



Energy Efficiency Board Monthly Meeting

Wednesday, November 8, 2017, 1:00 – 3:30 PM
10 Franklin Square, New Britain, CT (Hearing Room 1)

Meeting Materials in Box.com:

MINUTES¹

In Attendance

Voting Board Members: Taren O'Connor (Chair), Bill Dornbos (Vice-Chair), Diane Duva, Adrienne Houel, Ravi Gorthala, Amanda Fargo-Johnson, Neil Beup, Mike Wertheimer, Eric Brown, Jack Traver

Utility Board Members: Chris Plecs, Ron Araujo, Pat McDonnell

Board Members Not in Attendance: Will Redden, Roddy Diotalevi

Board Consultants: Jeff Schlegel, Glenn Reed, Craig Diamond

Others: Linda Foreman, Will Riddle, Fred Mascola, Diane Del Rosso, Marissa Westbrook, Donna Wells, Leticia Colon, Bert Hunter, Anthony Clark, Guy West, Walter McCree, Jane Bourdeau, Mary Sotos, Jonathan Steinberg, Vivian Perez, Tim Fabien, Leticia Colon, Maggie Mccary, Theresa LaVoie (phone), Mark Thompson (phone), Anthony Clark (phone) Dan Barbieri (phone), John Maxwell (phone), David Jacobson (phone), Gary Eptein (phone), James Redden (phone), Joe Swift (phone), Scott Hastie (phone), Lynn Stoddard (phone), Violette Radomski (phone), Seamus McNamee

Process

Minutes

The Board considered whether to approve the minutes from the October 11, 2017 Board meeting. Ms. Fargo-Johnson moved to approve, Mr. Gorthala 2nd. **All present voted in favor. October 11, 2017 minutes approved.**

Public Comments

Vivian Perez – HPACT Board Member and Handy Man Express Energy Solutions. She said that she has been a HES vendor since 2009. She requested that the EEB allow the utilities to postpone the 2018 RFQ to add additional HES vendors into program. Ms. Perez read from a HPACT letter that was submitted to the Residential Committee.

¹ Meeting materials available in Box.com: <https://app.box.com/s/jxsux451d27un7q8o5gw7o9py7il3ll>

Leticia Colon, Energy Efficiencies Solutions – she read from the Efficiency for All comments letter which was provided to the Board and Residential Committee.

Maggie Mccarey, Oracle – she said it was critical to focus on the most cost-effective energy efficiency approaches. She also said it was important to consider program reach and participation and to benefit as many rate-payers as possible.

Tim Fabien, HPACT Chair and Aiello – he said the utilities should postpone or withdraw the HES RFQ.

Programs and Planning

2018 Plan Update, filing by Companies, EEB approval of remaining components

Mr. Schlegel said that there were three remaining items to be voted on: the PSD, PMI, and the Public Input Summary. He said that the Board Consultants were recommending that the Board approve these items. Mr. Brown asked about whether the programs were becoming more market-based, and whether there was a section in the C&LM Plan devoted to that issue. Mr. Schlegel said there was not one particular section devoted to that topic, although he said there were various components in Plan that move toward market-based solutions. Ms. Duva said that there was a copy and paste error in one of the appendices of the PSD that should be corrected after the Board's vote on the PSD. Mr. Traver asked how the budget cut would affect the filing of the 2018 Plan Update. Mr. Schlegel said the Companies and DEEP had agreed that the Companies would file the 2018 Update, and then changes would be made after that. Ms. Duva clarified that the Board had already approved most aspects of the Plan. Regarding Board support of the Plan, Mr. Schlegel recommended that the Board not vote on a letter of support, but rather that a brief Board leadership letter to be filed with DEEP. **VOTE: Ms. Houel moved to approve all elements of the Plan Update. Mr. Gorthala 2nd. All present voted in favor, except DEEP which abstained because the Plan Update will be filed with DEEP.**

Cuts to the CT Energy Efficiency Fund - Discussion on priorities, principles, and potential options

Mr. Schlegel led the discussion. Mr. Mascola provided a presentation on the revenue impacts of Bill 1502. Ms. O'Connor and Mr. Dornbos said that the Board should verify that the cuts must come from the electric programs only. Mr. Traver and Mr. Wertheimer agreed that the Board needed a more definitive determination. Mr. Wertheimer said he thought the Board should offer an opinion on this question. It was agreed that the Companies should provide a final determination on this question as quickly as possible. Mr. Schlegel clarified that the total reduction per calendar year was about \$68 million per year for two years. Mr. Traver asked about the timing of the transfers. Mr. Schlegel said that that state needed to provide guidance to the Companies about that. Mr. Schlegel clarified that there would be an accrual from 2017 to 2018. He noted that there could be more severe impacts in 2018.

Mr. Schlegel provided a presentation on the background of the budget cuts. He discussed the current allocation of direct programs and other elements of the budget. He said that the budget would continue parity for Residential and C&I, meaning that all revenue from

C&I customers would be spent on C&I programs, and all revenue from Residential customers would be spent on Residential programs.

Mr. Brown discussed the possibility of monetizing the SBEA loans and the Heating Loans. Mr. Hunter explained the concept to the Board, and said the total potential for additional funds available would be approximately \$46.5 million, including \$15 million from SBEA loans. He said this would be for one year, but it might be able to be extended to another year. He said the Green Bank was willing to discuss these ideas with the Companies and Board Consultants.

Ranking Exercise on Principles and Priorities

Mr. Wertheimer asked about the ISO-New England energy efficiency commitment for Connecticut. It was noted that it would be difficult to predict the outcome of the budget adjustment. It was noted that increased costs could be \$71 million across the performance period, which is 10 years (impact higher in summer months – peak demand). It was clarified that this would not impact ISO's forecast, and that ISO would find alternative resources that would likely not be energy efficiency resources. Ms. Fargo-Johnson asked about the legal options regarding MOUs, LOAs, etc. Mr. Schlegel clarified that it was technically possible to try to cancel commitments (he noted that utilities in other states had done that). Mr. Beup said that most C&I customers would find ways to work around the changes. Mr. McDonnell said that it still would be damaging to go back on the commitments. Ms. Sotos asked if the ISO penalty for withdrawing capacity would be a future cost. The answer provided was yes, but it was noted that it was not clear how that would occur.

Mr. Schlegel facilitated an exercise in which the Board ranked the importance of different budget/program priorities (see resulting matrix in Box folder). All voting members did the ranking except DEEP. Mr. Dornbos said that it would be important to explore opportunities to restore some revenue to the fund. Ms. O'Connor asked that Mr. Diamond send out a meeting poll to schedule a special meeting of the Board. Ms. Duva said that the Green Bank had been asked to quantify the impacts on the C-PACE program regarding loss of incentives.

Results of customer/contractor surveys of natural gas conversions (per Condition 21)

Mr. McNamee of Great Blue and Ms. Westbrook provided presentations.

Option to continue existing SERA agreement

Mr. Dornbos moved to approve. Mr. Gorthala 2nd. Vote: all present voted in favor to extend the existing SERA agreement into 2018, including Ms. Fargo-Johnson Amanda via Ms. O'Connor's proxy.

Update on SBEA financing proposal

Mr. Beup provided a brief update on the November 1 special C&I Committee meeting. He said the Committee had agreed that the Board needed to decide on the budget overall before a decision could be made on how to proceed with the SBEA financing. He noted

that the Green Bank had offered to reduce some administrative costs. He said the Green Bank would also absorb additional interest costs on a loan that would be obtained from the market. He said that the SBEA recapitalization could be even more important as a potential way to help mitigate the budget cuts. He said he expected that a decision on SBEA financing would be part of the December Board decision on the budget.

Update on 2018 Avoided Cost Study

Mr. Schlegel provided a brief update. He said that Synapse had been selected as the contractor to do the work.

Process for EEB input into 2017 report to legislature

Ms. O'Connor encouraged the Board to look at last year's report and send any comments.

The meeting adjourned at 3:50 pm.