



**Energy Efficiency Board
Monthly Meeting**

Wednesday, April 11, 2012

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

MINUTES¹

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

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

Not in Attendance: Shirley Bergert

Other Attendees: Tim Cole, Betsy Harper, Kim Oswald (phone), Glenn Reed, Jeff Schlegel, Les Tumidaj, Ellen Zuckerman [consultants]; Katie Scharf Dykes [DEEP Acting Deputy Commissioner], Art Marcelynas [DEEP]; Sheri Borrelli, Jane Bugbee, Cathy Lezon, Diana McCarthy, Rebecca Meyer, Tyra Peluso[companies]; Bob Wall [CEFIA].

The officially noticed April 2012 monthly meeting of the Energy Efficiency Board commenced at 1:08 pm with First Vice Chairman Rich Steeves presiding at the request of Chairman Daniel Esty.

1. Process

- A. Agenda – reviewed and approved with modifications to accommodate Commissioner Esty's schedule
- B. Minutes – The minutes of the March 14, 2012 board meeting were approved as presented on a motion by Rick Rodrigue seconded by Michael Wertheimer.²
- C. Public Comments – Wes Roussell, representing Willco Sales and Service, made a presentation on the Solatube Daylighting System, for which Willco is the dealer for New England.³ Mr. Roussell noted that the products are manufactured in CA of materials almost all of which are US-made. In response to question from Ron Araujo about guarantees against leakage on installation, Mr. Roussell confirmed that installations are guaranteed, because the firm works closely with the roofing contractors who do the installations. He noted that different styles of flashing are available, depending on roof characteristics. The daylighting system can transfer light

¹ Meeting Materials Available in Box.net Folder <http://www.box.com/s/083e465a5792a36da461>

² 120314 EEB Minutes F.pdf

³ Solatube brochure ProductSheet.pdf; Solatube brochure Idea Book.pdf

up to 50 feet from input to output. Mr. Araujo concluded that incentives for the product can likely be made available without further study, because it is already well established with a proven track record. He indicated that the companies would invite Mr. Roussell to provide a demo to program administrators.

- D. Consultant Committee – Mr. Steeves reported that the committee had reviewed the retainer concept and decided to apply it only to the managing consultant at this time. As reported at the March meeting of the board, the committee approved the 6 month workplans submitted by all consultants. The committee proposes to establish a cycle of rolling RFPs for each consultant position. The matter of establishing the board’s own Terms and Conditions for consultant contracts will be looked at separately.
- E. Energy Efficiency Board Calendar and Schedule – Mr. Schlegel noted that it is still up in the air what the timeframe for the 2013 C&LM plan will be, whether it will be for one year as in the past or whether a multi-year approach will be introduced. Meanwhile, the milestone schedule for preparing the plan will be the same as last year’s, with an October 1 submission deadline.⁴ It was also noted that the next meeting of the Residential Committee will meet on May 23rd and the C&I Committee will meet on May 10.

2. Issues and Tasks

- Outstanding Issues – The board took up the issue of the request for continued funding received from the CT Retail Merchants Association. Mr. Araujo reported that the \$150,000 provided previously yielded 50 leads to the small business program, of which 8 resulted in signed contracts. CRMA did not offer meaningful support to increase the number of completed contracts. Mr. Araujo suggested if funding was to be continued, it should be paid out contingent on performance relative to milestones. For the purposes of discussion, Mr. Howland moved that CRMA be funded at the \$220,000 level requested under the same terms as previously. Mr. Rodrigue seconded the motion. Mr. McDonnell commented that CRMA had received \$150,000 because the DPUC had ordered it. The terms of that order have now been fulfilled. Mr. Wertheimer suggested that the board approve no funding at this time, and that CRMA be encouraged to negotiate with the companies regarding a future outreach role. The motion was rejected with no support.
- Mr. Rodrigue voiced the recommendation that any group or association should be able to offer an incentive based program. Mr. Wertheimer noted that there are provisions for this under the Rules and Roadmap. Mr. Brown offered a motion that the board should work with CRMA on developing a performance based arrangement. The motion died for lack of a second. Mr. Schlegel made the point there is support on the board for a neutral open process, with no special process for any particular group or association. Mr. Howland expressed the view that groups should be encouraged to work with the companies before coming to the board with specific funding requests.

⁴ DRAFT EEB 2012 Milestone Schedule C&LM Plan and PSD for 2013 04_04_2012.xls

3. Programs and Planning

- A. 2012 Progress to date – Mr. McDonnell reported that the programs are feeling the effects of the slow economy. Activity is not picking up steam as normally expected at this time of year. Mr. Araujo observed that the warm winter appears also to be having an impact. Consumers are feeling less sense of urgency about bringing down energy costs. Mr. Esty commented that along with the price of gasoline, the fuel oil price is up. The cost of fuel oil and the down economy are both points that could be leveraged in marketing efforts, such as by playing off the high energy cost in media promotions. Mr. Araujo noted that traditionally spring and summer are off seasons for the residential programs because consumers don't want to stay home to work with contractors. Mr. McDonnell expressed concern that the C&I sector is also not performing as hoped.
- B. DEEP coordination update and plans –
- 2012 C&LM Plan – DEEP and PURA Review
 - Electric Base Plan & PURA Review status – Mr. Schlegel reported that the base plan is now before PURA under docket 12-02-01. Interrogatories have been issued. It is to be expected that a decision is still a couple months out.
 - DEEP Draft Determination of the Expanded EE Plan (Increased Savings) – Mr. Rodrigue reported that the Bureau of Energy and Technology Policy hopes to have a draft determination out by the end of the next week for comment. He noted that the same applies to the final draft of the Integrated Resource Plan, which includes the Expanded Energy Efficiency plan. The final version will be released very soon.
 - Mr. Esty made note of the fact that as a result of the NU/NSTAR merger, we will now be dealing with new utility. Mr. Araujo expressed the view this would be a good thing for energy efficiency in CT, because both companies have strong records in the area. Programs in Massachusetts and Connecticut will both be reporting to the same Chief Customer Officer.
 - Legislative Update – Mr. Howland reported that negotiations are going forward on compromise legislation to address the funding for oil programs issue. Mr. Esty expressed his view that it is important to keep working closely with the oil dealers. Resistance in the Energy and Technology committee continues to be strong. The objective needs to be to find a solution that will last, so we don't have the same conversation next year we had last year and this year. A stopgap solution for one year is one thing, but we need to get past the pattern of stop-start due to uncertainties about continuing fund availability. It is apparent that many of the more sophisticated dealers are now on board, although the ICPA still is not. Mr. Esty further stressed the importance of using the next 6 months to continue work toward a durable solution, not waiting until December, right before the next legislative session begins, to pick it up again. In a "customer facing world" people don't get the question what kind of furnace do you have. Ultimately, there should be no differential by fuel types and no stop starts. Mr. Steeves proposed that the EEB should take responsibility for developing a recommendation for a workable

approach. Mr. Esty agreed and noted that a public education campaign could then be implemented around it.

C. Special Reports – Companies

- CHP Policy review – Mr. McDonnell asked the board to review the existing policy on funding large CHP projects⁵. He noted that by their nature large projects don't contribute to electric side of fund, but do contribute on the gas side. He proposed that customers with such units be able to access funds for projects undertaken behind the meter. Mr. Steeves and Mr. Howland indicated they would like more time to review the implications of the proposal, given the magnitude of it. In response to a question from Ms. Thompson about who makes the ultimate decision about the policy, Mr. Schlegel responded that the board would make a recommendation to the PURA as a policy recommendation. Mr. McDonnell noted that the types of customers who would be impacted include Yale and Fairfield Universities. The intent of the revisions is to be able to approve funding for electric measures in buildings that are on co-generation systems, with the understanding that the funding will come from the gas budget. The board agreed to take up the matter for a decision at the May 9 board meeting.

D. Evaluation Committee – Ms. Oswald directed the board's attention to the monthly report in the meeting packet.⁶

E. Commercial & Industrial Committee – Les Tumidaj reported that the companies are currently rolling out a revamped financing program. Two vendors are involved, one offering larger loans and the other smaller loans. Both involved tiered interest-buy-down approaches. Mr. Araujo noted that an announcement will be made to the C&I vendor community and that a formal roll-out is planned for them. Mr. Tumidaj observed that trends in market research suggest that access to financing continues to be an obstacle to growth. These new programs may help address this challenge in Connecticut. The committee is also working with DEEP on the Lead By Example initiative, and looking forward to the release of an RFQ for ESCOs by the Department of Administrative Services. The performance contracting concept was well received at the recent Connecticut Conference of Municipalities LBE event. The committee is additionally focusing on exploring further opportunities for increasing and sustaining program participation. The companies are currently taking a close look at what they are already doing, looking for ways to optimize results.

F. Residential Committee – Jamie Howland

Betsy Harper reviewed her memo on joint financing developed for CEFIA and the CEEF.⁷ Mr. Esty inquired whether the key is access to 0% financing. Ms. Harper confirmed that together with ease of access to programs, 0% financing is an important

⁵ 2012 CEEF CHP Customer Participation final draft.doc

⁶ EEB Evaluation Report 4-2012.pdf

⁷ EEB memo April update of loan program.docx.doc

factor. Much depends on how programs are sold. For instance a 3-year loan for insulation will generate positive cash flow already in the first month because the monthly loan repayment will be less than the energy savings. However, nationally most programs have high costs because of servicing. Insulation loans are small loans, with quick buy downs, meaning the cost to fund them is less. She noted that due to fine tuning in the program offering, the number of declines is now lower. The objective is to make loan application and processing easier and cheaper through streamlining. Mr. Howland noted that there is still a default rate of 0. Ms. Harper noted that work is now beginning on financing for larger 3-4 unit buildings. Because of size it is expected that they will need more financing. With these programs Connecticut is now or will soon be meeting the national best practices standards.

Ms. Harper discussed the April 10 memo sent to Mr. Steeves and Ms. Dykes by Bryan Garcia from CEFIA.⁸ She is reviewing the details. Mr. Steeves observed that he is looking forward to convening the joint EEB/CEFIA committee. Mr. Schlegel observed that the memo refers to bringing financing products on line within the next 3-6 months, which adds to the urgency of getting the committee going. Priorities for financing are to help people who can do some things do the next thing, and to help people who can't afford even basic measures to get started with those.

Mr. Howland noted that the Evaluation Committee is about to launch a market research study to gain some insight into why customers who receive recommendations for upgrades do not act on them. Ms. Oswald added that a weatherization baseline study of 1-4 unit residences is also contemplated, though with an estimated budget of \$1.2 million consideration will need to be given to how it stacks up relative to other evaluation priorities.

- G. EEB-CEFIA Joint Committee – Rich Steeves – The committee has not yet met. The EEB is awaiting action by the CEFIA board to assign members to represent it.

4. Outreach and Marketing

30 min

- A. Report on Connecticut Conference of Municipalities April 3 joint event with CEFIA – Sheri Borrelli (UI), Diana McCarthy and Rebecca Meyer (CL&P), and Bob Wall (CEFIA) offered a brief presentation on the CCM workshop for municipal officials on the Lead By Example and Clean Energy Communities programs. They received strong positive feedback from attendees. 61 towns were represented by 89 attendees. 23 speakers presented. Regional follow-up forums are planned. New planning tools will be rolled out in May, with benchmarking and financing options. Board members received a quick run-through of the presentation on Clean Energy Communities developed for the event.⁹ Mr. Wall noted that Hartford and Bridgeport have already met their clean energy goals with respect to the point system. Ms. Meyer commented that points are assigned for participation in various EE programs, which lead to “Bright Ideas” grants. While the April 3 gathering was only for municipal officials, regional workshops will be

⁸ CEFIA_CEEF_Financing Programs_Residential_Update Memo_041012.docx

⁹ http://prezi.com/r2pq26gpwcua/cec-prezi/?auth_key=1d1d4a3fb3a1c61724ef92f4d81547f90d925349

open to all community stakeholders. For now, the plan is to keep using the platform CCEF developed for CEC. The team is however also now working with marketing services group on the joint website coming in the fall. Mr. Steeves observed that the event clearly benefited from peer to peer input – which will prove helpful for selling to folks at home. Mr. Schlegel asked about how the term “clean energy” was received, whether it is perceived as too broad. Mr. Wall noted that originally community groups formed to promote renewable energy, then shifted naturally to an energy efficiency focus, which is now the leading area of interest. The expectation is that support for clean energy investments will come afterward. Mr. Schlegel noted that there is interest in seeing how “clean energy” may work in the context of the new branding contemplated by the Marketing Services Committee.

- B. Report on Home Performance with ENERGY STAR Rollout event – Jane Bugbee from UI offered a presentation of the event. The presentation includes both the material covered at the roll out as well as data on attendance and interest generated by the event.¹⁰
- C. Marketing Committee – Rich Steeves & Jeff Schlegel
 - Joint DEEP/EEB/CEFIA statewide marketing project update – As detailed in the update memo prepared by Mr. Schlegel, a team headed by ClearResult has been selected to advance the marketing project. A budget of \$769,198 was approved by the joint Marketing Services Committee, to cover a workplan that includes development of a brand identity and platform, outreach and public relations, and initial website development work. Tentatively, a launch of the new brand targeted at businesses is envisioned for June 14 in conjunction with the NEEP summit in Stamford, with a full launch in September.¹¹
- D. Companies’ 2012 program marketing plans – Cathy Lezon from CL&P reported that numbers were beginning to reveal the impact of the Top Ten and radio and TV campaigns. Dishwashers receive the highest number of hits among TopTen site visitors. Mr. Esty stated his desire to see close tracking of this kind of information. Ms. Lezon agreed to share the data with the board.¹² Mr. Araujo noted that working with TopTen points up the effect of being able to provide more information to customers. The TopTen website is easy to navigate. Mr. Esty noted that while customers want the best and most efficient products, they don’t want to put time into figuring it out. Mr. Araujo also reported that appliance dealers are engaged with the TopTen program. TopTen engages national dealers, CL&P is working with small, local dealers.
- E. Updates on current marketing events and initiatives – Mr. McDonnell and Mr. Araujo drew the board’s attention to a number of events coming up on the companies’ respective events calendars, such as the Smart Living Center’s Earth Day celebration

¹⁰ Home Performance with ENERGY STAR 2012 Condensed for EEB.pptx

¹¹ MarketingUpdateEEB_04102012f.docx

¹² CT site visits Feb 1-April 6.png; TopTen Most Popular Product Pages 2.xlsx.pdf

scheduled for April 14, the tour of the Zero Energy Challenge winner's home in Voluntown and the ECSU Green Campus event scheduled for April 19.¹³

5. Other – no other business was presented.

6. Adjournment With no further business to attend to, the meeting adjourned at 3:37 pm.

Respectfully submitted,

Tim Cole
Executive Secretary

¹³ CLP Events Calendar as of 20120404.xls; UI April2012_EEB Calendar.docx