



**ENERGY EFFICIENCY BOARD
MONTHLY MEETING**

Wednesday, August 8, 2012

Department of Energy and Environmental Protection – Public Utilities Regulatory Authority
10 Franklin Square, New Britain, Connecticut

MINUTES¹

EEB Voting Members in Attendance: Jamie Howland, Shirley Bergert, Eric Brown [phone], Daniel Esty, Joel Gordes, Taren O'Connor, Rick Rodrigue [DEEP Liaison], Amy Thompson, Michael Wertheimer

Utilities Representatives: Ron Araujo, Michael Cassella, Joe Crocco, Pat McDonnell

Not in Attendance: Neil Beup, Dale Williams

Other Attendees: Tim Cole, Glenn Reed, Jeff Schlegel, Les Tumidaj [Consultants]; Katie Dykes, Alex Kragie [DEEP]; Bryan Garcia, Matthew Dykes [CEFIA]; Chris Bernard, Sheri Borrelli, Jane Bugbee, Chris Ehlert, John Matchett, Dennis O'Connor, Tyra Peluso, Peter Ptak, Tim Simmonds, Tilak Subrahmanian, Lomont White [companies]; John Chamberlain, Sabrina Szeto [Housing Development Fund]; Bob Slate, Pat Wrice [Operation Fuel]; Kerry O'Neill, Roger Smith [Neighbor to Neighbor]; Frank Gorke [contractor]

The officially noticed monthly meeting of the Energy Efficiency Board commenced at 1:06 pm with Vice Chairman Jamie Howland presiding.

1. Process

- Agenda – The agenda was reviewed and accepted as presented without changes.
- Minutes – The minutes of the July 25, 2012 board meeting² were approved on a motion by Amy Thompson, seconded by Michael Wertheimer. Rick Rodrigue abstained.
- Public Comments – Reporting on the Neighbor to Neighbor Energy Challenge, Kerry O'Neill offered a brief status update on the end of year 2 for the DOE Better Buildings grant that funds N2N. Funds will be fully expended by April. A process evaluation is now underway, and an impact evaluation is contemplated. The evaluations are expected to be highly useful to national partners in the Better Buildings program. N2N has developed a strong reputation for the high quality and usefulness of its data. The results of the evaluations will be shared with the board and Connecticut stakeholders when they are completed. N2N is currently working on a proposal to sustain the project when the Better Buildings funding expires.

¹ Meeting Materials Available in Box.net Folder <https://www.box.com/s/1362c724959ae8f88cd7>

² 120725 EEB Minutes F.pdf

- Clean Energy Finance Investment Authority Report –
 - Bryan Garcia, CEFIA President and CEO, provided a presentation highlighting the contents of the agency’s recently adopted Strategic Plan.³ Referencing the sections of PA 11-80 concerning the state’s commitment to developing a clean energy through the Comprehensive Energy Plan and the Integrated Resource Plan, Mr. Garcia emphasized that CEFIA’s comprehensive plan supports the implementation of these key public policy drivers through clean energy finance. With emphasis on public-private partnerships CEFIA has a number of tools at its disposal. These include among others:
 - Loans
 - Tax Equity Funds
 - Credit enhancements and leveraging private capital
 - Bonding
 - A Commercial Property Assessed Clean Energy (C-PACE) program
 - A Residential Solar PV Lease program
 - A Campus Efficiency Now program designed for higher education called Greener U

Summarizing, Mr. Garcia noted that CEFIA is breaking new ground by creating new asset classes for clean energy that can be traded in the investment marketplace.

- Awards Presentation for Home Performance with EnergyStar vendors –
 - On behalf of the companies, Jane Bugbee presented the 16 Connecticut home performance contractors who had been recognized by the Department of Energy as 2011 Century Club awardees. She noted that of the 45 awards DOE made nationally, with these 16 Connecticut had by far the largest number. Noting that he felt awed by such a level of success and leadership, Commissioner Esty handed out framed award certificates to the following firms:

Alternative Global Energy	Hoffman Fuel
Climate Partners	Lantern Energy, LLC
Competitive Resources, Inc	New England Conservation Services
Energy PRZ	New England Smart Energy Group
Energy Resources Group	R Pelton Builders, Inc
Green Star Insulation, LLC	Save Home Energy, LLC
Gulick Building and Development, LLC	Victory Energy Solutions
Handyman Express Energy Solutions LLC	Wesson Energy, Inc

2. Issues and Tasks

- Subcommittee report on review of HES vendor dismissal / suspension cases – Speaking for the subcommittee comprised of Taren O’Connor, Mr. Rodrigue and himself, Mr. Wertheimer reported on the results of the review undertaken in response to requests filed with the board by Green Star Energy Solutions regarding its dismissal from the HES program and by Lantern Energy regarding a one-month suspension imposed. Mr. Wertheimer noted that both cases raised important issues deserving of

³ CEFIA_Comprehensive Plan_CEEF_080812.pptx

careful attention by the committee and the board. The committee reviewed the two complaints independently and talked with company and vendor representatives separately. On behalf of the committee, he made the following points:

- The committee is disappointed that the companies still have not provided all the documentation requested.
- Findings:
 - In the case of Lantern Energy, the allegation is that bulbs were left behind as a courtesy. The bulbs were not paid for by the program. Lantern was suspended for a month and given action points by both companies based on performance.
 - In the case of Green Star Energy Solutions the issue concerned a failure to notify the companies in a timely manner regarding thefts from customers by a Green Star employee. It was noted that Green Star did notify police and made the customers whole. Initially the firm was suspended in November 2011. The dismissal for the remainder of the contract took place in December.
 - There are disconnects between what the companies think and what the vendors think happened procedurally in each case. The committee reviewed manual and has concluded that there is need for more two-way dialogue between the companies and the vendors. Communications at the regular vendor meetings scheduled by the companies are one way. Secondly, the process for disciplinary action needs to be improved. There is insufficient dialogue regarding potential suspensions and no advance notice is given.
- Recommendations:
 - Lantern – In light of the facts that 1) points were assessed by both companies though the offense occurred in CL&P territory; 2) that there was a different understanding between the companies and the vendor about when leaving bulbs would be a suspendable offense (depending on whether the bulbs were charged to the program or not); and 3) that there is a lack of clarity in the manual about how points are assigned, the committee recommends to the board that the assigned points should be removed, that the companies should consider ending the suspension early, and that the point system be clarified to avoid similar cases in the future.
 - Green Star Energy Solutions – The committee does not recommend a change in the disciplinary action taken.
 - Recommendations on process –
 - There should be more dialogue before discipline is taken
 - Actions need to follow quickly after offense
 - Need better process for review – The board needs better access to documents and explanations for actions taken.
- Shirley Bergert moved acceptance of the committee’s recommendations; Joel Gordes seconded the motion.
- Ms. Bergert suggested that vendor input could be provided through the Home Performance Alliance of Connecticut (HPACT) and encouraged the group to offer

its own recommendations for how to improved communications. Mr. Wertheimer commented that there is a fear of retribution among vendors who speak up. Thus the committee's recommendation that more two-way communications between companies and vendors should be encouraged. Ms. Bergert suggested the committee should have a hand in improving policies and procedures and offered her assistance. Mr. Wertheimer proposed that the companies redraft the manual to ensure more process transparency and then present the revisions to the committee for review. Ron Araujo and Pat McDonnell agreed on behalf of the companies to follow up on the comments received and to report back in one month at the September board meeting.

- The motion was approved with all voting members present voting in favor, except for Mr. Gordes, who abstained.
- On behalf of Lantern Energy, Craig Frenkel expressed thanks to the board for its review of the matter.

3. Programs and Planning

- **Project/BEST outreach proposal – Operational Fuel and companies –**
On behalf of Operation Fuel, Executive Director Pat Wrice provided a presentation to the board about the Project/BEST small business outreach program for distressed communities the agency has been piloting in five Connecticut municipalities in collaboration with the SBEA programs at CL&P and UI. Her presentation reviewed the approaches taken and achievements of the first year and set forth an enhanced model envisioned for the future, beginning in the fall of 2012.⁴ Mr. Esty observed that he was highly impressed by the program and noted that the Comprehensive Energy Strategy will include a low-income strategy to help people with their electric and heating bills. It is a priority to target small businesses. He noted with approval the enhanced model's focus on getting the incentive structure right, as it is designed to subsidize customers' investments in upgrades. Jeff Schlegel inquired whether the companies were working with Operation Fuel on a formal proposal. Mr. Araujo affirmed that the companies are working on such a proposal. Mr. McDonnell noted that in the first year UI took advantage of its relationship with Project/BEST though it did not subsidize the program. It is clear that there is value to the programs in getting the leads and community access Project/BEST offers. In response to a question from Mr. Esty regarding whether the program is offered in Spanish, Ms. Wrice noted that they have people on the ground, working through community partners such as the Spanish American Merchants' Association. Project/BEST coordinator Bob Slate noted that all the workshops had Spanish speakers, all materials are bilingual and they made use of Spanish media in Bridgeport. Mr. Araujo commented that the companies also have bilingual staff. Mr. McDonnell noted that Dennis O'Connor from UI has worked with Yale to find people who can help with other languages. Ms. Bergert observed that this is a market segment the programs have had difficulty reaching, which makes

⁴ Project.BEST.Presentation.CEEB1.pptx; Project.BEST.process.pdf; Project.BEST. Fact. Sheet.docx; Project.BEST.Pilot.Year.Final. Report.docx

Project/BEST all the more attractive. Mr. Schlegel noted that to proceed, funds from both 2012 and 2013 will need to be allocated.

- 2012 Progress to date – Companies
 - Mr. Araujo cited the quarterly reports in the packet.⁵ He noted the importance of having received approval for the \$18 million carry-over from PURA. Residential programs as of June appear to be on track, Income Eligible programs are running slightly ahead. Multi-family programs are doing well. C&I was lagging in the second quarter but appears to be improving. Small business programs are running behind. As discussed previously, the company is investigating strategies to address this, such as working with Operation Fuel, looking at extending loan repayment terms, and reviewing criteria for HVAC loans.
 - Referencing the reports from UI and CNG/SCG, Mr. McDonnell noted that about 54% of budget was expended or committed by the end of June. About 90% of the HES budget has been committed or spent, pending the PURA final decision on the base plan regarding the possibility of spending forward from 2013. He also commented on the current work underway with the Conservation Corps in Bridgeport, as well as with Shiloh Baptist.
 - Regarding the Clean Energy Communities programs, Mr. Araujo noted that 9 communities have signed the 20-20 pledge. Mr. McDonnell indicated that for UI 7 communities have signed the pledge and 3 more are expected.
- DEEP coordination update and plans – Rick Rodrigue & Jeff Schlegel
 - 2012 C&LM Plan – DEEP and PURA Review

Regarding the PURA Review of the 2012 Base Plan, Mr. Schlegel noted that the board's comments on the draft decision, which had been approved electronically and submitted, were included in the meeting packet.⁶ PURA has a special hearing scheduled today and is expected to issue a final decision. Mr. McDonnell remarked that if the final decision does not include permission to spend forward, UI has enough funds in place to make it through the end of September before have to begin shutting down programs. Joe Crocco commented that the problem was having an impact also on gas programs. Despite the fact funding had been approved for the gas programs back in January, without electric funding to link to, gas projects are stalled as well. In response to a question from Katie Dykes about whether a 15% spend forward authorization would be enough, Mr. McDonnell allowed as how it would suffice, barely.
 - DEEP Determination and PURA review of the 2012 Expanded Plan – Ms. Dykes noted that DEEP has approved the Expanded Plan through its determination. The companies need now to file with PURA regarding authorization to implement. The companies have an August 15 target date for the filing about a CAM as provided for by the determination. That filing will trigger the PURA review.

⁵ CL&P CLM QTR Report 2012 Q2.pptx; CL&P UI HES Reporting through June 2012.pdf; YGS_ CLM QTR Report 2012 Q2.pptx; YGS_Q2 June_ 2012.xlsx; SBEA 2012 Program Update For 08082012 Meeting.pptx; Joint Tracking Q2 Filing CLP_UI - Joint Summary.pdf; Joint Tracking Q2 Filing CLP_UI - Overview.pdf

⁶ 2012BasePlan_EEBCommentstoPURA_072712sign.pdf

- Regarding the Comprehensive Energy Strategy, Ms. Dykes indicated a draft would be ready by September. It is important to understand it will be presented as the Governor's strategy. She raised the possibility of a potential public joint meeting with EEB to talk about the buildings and industrial energy use chapters, suggesting a possible date in early October. Ms. Bergert inquired how specific the CES would be in speaking to financing issues. Mr. Esty indicated it would be as specific as possible. Ms. Bergert agreed to meet as soon as possible with Ms. Dykes and her team to see that the issues she has raised get serious consideration.
- 2013-2015 Multi-Year Plan –
 - Ms. Dykes reported that DEEP is working on a memorandum of understanding with PURA to make the review process going forward more transparent and efficient. She noted that both sides recognized there is time pressure, since it needs to be done in time to inform the 2013-15 C&LM plan which is to be submitted by October 1.
 - Mr. Schlegel reviewed the latest version of the three-year planning model for the board.⁷ He noted that the intent is to put the recommendation before DEEP with board agreement. He stressed that the budgets shown for future years in each 3-year plan will be merely “pro-forma” and for informational purposes only. Mr. Araujo remarked that this approach will help the companies when bidding into the Forward Capacity Market, because it sends positive signals to the vendor market.

4. Committee Reports

- Evaluation Committee – Reporting for the committee Ms. Thompson highlighted the following points:
 - A building characterization study is underway, independent of the weatherization baseline study.
 - The committee has talked through the scope and methodology of the weatherization study and it has started. Results are expected in June 2013, timed to help development of the next IRP.
 - A draft impact evaluation on Retro-commissioning, Operations & Maintenance, and the Business Sustainability Challenge has been released, and is now out for comments.
- Commercial & Industrial Committee –Les Tumidaj offered an update for the committee.
 - He reported that the committee had received a presentation from Jessica Bailey at CEFIA on C-PACE. It was agreed to form a joint working group to coordinate on near- and mid-term issues. There is a mid-September deadline for the RFQ for consultant support issued by CEFIA. The hope is to have C-PACE launched by January 1, 2013. Mr. Garcia remarked that CEFIA is in fact hoping to get some deals done by the end of the year. Since a small number of towns are already engaged, this may be doable.

⁷ EEB_2013-2015PlanningUpdate_08082012.ppt

- Regarding the committee’s discussion of the 2013-15 plan, it is looking at opportunities to get to targeted market niches through third parties. In this connection, an RFI had been issued and presentations were scheduled.⁸ Mr. Garcia expressed CEFIA’s interest in finding ways to contain energy audit costs and suggested this might be something the EEB might help with. In response, Mr. Tumidaj observed that the committee is interested in no-cost audit tools that could help for this purpose.
- Residential Committee –
 - Ms. Bergert reported on the committee’s continuing discussion of on-bill financing. She is looking for data on defaults and late payment, such as will help encourage finance markets in terms of giving realistic risk assessment opportunities. She extended an invitation to HPACT to provide input.
 - She also noted a bigger concern about financing concerns landlord tenant law and benefit law as summarized in the draft resolution she included in the meeting packet.⁹ She expressed her wish that the board recommend that any financing program be vetted to meet the following points:
 - Ensure eligibility for and benefits through means tested assistance programs relied on by low income households are not compromised by any financing program.
 - Ensure a financing program does not affect the balance of responsibilities and liability between landlords and tenants governed by Connecticut landlord/tenant law.
 - Ensure a low income household will not lose utility service when unable to meet payments due in any financing arrangements related to efficiency improvements.
 - Ensure low income ratepayers do not subsidize higher income households
 - Ms. Bergert agreed to explore options with the companies, vendors, and DEEP, with a resolution ready for consideration by the August 22 board meeting.

5. Outreach and Marketing

- Marketing Committee –
 - Joint DEEP/EEB/CEFIA statewide marketing project update
 - Mr. Schlegel noted that on the committee is faced with a very ambitious schedule to be ready by the third week in October for full launch of the EnergizeCT brand. It continues to be a challenge to balance the need for continuing program marketing with uncertainty about how much funding will be available. Meanwhile, the team is currently working now on copy and templates, samples of which he will circulate.
 - Samples of the brand and brand standards are now out for review. Most will be ready in a couple weeks.

⁸ RFI_CICustomerEngagement_8-1-12_F.pdf

⁹ CEEF resolution low income considerations in Efficiency Program Planning.docx

- The web site is the biggest task. It is scheduled to launch by mid-October, although some features will come afterward. Noteworthy is the fact that the Governor's and DEEP's press offices will handle some of the related marketing, which will save some resources for the second phase of the project.
- CPTV "EnergizeCT" broadcast series proposal – Mr. Howland reported that CPTV had presented to the marketing committee a proposal for three additional episodes of the series previously called "Empowering Connecticut", now redubbed "Energize Connecticut." The committee believes it is a good program, one that will include all things energy, along with some modifications of the previous episodes to align them with the new brand. Because however marketing resources are already committed, it will take approval of expanded plan funding for the project to be able to go forward. It should be noted though because of its comprehensive approach to energy, funding by multiple sectors, including transportation, and renewables for instance, should be considered.
- Companies' 2012 program marketing activities –
 - Mr. Araujo drew the board's attention to graphs included in the meeting packets.¹⁰ The takeaway is that the amount of activity over summer months is still off. There has been an increase in inquiries still no uptick in customer projects. A series of trainings for contractors has been scheduled including for HVAC, residential training for building code officials, lighting design. The home builders awards program is also coming up in September.
 - Mr. McDonnell pointed to the report on marketing activity in the quarterly report and the handouts he distributed on seminars on the TopTen and solar lease programs. He noted that webinars on code training were coming up and letters regarding a discount on heat pump water heaters available through Sears had been sent out to customers.
 - Eric Brown highlighted the October 5 annual What's the Deal conference jointly put on by CBIA and the Connecticut Power and Energy Society. He noted that if his schedule permits, the Governor hopes to speak. Commissioner Esty is already on the agenda. The energy efficiency section will present case studies of small, medium, and large businesses.

6. Other

7. **Adjourn** – There being no further business to attend to, the meeting adjourned at 3:26 pm

Respectfully submitted,

Timothy Cole, Executive Secretary

¹⁰ JULYEEBMarketingReport C&I.pdf; JULYEEBMarketingReport Residential.pdf