



**Joint Committee of the CT Energy Efficiency Board and the
Connecticut Green Bank Board of Directors
Eversource Energy
107 Selden Street, Berlin, CT
Room 0-22E, East Building
Wednesday, January 18, 2017
1:30-3:30 p.m.**

MINUTES¹

In Attendance

Voting Members: John Harrity, Diane Duva, and Norma Glover

Non-Voting Members: Bryan Garcia, Bert Hunter (by phone), Pat McDonnell, and Ron Araujo

Others: Craig Diamond, Marissa Westbrook, Gentianna Darragjati, Steve Bruno, Pam Penna Verrillo, Kim Stevenson, Anthony Clark, Mackey Dykes, Brian Farnen (by phone), Chris Kramer (by phone), Kerry O'Neill (by phone), Glenn Reed (by phone), Nick Zuba (by phone)

1. Call to Order

Diane Duva called the meeting to order at 1:43 p.m.

2. Public Comments

There were no public comments.

3. Review and approval of Meeting Minutes for October 17, 2016 meeting

Upon a motion made by Diane Duva and, seconded by Norma Glover, the approval of the Meeting Minutes from October 17, 2016 passed unanimously.

4. Other Business

a. CT 2017 Energy Legislative Outlook

Brian Farnen provided an update on the Legislative Outlook. He discussed Residential PACE, explaining that they are working with EDC on the issue. He explained that CPACE has been a great success and that there is just a technical fix. He discussed the Residential Solar Investment Program and a potential legislative proposal to address a World Trade Order dispute between India and the US. He stated that there is USDA funding that the Connecticut Green Bank is going after, but

¹ Materials for this meeting can be accessed at Box.net:

they may need to make another legislative clarification in order to get access to this low-cost capital.

Diane Duva questioned the RSIP incentive for CT manufacturing. Brian Farnen explained that it's in the RSIP Statute, and not something that is actually in use.

b. Governor's Council on Climate Change

Diane Duva provided an update on the Governor's Council on Climate Change. She stated that timeline on the report for that group is within a few months. She stated that there is a lot data collection to be gone through. She stated that a lot of good information will come from the report from that group.

Bryan Garcia discussed the Retreat that the Connecticut Green Bank had in January stating that a takeaway from that was that the Connecticut Green Bank needs to find additional ways to help support zero emission vehicles, renewable thermal technologies, and grid modernization.

Norma Glover stated that the Connecticut Green Bank needs to find out how the utilities in other states are working with climate change in those states. She stated that her feeling is that if the utilities are not in on things, then they will not be able to achieve the goals that are set. Pat McDonell noted that not including the utilities on the council was a missed opportunity by the state.

Diane Duva discussed the pilots that the utilities are doing on grid modernization. She questioned if it would be helpful for the Connecticut Green Bank to see that presentation. She stated that the question can be asked of the utilities.

Ron Araujo discussed the way that they evaluate the program on the utility side. He explained that they look at the cost effectiveness of the programs. He stated that this was presented as part of the Plan Update. He stated that they will probably follow the CES.

John Harrity discussed the Council on Climate Change, stating that they have stakeholder meetings. He stated that they are a great opportunity to see what folks that don't have a lot of specific information, but that have a strong interest in climate change, where they are at. Bryan Garcia noted that the next meeting of the Governor's Council on Climate Change was set for February 9, 2017 at DEEP in Hartford at 2:00 p.m.

c. Comprehensive Energy Strategy

5. Report-Outs from Sector Working Groups: Emerging Opportunities and Issues to Resolve

a. Deep Dive: Residential – Single Family and Multifamily

Ron Araujo discussed the reports on Single and Multifamily Residential. He discussed the joint goals that were identified. He stated that they are looking to leverage up rate payer funds, increase financing in the Home Energy Solutions channel, and looking to reduce energy consumption and cost in Multifamily.

Ron Araujo discussed the integration of CHIF, which is now Capital for Change, into the Smart-E Program. He stated that the post-merger activities have been completed. He stated that they are awaiting the first report from Capital for Change.

Ron Araujo discussed tracking component costs on a monthly basis, and that this is ongoing. He stated that they are also tracking the add on measures. He stated that securing the bond process for the Smart-E Program did not make it to the Bond Commission Agenda in 2016, so they do not have an update on that.

Chris Kramer questioned if there had been any thoughts on adding CES items to the goals. Ron Araujo stated that he doesn't have an answer until they see the CES.

Bryan Garcia discussed the Mid-Year Progress Check that the Connecticut Green Bank has implemented and stated that they should revisit the goals for the Joint Committee. Ron Araujo was in agreement, in light of the new CES, when that comes out.

Ron Araujo stated that the Connecticut Green Bank and DEEP have been working together on Single Family for quite some time. He stated that Multifamily will be a bit more work. He stated that they are working to develop a tracking matrix. He stated that they have developed a draft tracking matrix, which ties into the tracking and savings per property basis and different financing in the area.

Kim Stevenson discussed the projects and where they are in terms of financing stating that there's an intense working process following up on the LEAN issues. She stated that they are meeting every few weeks.

Ron Araujo stated that they are conducting a study on the market itself to identify some of the areas that they were not aware of. He stated that they plan to meet on January 24, 2017.

Chris Kramer questioned if there was a way to track the impacts of the partnerships that are now in place, regarding the LEAN process. Ron Araujo stated that they had actually reported that out. He stated that they will continue to track that more going forward. Kerry O'Neill stated that those activities are captured in the tracking template that they have drafted.

Ron Araujo discussed Home Energy Solutions and the add ons. He stated that activity in 2015 was fairly robust. He stated that 2016 they did see a significant decline in activity with regard to customers who were having a visit. He explained that without a visit there was no recommended add on. He explained that they felt that this was due to warmer weather and lower fuel oil prices. He stated that they jumpstarted some of the marketing activity in March. He stated that that did cause an improvement overall. He stated that the price of the visit went up by \$25 as of September 1, 2016. He stated that a lot of customers took advantage of the service prior to the price increase. He stated that they did have a strong showing going into the end of the year.

Glenn Reed questioned the 2015 numbers. Ron Araujo stated that they are looking at cohorts for 2015/2016. Glenn Reed questioned if it was just add-on activity or participation in each. Ron Araujo stated that they are looking at those customers that have audits and had some sort of an upgrade in that year. Marissa Westbrook stated that it is master cohort data, but there is a bit of a lag on the rebates. She stated that the numbers will increase when more rebates are received.

Ron Araujo discussed Multi and Single Family Loan Programs. He stated that they had a comprehensive loan offered through HES and the Smart-E Bundles. He stated that if you disregard January you can see that the activity is fairly consistent, but lower on the HES side as the year went on and an increase on the Smart-E side.

Ron Araujo stated that they are showing a lot of upgrades being done with other financing mechanisms. He stated that they do have good penetration into the market to finance some of the upgrades.

Kerry O'Neill discussed the Smart-E interest rate buy downs. She stated that the credit enhancement component of the Smart-E is what is reserved and set aside on the balance sheet as part of the Loan Loss Reserve Program, not actual losses. Kerry stated that the EEB will no longer pay the origination and servicing fee for C4C Smart-E loans, stating that that will shift over to the Smart-E Program. Bryan Garcia stated that they had allocated \$8.25 million and that they're not seeing any losses. He stated that they're looking to shift those resources where it makes sense to expend federal money.

Ron Araujo explained that they are hosting quarterly contractor events and are trying to bring in other industry partners, such as the Department of Consumer Protection for value for all partners involved.

Ron Araujo discussed the Home Energy Score that is needed to qualify on the Solar incentive side. He stated that they're looking at evaluating HES and the Home Energy Score as the only options, but they would like feedback from the vendors on how this is going.

Ron Araujo stated that they are trying to come up with a common draft intake application for Multifamily and that will be finalized at the meeting on January 24, 2017. He stated that they added the logo to all of the presentations so now it appears that it's all part of the Energize CT offering. He stated that they are doing a review of the Connecticut Green Bank website to better align the terminology.

John Harrity questioned the upgrade numbers and why people did not do the upgrades. Ron Araujo stated that they do not know why people did not pursue that measure. Kerry O'Neill stated that they added another tool to the new Smart-E Bundle where you can get the lower 2.99% rate on your recommended upgrades if you go through HES Core Services.

b. Brief Report: C&I – Small, Medium, and Large Business (including update on SBEA Financing proposal)

Steve Bruno provided an update on C & I, Small, Medium, and Large Business. He discussed the action items that had been completed. He discussed the Joint CPACE

Programs stating that they are still working on those. He discussed different potential targets such as nursing homes. He also discussed the fact that they are working on capitalization of the Small Business Energy Advantage (SBEA) financing program with Connecticut Green Bank and private capital.

Anthony Clark provided an update on the SBEA. He discussed the proposal from JP Morgan in response to the RFP that the Connecticut Green Bank had sent out. He discussed that there is a significant opportunity to lower the cost per project to the CT Energy Efficiency Fund. He explained that the Green Bank and the utilities are working to ensure robust credit backstops. He also stated that they are looking to ensure that the budget that is already allocated to SBEA remains. He explained that overall the goal is to lower the cost of the program and have more money available.

Diane Duva commented that they need to be sure that they're comfortable with the credit backstops and to potentially ask to use rate payer funds if needed. Anthony Clark stated that the utility has been operating the program with that ratepayer guarantee. Chris Kramer stated that they need to be clear that they are talking about continuation of cost that is currently being covered by the rate payer.

Anthony Clark stated that by setting up the facility they could save approximately \$4.5 million in the first three years. He stated that they will be realizing savings every year that the program operates. He stated that if they do not create the credit backstop, it will result in higher recurring annual costs.

Diane Duva questioned if this has to be in place or if there was another option. Anthony Clark stated that it's the Connecticut Green Bank that will create the LLC. He stated that the Connecticut Green Bank Board needs to feel comfortable that the necessary pieces are in place. He stated that the Connecticut Green Bank is willing to take on some of the timing risk, but the full backstop is not something that they will take on.

Bert Hunter explained that JP Morgan is looking at this as a Municipal credit risk, the Energy Efficiency Fund combined with the risk of the Connecticut Green Bank. He stated that they will have to totally re-shop the RFP without the credit backstops in place.

Chris Kramer stated that they're not talking about a large default. He stated that there are currently rate payer funds that cover the costs. He stated that the only question is whether that would continue. He stated that they're talking about continuing rate payer coverage of costs that have already been approved. He stated that any risk along those lines would be fully under the control of the people that control the program currently. Steve Bruno stated that the additional risk is whether the Legislature decides to defund the CEEF and use those funds.

Diane Duva stated that this should be a topic for a future meeting.

c. Brief Report: Government

Diane Duva provided an update on the Government Sector. She discussed the Connecticut Valley Hospital Project and the upcoming Department of Corrections Project, which the Connecticut Green Bank is currently working on the financing vehicle. She stated that the next step is getting a Master Lease Agreement in place.

Bert Hunter stated that a concern is trying to get enough of an allocation of future projects approved so that a pipeline of transactions can be worked on. Unfortunately, he noted, the arrangements currently in place involve bond cap limitations. He stated that both projects as presently constructed rely on a mechanism that touches the bond cap. He stated that the Green Bank is working on a financing structure as an alternative that would not impact the bond cap.

6. Planning for Next Meeting

a. Identify topics for future 2017 meetings

Diane Duva stated that a topic for the next meeting is, updating the goals and revisiting them.

7. Adjourn

Upon a motion made by John Harrity and, seconded by Gentianna Darragjati, the meeting was adjourned at 3:34 pm.

Respectfully Submitted,

Eric Brown, Chairperson