

August 1, 2022

**Via Electronic Mail**

Stephen J. Bruno  
Director, Conservation and Load Management  
Eversource Energy

Hammad Chaudhry  
Senior Manager, Conservation and Load Management  
UIL Holdings Corporation

**Re: Allocation of Regional Greenhouse Gas Initiative (RGGI) Administrative Funds**

Dear Mr. Bruno, and Mr. Chaudry:

On July 28, 2022, Governor Lamont announced the allocation of \$3.5 million of Regional Greenhouse Gas Initiative (RGGI) funds to low-income residential energy efficiency programs in Southern Connecticut Gas (SCG) and Yankee Gas Services Company (d/b/a Eversource) service territories. These funds will be used for low-income residential programs, including Home Energy Solutions-Income Eligible (HES-IE) and income-eligible projects through the Multifamily Initiative.

The allocations were based on the areas of most need, as identified by Eversource Energy, The United Illuminating Company (UI), the Southern Connecticut Gas Company, and the Connecticut Natural Gas Corporation (collectively the Utilities), and are as follows:

- \$2.5 million to SCG
- \$1 million to Eversource Gas

The Connecticut Department of Energy and Environmental Protection (DEEP) has been working with the Utilities, Energy Efficiency Board (EEB), and other stakeholders to address budget constraints arising from historically high levels of demand for residential energy efficiency programs. In June 2022, DEEP directed UI to allocate a portion of its RGGI funds to alleviate budget pressures in SCG service territory. Additionally, DEEP's Determination on the 2022-2024 Conservation and Load Management (C&LM) Plan included guidance on fuel neutrality that enables the Utilities to utilize RGGI funding for a broader group of customers as well as specific directives to "redirect RGGI funding as needed to programs benefitting low-income and other underserved customers, including those who live in multi-unit dwellings."<sup>1</sup>

This additional \$3.5 million will be used to augment and alleviate constraints on existing budgets for HES-IE and income-eligible projects through the Multifamily Initiative. The Utilities are expected to keep DEEP apprised of budget statuses for these programs. Additionally, the Utilities are directed to prioritize

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<sup>1</sup> See DEEP Determination regarding the 2022-2024 Conservation and Load Management Plan, June 2, 2022, available at: <https://portal.ct.gov/-/media/DEEP/energy/ConserLoadMgmt/DEEP-Determination---2022-2024-CLM-Plan.pdf>.

the expenditure of other C&LM funding sources, including funds generated through the Conservation Adjustment Mechanism, before expending RGGI funds.

After SCG and Eversource Gas enter into fully executed contracts with the state, DEEP will issue the RGGI funds to both entities. SCG and Eversource Gas will be expected to adhere to the requirements of those contracts. Additionally, any work that utilizes these funds will be performed pursuant to Conn. Gen. Stat. § 16-245m and in accordance with the 2022-2024 C&LM Plan, as approved by DEEP.

While these funds will help ensure that low-income customers in SCG and Eversource Gas service territories can continue to receive energy efficiency services in the near term, DEEP expects that the Utilities will continue working with the EEB, energy efficiency contractors, and other stakeholders on long-term solutions for budget stability.

If you have any questions, please contact Kate Donatelli at [kate.donatelli@ct.gov](mailto:kate.donatelli@ct.gov).

Thank you,

Vicki Hackett  
Acting Deputy Commissioner and Bureau Chief

**Copy:**

Neil Beup, Chair, Connecticut Energy Efficiency Board  
Amy McLean, Vice Chair, Connecticut Energy Efficiency Board  
Emily Rice, Executive Secretary, Connecticut Energy Efficiency Board  
Stacy Sherwood, Technical Consultant, Connecticut Energy Efficiency Board