



**Energy Efficiency Board
Monthly Meeting**

Wednesday, July 11, 2012, 1:00 – 3:30 PM

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

MINUTES¹

Voting Members Present: Daniel Esty (Chair), Jamie Howland (Vice Chair), Neil Beup, Taren O'Connor, Richard Rodrigue, Michael Wertheimer

Utilities Representatives: Ron Araujo, Michael Cassella, Joe Crocco, Sheri Borrelli

Not in Attendance: Shirley Bergert, Eric Brown

Others: Tim Cole, Kim Oswald, Glenn Reed, Jeff Schlegel, Les Tumidaj [consultants]; Steve Bruno, Chris Ehlert, Tyra Peluso, Peter Ptak, Tim Simmonds [company personnel]; Frank Gorke [ClearResult]

The regularly scheduled and officially noticed monthly meeting of the Energy Efficiency Board commenced at 1:07 pm, with Vice Chair Jamie Howland presiding.

1. Process

- A. Agenda – It was agreed to insert presentation a presentation on the Smart Living Center after item C. under section 3 - Programs and Planning.
- B. Minutes – The minutes of the June 13, 2012 board meeting were approved on a motion by Rick Rodrigue, seconded by Amy Thompson. Neil Beup, Taren O'Connor, and Michael Wertheimer abstained. The minutes of the June 15, 2012 board retreat were approved on a motion by Daniel Esty, seconded by Mr. Beup. Ms. O'Connor and Mr. Wertheimer abstained.
- C. Public Comments – Speaking on behalf of the Clean Energy Finance and Investment Authority, Bryan Garcia reported on several issues:
 - CEFIA's board recently approved a comprehensive plan for the current fiscal year. Mr. Garcia extended an offer to make a presentation on the plan to the EEB at a future date if there is interest. The plan calls for reductions among CCEF programs, offset by an enhanced focus on financial initiatives to support growth in renewables and energy efficiency.

¹ Meeting Materials Available in Box.net Folder <https://www.box.com/s/471e30a425824ff3df31>

- The CEEF-CEFIA joint committee met on June 18. A follow-up meeting has been scheduled for September 5. He conveyed CEFIA's desire to establish stronger ties with the EEB and its subcommittees. He intends to send a list of CEFIA staff members who will serve as liaisons to the Executive Secretary.
- Commenting on the status of the residential solar investment program,² Mr. Garcia noted that the authority is working with OCC on achieving greater transparency for consumers and vendors to encourage competition. The program is looking toward a September launch.
- Regarding the new commercial C-PACE program, Mr. Garcia highlighted the current collaboration between CEFIA, the utilities, and municipal groups to develop a process for implementation.
- Mr. Garcia concluded by stating his attention whenever possible to attend the EEB's monthly meetings. Mr. Howland responded that the EEB would in the future include a line item in its meeting agendas for Mr. Garcia to address the board as he wishes. He also stressed the value of working toward closer collaboration on the program level and in partnership with the companies.

D. Consultant Committee –

Reporting for the committee, Mr. Rodrigue announced that as the result of an electronic vote the decision had been confirmed to retain Glenn Reed and the Energy Futures Group as the Residential Consultant. The decision covers the remainder of the current year and pricing is set for 2013-2014. He further stated that the committee was recommending the selection of Timothy Cole of West Wind Consulting as the Executive Secretary. The recommendation was accepted on a vote by the board.

E. EE Board Calendar and Schedule

- Regarding the planning schedule for development of the 2013-2015 C&LM Plan,³ Peter Ptak reported that no changes had been made since the schedule was last updated on June 28.
- Mr. Howland reported that there will be a follow-up session to the Mega-community Energy Smart Simulation, conducted by the Housing Development Fund on July 24. The session will involve further brainstorming, with a focus on residential retrofit and design issues. The board is helping with planning and logistics for the event, which will be held here at the PURA offices in New Britain.

2. Issues and Tasks

- Mr. Howland reported that the board had received from a HES vendor a request for a review of the company's dismissal from the HES program by CL&P's program administrators. He commented that the request serves as reminder that we need to formalize dispute resolution protocol, which is a recurring item on the Outstanding Issues list. He asked for volunteers from the board to serve on an ad

² CEFIA Residential_Solar_Investment_Program_Market_Watch_Report_July_9_2012.pdf;
CEFIA DRAFT Consumer Cost Data.pdf

³ EEB 2012 Milestone Schedule for 2013 C&LM Plan 05_31_2012.xls

hoc review committee. Michael Wertheimer, Taren O'Connor, and Mr. Rodrigue agreed to serve, with Mr. Rodrigue as convener.

3. Programs and Planning

A. 2012 Progress to date – Companies

- Mr. Araujo reported that the June results would not be available before the July 25 board meeting. May results are included in the board packet.⁴ Including June, it appears that slightly more than half of the base budget has been spent or committed so far.
- Sheri Borrelli circulated results from UI,⁵ which showed that overall 55% of the base budget has been spent or committed. For HES, over 90% has been spent or committed. The company's plan is to move money from undersubscribed programs in order to keep going with HES, pending action by PURA on the 2012 plan budgets.
- Mr. Beup kicked off a discussion of the small business programs, which are currently not performing up to expectations. At the moment, only about one third of the customers choose to go forward with deeper measures. A number of issues were identified:
 - One option is to consider adjusting incentives. However, throwing money at the problem is not sustainable in the long run, so attention needs to be given to finding a long-term solution to increasing and maintaining interest among small business owners.
 - Even with 0% financing available, customers seem to be focused primarily on cash flow, not bottom line impact.
 - Small business owners do not see enough improvement in the economy to overcome their hesitation about taking on debt.
 - With these considerations in mind, the companies are surveying customers who have turned down proposals to try to understand what obstacles need to be overcome to get them to participate. They are also looking at the specific loan terms offered for different types of projects, and conducting an internal analysis of program data to see what factors may be contributing to the slump.
 - Thought is also being given to the vendors' role. Like vendors involved in offering financing on the residential side, C&I vendors working with small businesses might benefit from sales training. They may also need to do a better job of screening customers to begin with, based on customer profiles and usage data.
 - One possible approach might be to focus on a few pockets – towns or neighborhoods – for a marketing push to create some buzz could then be leveraged to raise the level of interest and activity more broadly.

⁴ CLP EEB May 2012 Projection 6-12-12.xlsx

⁵ UI 2012 CLM.2012.06-EEB.xls

- There is agreement between the board and the companies that extra effort is warranted now to regain momentum that has slipped.

B. DEEP coordination update and plans

- 2012 C&LM Plan – DEEP and PURA Review
 - PURA Review of the 2012 Base Plan – Mr. Rodrigue reported that the decision has been drafted and it is expected the directors will vote on it tomorrow, July 12.
 - DEEP Determination of the 2012 Expanded Plan – Mr. Rodrigue reported that the Bureau of Energy and Technology Policy will send the determination to PURA for action on its recommendations by the end of the week.
- The 2012 Integrated Resource Plan (IRP) has been completed and was published on June 14, 2012.
- 2012 Comprehensive Energy Strategy – Mr. Esty stated that a draft will be released for comment by the end of August. Given the broad impacts of the strategy, DEEP is currently engaging with other departments and the Governor’s office. Legislative briefings are also planned. The strategy will address issues in all sectors and map out actions to be taken beginning in the very near term and on out to 2050.

C. 2013-2015 Multi-Year Plan – Key Issues and Board Discussion

Mr. Schlegel initiated the discussion with a brief presentation outlining primary objectives and alternative approaches to multi-year planning.⁶ He noted that DEEP’s draft determination calls on the board and companies to prepare a proposal for a multi-year plan. A draft proposal will be ready for the board’s review at its July 25 meeting.

- Mr. Schlegel identified first three primary objectives:
 - **Multi-year vision** of where we are going – multi-year program and market strategies
 - Demonstrate to the market **stability**, supported by policy and with stable funding to achieve goals
 - **Budget flexibility** to support achievements
- Other considerations include:
 - Ability to make adjustments along the way and achieve continuous improvement
 - Reasonable budget and spending controls
 - Good planning, but not planning all the time
- The key challenge at the moment is to decide how to structure a 3-year planning and program process. The aim is to encourage a forward-looking approach, with a process in place to make adjustments along the way. Major plans would be produced every three years, with updates based on learnings possible in the off-years. Plan updates would consist of revised budgets with a narrative of changes and adjustments. Currently the preferred options on the table involve sequential three year plans with either two annual updates during each cycle or continuous updating with a three year horizon for each update.

⁶ EEB_2013-2015PlanningUpdate_07112012.ppt

- In the course of the ensuing discussion a number of points were highlighted:
 - Three years is a good horizon. Planning beyond three years requires depending on less and less reliable forecasting.
 - Three year plans with updates help resist inertia setting in, while providing for stability in the marketplace and managing the cost that would be incurred if full-blown planning needed to be done every year.
 - Important considerations include 1) getting legislative approval at regular intervals; and 2) determining the roles of different entities besides the legislature in reviewing and approving plans and updates – entities including DEEP, PURA and the EEB itself.
 - Tying into the energy savings goals included in the IRP is an important objective, factoring in the longer 10-year time horizon the IRP points toward. An already aggressive 2.1% annual reduction in energy use goal will eventually ramp up to 2.7% savings per year. Three year plans will be able to track this progress more effectively.
 - Specific challenges to be addressed, besides the overall commitment to have broader and deeper impacts with the state’s energy efficiency programs, include
 - Making more extensive use of community networks and organizations to promote adoption of energy efficiency measures and practices
 - Engaging for-profit and not-for-profit owners and managers of large building portfolios, and owners of smaller multi-family buildings
 - Reaching low-income customers more effectively, both residents and small businesses
 - Helping large and small businesses take more comprehensive approaches to adopting energy efficiency measures, with an eye to all the benefits that can accrue beyond simply energy and energy-cost savings
- The board’s consultants have been charged with creating matrices showing best practices for the different programs, with an eye to seeing how Connecticut compares with other states in each case. This is expected to reveal both cases where the state is a leader and cases where there may be lessons to be learned from programs in other places.
- Designing appropriate performance indicators that correlate with the state’s policy goals once approved is an issue to be considered. Different indicators may be suitable for different types of customers and programs.
- The economic development impacts of energy efficiency activity in the state deserve more attention, analysis, and profile. There is already ample evidence that jobs are created both directly in the energy efficiency field and indirectly in other industries, when customer companies become financially stronger, more productive and profitable. Partnerships with state agencies such as DECD and various non-governmental organizations warrant attention and encouragement.
- The EEB continues to have a crucial role to play evaluating how ratepayer dollars are used to achieve energy savings goals. This responsibility remains even when

there is interest in seeing customers adopt more comprehensive measures that may have other positive outcomes such as economic viability or job creation.

- Statutes currently require that annual plans be submitted. If multi-year planning is to be adopted, without a change in statute, it will be necessary to file a new plan each year, even though in the off years it may be framed as an addendum to a master 3 year plan.

D. Smart Living Center presentation –

- Rebecca Meyer (CL&P) and Jocelyn Anastasiou (UI) provided a presentation to the board regarding four options under consideration in light of the fact that the lease on the premises that now house the Center in Orange expires this year.⁷ The four options include:
 - 1) Stay at Current Location/Renegotiate Lease and Continue Museum Partnerships Program
 - 2) Relocate Center to New Location - North Haven Area and Continue Museum Partnerships Program
 - 3) Two New SmartLiving Center Locations (Greater Bridgeport Area and Greater Hartford Area), Create a Traveling E-House and Continue Museum Partnerships Program
 - 4) Relocate Center to New Location - North Haven Area, Create a Traveling E-House and Continue Museum Partnerships Program
- It was noted that most costs would be one time relocation or renovation costs, and the final cost might be reduced somewhat through partnerships with technical high schools, vendors, manufacturers and others. Among key objectives are to have the ability to reach more parts of the state more effectively, and to increase offerings for adults, small businesses, and the C&I sector; while strengthening the museum partnerships and children's programs.
- In response to a question from Mr. Howland about when a decision is needed, Chris Ehlert expressed the companies' desire to receive guidance from the board by its next meeting in two weeks on July 25. Ms. Thompson, Mr. Rodrigue, and Mr. Howland agreed to form a subcommittee to review the options with the companies and develop a recommendation to present to the board at that meeting. The companies agreed to provide incremental cost data for the different options along with data by zip code about current usage.

4. Committee Reports

- A. Evaluation Committee – Referencing her monthly report,⁸ Kim Oswald gave a quick overview of matters the committee is now focused on:
- Regarding the weatherization baseline study, Ms. Oswald is talking to evaluation contractors about a building characterization study base on existing data. Next step is to go forward with a 180 unit statewide study of residential weatherization.

⁷ SmartLiving™ Center Options (7.11.12).pptx; SLC Program Description for ECMB (7.11.12).doc

⁸ EEB Evaluation Report 07-2012.docx

- The committee is still waiting for DEEP to set a date for a technical meeting on the UI Behavioral Pilot Program evaluation requested by OCC.
 - A draft report on the HES financing focus groups will be released shortly. The Residential New Construction study will also be released soon. Regarding the CL&P HERs behavioral study, because of a delay in getting some last data, a first draft of the final report is expected at the end of July.
- B. Commercial & Industrial Committee – Les Tumidaj provided a brief summary of issues currently being addressed by the committee and noted that relevant meeting materials are available online.⁹
- The committee is working closely with DEEP and the utilities on the state performance contracting package. The plan is not yet ready for release, but may be available by the board’s next meeting. In light of the attention already being paid to the municipalities, more focus will be given to the universities, schools, and hospitals sections of the MUSH market in the 2013-15 plan.
 - The companies are continuing to work on long term strategies that will feed into 2013-15 plans. A major issue is helping customers go through the process of building a business case. The critical issue may not be incentives, but showing the bottom line benefit to the businesses. The committee is also focused on how to help customers reach high performance goals, including non-energy benefits. Promoting a culture of continuous improvement will go a long way to supporting this shift.
- C. Residential Committee – Taren O’Connor reported on issues discussed at the morning’s committee meeting:
- The companies introduced a revised vendor scorecard which sets out how performance is assessed and consequences for noncompliance or underperformance.¹⁰
 - Moving forward with gas funding programs is proving challenging in the absence of approval for expanded plan electric funding, because the two programs work best when connected.
 - The companies will provide monthly reports on how they are doing with oil funding. Mr. Araujo noted that they currently expect to make it through the end of the year.
 - DEEP and the community action agencies are talking about coordinating the DOE weatherization program with the HES / HES-IE programs.
- D. EEF-CEFIA Joint Committee – Mr. Rodrigue underscored Mr. Garcia’s assessment that the June 18 kickoff meeting was a good start and noted that both parties are looking forward to closer coordination of efforts.

⁹ <https://www.box.com/s/e0bae03b3a6b59412410>

¹⁰ Scoring and Disciplinary Process - 7-11-12.ppt

- E. Fuel Oil Conservation Board – Mr. Howland reported that the contemplated bonding request has not yet gone forward for public housing work.

5. Outreach and Marketing

A. Marketing Committee and Joint DEEP/EEB/CEFIA Marketing Committee –

- Mr. Schlegel covered the following points in his report:
 - There was a successful initial soft launch of the new brand at the NEEP summit in Stamford with the Governor.
 - The joint Marketing Services Committee is currently in the process of developing a transition plan for second half of 2012, which includes working with the companies on addressing near-term needs for collateral, media utilization, etc. The focus is on what needs to be done in the next 2-5 months.
- Frank Gorke from ClearResult reported on current work for the MSC:
 - The brand and platform are complete and awaiting final approval.
 - The logo is done. Some visual elements may change depending on reaction to templates. Brand standards in draft and will be circulated shortly.
 - Messaging and creative concepts for marketing collateral and templates are in development.
 - The site map for the website is done. The wireframes are in development and nearly done.
 - The team is working on a content strategy. It will work closely with program administrators to determine what content to emphasize in the field for the different programs. Mr. Schlegel noted that the companies will begin to work with the new templates to provide content, after also having input in the development process. The templates will be designed to allow for easy content refreshment. The same will apply to website content.
- Mr. Rodrigue reported that “EnergizeCT” is now a registered mark. He will forward the registered logo to the Executive Secretary and ClearResult. Done through legal staff at CEFIA.

B. Updates on current marketing events and initiatives – Companies Mr. Araujo for CL&P and Ms. Borrelli for UI drew the board’s attention to the events calendars included in the board packets.¹¹

6. Other – There was no other business.

7. With no further business to attend to, the meeting adjourned at 3:28 pm.

Respectfully submitted,

Timothy Cole
Executive Secretary

¹¹ UI July2012_EEB Calendar.docx