



**Energy Efficiency Board
Monthly Meeting**

Wednesday, May 9, 2012

Legislative Office Building, Hearing Room 1B
300 Capitol Avenue, Hartford, Connecticut

MINUTES¹

EEB Voting Members in Attendance: Rich Steeves, First Vice Chair; Shirley Bergert; Neil Beup; Eric Brown [phone]; Jamie Howland; Frank Johnson; Rick Rodrigue [Commissioner Esty's proxy]; Amy Thompson.

Utilities Representatives: Ron Araujo, John Dobos, Pat McDonnell, Dale Williams

Not in Attendance: Daniel Esty; Michael Wertheimer.

Other Attendees: Katie Scharf-Dykes, Cindy Jacobs (DEEP); Tim Cole, Glenn Reed, Jeff Schlegel, Ellen Zuckerman (Consultants); Chris Bernard, Sheri Borrelli, Tyra Peluso, Peter Ptak, Barbara Roderick (Companies)

The officially noticed May 2012 monthly meeting of the Energy Efficiency Board commenced at 1:30 pm with First Vice Chairman Rich Steeves presiding.

1. Process

- A. Agenda – The agenda² was approved as presented without changes. Pat McDonnell took the opportunity to remark on the return of Frank Johnson as the Manufacturing Alliance of Connecticut representation on the board and extended a warm welcome, which was seconded by Mr. Steeves.
- B. Minutes – The minutes³ of the April 11, 2012 board meeting were approved as presented on a motion by Shirley Bergert seconded by Rick Rodrigue.
- C. Public Comments –
 - Ron Araujo introduced Penni Conner, Northeast Utilities' new Vice President for Customer Care. Ms. Conner is coming to the merged company from NStar. Drawing on over 10 years experience, she will now be overseeing all the energy efficiency programs for the combined company. Ms. Conner noted that in Massachusetts NStar developed C&LM capacity equivalent to 450 MW. She has

¹ Meeting Materials Available in Box.net Folder <http://www.box.com/s/84f315287874271410d5>

² 120509 EEB Agenda F.pdf

³ 120411 EEB Minutes F.pdf

been actively involved in meeting Massachusetts' very aggressive plan objectives and expects to be just as personally engaged in Connecticut as well.

- Natalie Hildt from the Northeast Energy Efficiency Partnerships informed that board that she is actively urging business people, utilities representatives, and policymakers from other states to attend the next EEB meeting, when it is held in Stamford under the auspices of the NEEP Summit on June 13. She expressed her hope that the EEB meeting will be a great venue for people from other parts of the region and the country to observe the role the board plays in the implementation of the state's widely recognized strong programs.
- Mr. Robert Fromer speaking for himself expressed the view that the United States is a country and Connecticut a state where waste is the most important product. He considered Ms. Conner's comment about 450MW in savings in Massachusetts misleading, asserting that such a number must be taken as a gross figure, for which the net realized energy efficiency may be zero. Commenting on the 2012 Conservation and Load Management Plan, Mr. Fromer criticized the lack of statistical analysis, showing no error analysis or deviations. A probabilistic analysis is needed to estimate what the real net savings are. This in turn raises, in Mr. Fromer's view, the issue of Energy Return on Investment (EROI). The board should know what energy was invested in new nominally more energy efficient equipment, as well as that invested in the equipment that is replaced. The issue is not about return on dollars invested, but on energy invested. No government can create more fossil fuels. The ultimate value must be seen in terms of energy not money.
- Mr. Lee Hebert⁴ representing Boston Power Supplies, Inc. presented an argument to the board regarding value of Battery Energy Storage as a means for managing the power supply when experiencing peak load, making optimal use of renewable energy sources and for reducing the need for additional transmission capacity to bring in baseload power from Canada. He requested that these views be taken into account as part of the 2013 C&LM planning process.
- Mr. Cal Vinal from CHIF expressed his desire to see the EEB support the companies' efforts to extend the small insulation finance program past June 30, when funding will otherwise run out. Mr. Schlegel noted that the consultants support the suggestion and Mr. Howland stated that the Residential Committee is also in favor. Mr. Araujo observed that there will need to be approval of additional funding from PURA in order to make it happen. There are several options, including transferring funds from other programs, using carryover funds, or accessing the additional funding currently budgeted in the expanded plan. However, any of those options will require approval. Mr. Steeves suggested the board act on this at the next meeting on June 13, noting that the recent changes in the program have positively impacted both the level of participation in the loan program and the loan-approval rate. Ms. Bergert stated her concern about deferring action until mid-June and suggested an electronic vote instead once a

⁴ L Hebert Energy Board May 10, 2012.docx

proposal is ready. Mr. Vinal agreed to work with the companies on a proposal, which the board would then be asked to support. Mr. Schlegel concluded that there was a consensus on the board that it would like to move forward on the matter as soon as the companies are ready.

- In her role as Executive Director of the organization, Lindsay Farrell spoke on behalf of Connecticut Working Families. She drew the board's attention to a statement⁵ she submitted for the morning's Public Input Session, which she had been unable to speak to in person due to a scheduling conflict. Ms. Farrell expressed her organization's appreciation for the strengths of the state's energy efficiency programs, coupled with a desire to see more intensive coordination among them so as to achieve optimal impact in terms of financing, workforce development, and consumer benefits at the community level.
- Mr. Joseph Newsome, a member of the Rhode island Energy Efficiency and Resource Management Council, introduced himself and expressed his appreciation for the opportunity to share experiences with members of the EEB and others active in the field in Connecticut.

D. Consultant Committee – Mr. Rodrigue reported that with half year workplans for the board's consultants and a retainer schedule for the managing consultant now in place⁶, the Committee has decided to begin issuing a new round of RFPs. The first to come up will be those for the Residential Consultant and the Executive Secretary. The committee will work with the companies on the issuance of the RFPs.

E. Energy Efficiency Board Calendar and Schedule –

- Mr. Steeves reminded the board that the annual retreat has been scheduled for June 15, two days after the June 13 monthly board meeting, which will be taking place in Stamford in conjunction with the NEEP Summit.
- Regarding the planning schedule for 2013 C&LM Plan, Mr. Schlegel commented that the possibility of shifting to a multi-year planning schedule is under active consideration, but a firm decision has not yet been made at DEEP. Mr. Araujo noted that a kickoff planning meeting has tentatively been scheduled for May 31. A planning schedule is included in the board packet.⁷ Although the PURA decision on the 2012 Gas Plan in docket 11-10-03 suggests two separate plans for gas and electric may be required, Mr. Steeves indicated that the board and the department are striving to ensure that there will be only one plan. The decision on the electric plan in docket 12-02-01 may speak to this.

⁵ EfficiencyFundPublicInputWF.pdf

⁶ EEBConsultantWorkplanTable-2012_031412toEEBapprovedrev.xls

⁷ EEB 2012 Milestone Schedule C&LM Plan and PSD for 2013 04_04_2012.xls

2. Issues and Tasks

Outstanding Issues – Referring to the list of Outstanding Issues⁸ compiled for the board by the Executive Secretary, Mr. Schlegel noted with reference to item 2.B that work is underway on achieving a short-term fuel blind strategy at the request of legislators. A longer term solution has yet to be developed, though there is interest in taking one up next year.

3. Programs and Planning

A. 2012 Progress to date – Companies

- Mr. Araujo reviewed CL&P's quarterly results for first quarter.⁹ He observed that the residential programs are performing well, especially the retail lighting and HES-Income Eligible programs. Commercial and industrial programs have been somewhat more sluggish, particularly the small business programs where there has been a dropoff in the number of comprehensive projects going forward. Most concerning, however, is the fact that CL&P is on track to have expended or committed all of the funds budgeted in the Base Plan by June 30. Without additional funding, and absent a decision soon on the Base Plan from PURA, it will be necessary to stop taking on new projects. Mr. Steeves inquired about options for bridging the gap, including the possibility of borrowing money from the company itself. Mr. Araujo responded that PURA approval would be required even for interim solutions. One possibility would be to move some funds over from C&I where activity is lagging to residential programs where it is needed. Some funds might also be transferred from the marketing line item, which is sluggish, plus shift some marketing. Ms. Bergert suggested that company should prepare to make a formal request to PURA for interim permission to keep the programs moving forward. Mr. Araujo agreed that the company could put together a request once the April results are firmly accounted for.

Reporting for United Illuminating, Mr. McDonnell noted that there too Base Plan budgeted funds will also be fully expended or committed very soon.¹⁰ The programs have been moving on track, as planned. If the same rate were to continue, based on first quarter results programs would significantly exceed the budgeted funding level increased funding were not approved. He expressed hope that the expected DEEP Determination will call for greater funding flexibility via a rolling budget mechanism and multi-year planning to avoid such challenges in the future.

John Dobos presented the results for the Connecticut Natural Gas and Southern Connecticut Gas companies.¹¹ He noted that the gas programs are running a little behind plan performance targets. Two important considerations are first that the gas plan was approved at the expanded level and therefore has more funds to expend, and secondly that the gas and electric programs are designed to work

⁸ 120509 Outstanding Issues F.pdf

⁹ CL&P CLM QTR Report 2012 Q1.pptx

¹⁰ UI CLM 1st qtr 2012.ppt

¹¹ CNG_SCG CLM QTR Report 2012 Q1.ppt

closely together, so the uncertainty in the electric programs is having an effect on the gas programs. In response to a question from Mr. Steeves, Mr. Dobos assured the board that the companies fully expect to meet the gas program goals going forward.

Mr. Araujo reported that the Yankee Gas program performance is very similar to CNG/SCG's.¹² He noted that the company is doing some radio and TV promotions to attract more customers and program administrators are tracking the effect of the promotions closely.

B. DEEP coordination update and plans – BETP staff & Jeff Schlegel

- 2012 C&LM Plan – DEEP and PURA Review
 - Deputy Commissioner for Energy Katie Dykes reported that drafts of the Expanded Plan and the 2012 Integrated Resource Plan will be released concurrently in the next few days. A two week comment period is envisioned. The final versions will be published quickly after comment period. Mr. Schlegel advised the board members to look for the drafts to be circulated electronically as soon as they are released.

C. Special Reports – Companies

- CHP Policy review – Mr. Schlegel drew the board's attention to three documents prepared by C&I consultant Les Tumidaj – the current policy on using EEF funds in connection with CHP applications, a draft revised policy, and a draft cover letter to forward recommended changes to Commissioner Esty.¹³ Mr. McDonnell explained the grounds for requesting a change in the policy. Some customers that operate large distributed generation combined heat and power installations do not contribute to the EEF on the electric side. However, they make very large contributions on the gas side, and should therefore be considered as eligible for incentives. Mr. Tumidaj noted that after reviewing the record and suggested changes, the consultants are recommending approval of proposed changes. Mr. McDonnell noted that with the changed policy the companies will be able to match the level of gas savings to the high quantity of gas use by CHP customers. Their large contributions to the EEF gas fund could be used to fund both gas measures and electric measures, which should reduce total load on the system and the system's use of gas. Mr. Tumidaj noted that this discussion highlights the larger opportunity for the board to take a look at what is going on in the DG field. Mr. Howland noted that he would like to see numbers for the categories of customers in the different categories described in the proposed policy. Ms. Bergert moved approval of the recommended changes. Mr. Howland seconded the motion. The motion was approved unanimously.

¹² YGS_ CLM QTR Report 2012 Q1.pptx

¹³ Doc1x-Original CEEF CHP Customer Participation with initial edits.doc
Doc2x-2012 CEEF CHP Customer Participation Revised Draft.doc
Doc3x-Draft memo regarding CHP-revised.docx

- D. Evaluation Committee Report – Mr. Rodrigue noted that the committee met the previous day and reviewed Kim Oswald’s monthly report.¹⁴ A high priority for the committee is the baseline weatherization study now under discussion. Members believe strongly the study should be done, but the quoted price of \$1.2 M is prompting the committee to take a closer look at what types of data are already in hand that could help bring down the cost. Mr. Steeves drew the board’s attention to the large number of evaluation projects now underway, planned, or contemplated. Mr. Howland noted that the committee had decided to change the approach to the PSD review. The contractor will finish the prioritization list now in process and it will be treated as the last deliverable, which the companies will then be asked to take, review, and comment on. With respect to the CL&P Billing Analysis of the HERs/OPower program, the committee decided there will be no final interim report filed. This is because the draft final report for the whole project will be production very soon. The Executive Secretary will notify stakeholders and interested parties of this change.
- E. Commercial & Industrial Committee Report –Mr. Tumidaj reported that the committee is working on ramping up for expanded plan. It is currently looking at some of the software tools and energy management systems that are available. FirstFuel will provide a demo of its building energy analytics capability at tomorrow’s May 10 C&I committee meeting at 1:00 pm at DEEP. Ms. Dykes commented that the Rocky Mountain Institute consultants working on the Comprehensive Energy Strategy for DEEP could be available to present to the board on these matters. Noting that the companies have been working with the C&I committee on changing approaches to comprehensiveness to increase participation, Mr. Schlegel asked whether there had been formal outreach to vendors about the changes. Mr. Araujo responded that the message has been delivered informally and will be delivered more formally at the quarterly vendor meeting.
- F. Residential Committee Report – Glenn Reed reported that work continues on the weatherization definition recommendation, but that it is not yet ready to be put before the board for a vote. Mr. Steeves proposed an electronic vote when it is ready. Mr. Howland noted that it could be paired with the insulation funding extension proposal when that is circulated for a vote. The intent is to have language ready by the end of next week.
- G. EEF-CEFIA Joint Committee Report – Mr. Steeves reported that the CEFIA board will meet on the 18th to approve their proposed members for the joint committee. It is expected that a meeting will follow soon after.

4. Outreach and Marketing

- A. Marketing Committee Report – Rich Steeves & Jeff Schlegel

¹⁴ EEB Evaluation Report 5-2012.docx

- Joint DEEP/EEB/CEFIA statewide marketing project update – Frank Gorke and Carol Lindstrom from ClearResults offered a presentation covering activities to date.¹⁵ Mr. Araujo inquired whether bilingual messaging is envisioned. Ms. Lindstrom responded that the campaign when launched will not be bilingual, but a roadmap will be provided for how to get there. The team is currently testing keywords – “clean,” “smart,” and “future” are the current contenders. The plan calls for finalizing a brand platform by May 10, naming by May 18, and a web strategy by May 23. Mr. Schlegel noted that the brand platform will inform the naming proposals that get tested. The brand will be final by the end of the month, in time for the planned soft launch in mid-June.
- B. Updates on current marketing events and initiatives – Mr. Araujo and Mr. McDonnell highlighted key events on the companies’ calendars.¹⁶ These include a Heating and Cooling seminar on May 15th, a regional workshop on Clean Energy Communities with CEFIA in Westbrook on the 16th, the eeSmarts student awards event at the state capitol and a community outreach event at Shiloh Baptist in Bridgeport on the 22nd, the Design and Trades conference at CCSU offered together with the Department of Construction Services on the 25th, among others.

5. Other

- Mr. Rodrigue alerted the board to the fact DEEP is exploring the possibility of asking for the EEF to pay for consultants to handle selected tasks as provided for by PA 11-80 and will likely be coming back with requests. Mr. Araujo noted that the companies will need board approval for such requests before expending EEF funds. Mr. Rodrigue indicated he would report back when the Policy Bureau clarifies how the process for retaining consultants this way will work.
- Mr. Schlegel noted that the CPTV Empowering CT series developed together with the companies to promote energy efficiency has been nominated for a regional Emmy.

6. Adjournment

With no further business to attend to, the meeting adjourned at 3:30 pm.

Respectfully submitted,

Tim Cole
Executive Secretary

¹⁵ CT EEB Energy Marketing Update 050912 final.pdf

¹⁶ CLP Events Calendar as of 20120502.xls
UI May2012_EEB Calendar.docx