are more projects total and more projects coming in sooner. LED lighting sales are having a big impact, as are insulation installations and ductless heat pumps. Eric Brown inquired about the feasibility of homing in on specific manufacturers and private contractors. Mr. Araujo responded that the companies are working on breaking this out using NAICS codes.

- The companies presented the new financing matrix, which has been in development working together with DEEP, CEFIA, CHIF and the board's consultants.¹⁰ They noted that given the complexity and magnitude this is clearly not a customer-facing document. Ms. Dykes noted that the challenge now is to figure out how to make specific options for specific types of customers clear and accessible. Mr. Schlegel commented that the next step is to set up three buckets for starters on the Residential side. The same approach could be used for C&I. It is good to have captured the full range of lending resources; now we will have to see how to make it accessible by customers, for instance on the Energize CT website.

B. DEEP / PURA coordination

- 2013-2015 Multi-Year Plan
 - DEEP Draft Decision on 2013-2015 Plan – Ms. Duva reported on the process now underway. The draft decision was released on August 23 and September is the deadline for public comments to be submitted.
 - Topics discussed at September 10 DEEP public meeting – Ms. Duva reported that approximately 30 people had commented. The Office of Consumer Counsel had raised some questions and concerns. Mr. Schlegel had spoken for the board. ENE expressed general support, while also raising some questions. AARP and Operation Fuel asked DEEP to ensure that the Plan addresses the needs of limited income consumers. The Connecticut Geothermal Association is asking for incentives to be raised. Home Performance contractors expressed the desire for more participation in policy making, not just as commenters after the fact. They also heard from vendors that had good responses from CEEF and their customers. Concern was raised about whether benefit received matched contribution to the fund by a very energy intensive heat treating process business. Mr. Araujo commented that he spoke with them. The company has not participated recently and was not aware that

¹⁰ Financing Comparison Chart - 8 28 13

there are more opportunities now beyond lighting and motors and that there are probably more savings to be had. Ms. Bergert noted that she was to see this type of follow up. However, she also believes people need to understand the concept of aggregate benefit. Mr. Brown suggested however that while most people heard from in the room are benefiting, the one business here complaining that he is not receiving the benefit is not in fact an outlier. Ms. Duva commented that most people heard from were positive, but this is indeed one input that was received. Mr. McDonnell noted that there is clearly an opportunity to expand the offerings to more customers altogether. Ms. Thompson pointed out that the C&I Committee is working on understanding better what the different market groups are and how to work with them and help them with their businesses. Mr. Araujo noted that customers should be aware that C&LM staff not only provide access to incentives, but also technical assistance as needed.

- Discussion of draft Board Comments – Mr. Schlegel directed the Board’s attention to the revised draft of comments on the decision included in the packet.¹¹ Proposed that he would receive input from board members through Friday the 13th, then produce a revised draft by the close of business on Monday the 16th. An electronic vote could then be held next week, allowing the final draft of the comments to be submitted in time for the September 23 deadline.

Mr. Schlegel then presented an overview of the working draft, including reviews of key sections. Issues that commanded attention included:

- Treatment of lost revenues and the gross receipts tax
- Specific areas where ramp-up costs incurred in 2013-14 may be offset by reduced needs in out years
- Concern about the proposed allocations of funds for specific programs under the overall C&I budget, to ensure they are in line with C&I objectives
- Treatment of oil / deliverable fuel costs in cost-effectiveness tests
- Concern about how shifting of allocations from the EDCs to the LDCs may have unintended consequences for the EDCs ability to serve oil customers
- Challenges involved in trying to achieve market transformation through modifications of the HES program and/or support for the growth of the home performance industry
- Need for clarification about the differences among customer engagement, behavioral programs, and marketing and outreach
- Need for clarification about what is expected from increases in the marketing budget

Ms. Thompson further noted that the Evaluation Committee had specific concerns about apparent conflicts between language in the draft decision and

¹¹ DEEPDraftDecision-EEBComments-091113d3

the Evaluation Roadmap. The Roadmap is based on legislative and regulatory mandates and also reflects best practices in the energy evaluation field. She also noted that the SERA team had filed its own comments independently. The comments in the draft presented by Mr. Schlegel include input from her and the Committee. Ms. Duva indicated that the Department would take a close look at these comments and pay particular attention to how legislation and the Roadmap bear on the language in the decision.

- Customer Engagement Update – Mr. Schlegel again referred to the notes on this topic in the working draft comments, emphasizing the need for further work on developing an approach to customer engagement that distinguishes it from marketing and allows for the fact that CE works over longer timeframes in order to achieve measurable impact, beyond the timeframe of the three year plan. Jeff Pollock from NU mentioned that an RFP on CE in the states covered by the company is about to be issued. Mr. Schlegel commented that updates will be provided to the EEB for review before any EEF funding is provided to pay for customer engagement investments designed to achieve impacts beyond solely increasing energy efficiency.

C. Residential Furnace and Boiler Replacement Program Plan Comments –

- Ms. Duva introduced Linda Forman from DEEP who is responsible for this new initiative called for by new legislation. The deadline for comments on the draft plan prepared by the companies is September 18.¹² Mr. Schlegel stressed the importance of considering an all-fuels perspective in developing the program. Ms. Bergert mentioned that the EEB can still offer consultation after the deadline. Consultants and board members can be helpful to DEEP. The financing matrix for instance might be helpful to develop this program. Ms. Duva noted that the Department also understands people want to roll out as soon as possible, not to take the full 60 days allowed by the legislation. Ms. Bergert suggested a follow up meeting to talk about the details should be scheduled. Ms. Duva agreed.

D. 2014 Integrated Resource Plan

- DEEP process update – Ms. Duva reported that the 2014 IRP will use many same of the same assumptions as in the last plan, as far as energy efficiency is concerned. Without a new full potential study, not much is there to update. However, the Department is contemplating some changes between this one and the next one in 2016. A first draft will be released in January 2014. The scope for the project is included in the packet.¹³

4. Committee Reports

- A. Commercial & Industrial – Mr. Tumidaj reported that the Committee has reviewed and commented on requirements spelled out in the draft decision on the C&LM Plan. At the previous day's meeting it received an update from UI on recent enhancements in

¹² The Plan with Appendices and Notice of Comments are available online at <https://app.box.com/s/fmm7qi0mgs2yqn8s3mim>

¹³ 2014 IRP Proposed Scope DEEP Final 08.15.13

the Business Sustainability Challenge program. A presentation on this will be made to the Board at its October meeting. It also received a presentation by NU representatives on upstream marketing approaches developed in Massachusetts. It also reviewed the ISE workplan. The sentiment of the Committee was to recommend support for the plan that Mr. Leahy presented. Finally, the Committee will provide comments on the place of Non-Energy Benefits in the Evaluation Plan now in development.

- B. Evaluation – Ms. Thompson drew the Board’s attention to the project summary and Gantt chart included in the packet. She noted that the draft weatherization study is due to be released in the next week, the Ground Source Heat Pump study has been delayed, but is expected to be completed shortly. Other projects are for the most part on schedule. The Committee’s primary focus now is on wrapping up the 2014-16 Evaluation Plan. The packet includes a final proposed slate of studies. A draft will be circulated on Friday the 13th to the whole board. The Evaluation Committee will review the final draft and will vote on it in two weeks. At that time the Board will receive the approved plan two weeks in advance of its next meeting. The Board will then be able to discuss the plan in as much detail as needed. Ms. Skumatz noted that the draft weatherization study has been sent to Mr. Cole for posting and distribution.
- C. Residential – Ms. Bergert reported that the Committee is working on an array of topics currently, with high priority assigned to residential evaluation activities in the context of the DEEP decision, co-pay issues, the Furnace and Boiler Replacement program now about to be launched, and possible enhancements to the dashboard to discuss with companies.
- D. Marketing – Mr. Schlegel reported that the Committee is currently discussing what the appropriate expectations of marketing should be and what metrics need to be in place to assess the results.

5. Other

Mr. Brown reminded the board that the joint CBIA / CPES “What’s the Deal” Conference is coming up. They hope to have the Secretary of the U.S. Department of Energy to offer the keynote. He also commented on the financing matrix, expressing the desire to see the work taken to the next level in terms of finding gaps, showing logic, developing flow charts, and the like. Ms. Thompson indicated that she expects to see the work on this done at the committee level together with the companies. Ms. Duva noted that the next step would be to complete a gap analysis to determine where there are missed opportunities and unaddressed needs.

- 6. Adjourn** – With no further business to attend to, the Board adjourned its meeting at 3:35 pm.

Respectfully submitted,

Timothy Cole, Executive Secretary