



## Energy Efficiency Board Monthly Meeting

Wednesday, February 14, 2018, 1:00 – 3:30 PM  
10 Franklin Square, New Britain, CT (Hearing Room 1)

### MINUTES<sup>1</sup>

#### In Attendance

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

Utility Board Members: Chris Plecs, Ron Araujo, Will Riddle

Board Members Not in Attendance: Eric Brown, Adrienne Houel, Roddy Diotalevi, Pat McDonnell, Will Redden

Board Consultants: Jeff Schlegel, George Lawrence, Glenn Reed, Craig Diamond, Lisa Skumatz (phone)

Others: Mary Sotos, Linda Foreman, Walter McCree, Steve Bruno, Pam Penna Verrillo, Leticia Colon, Kyle Ellsworth, Vivian Perez, Hank Cullinane (phone), Tim Fabien (phone), Guy West (phone), Mark Thompson (phone), Anthony Clark (phone)

#### Process

##### Minutes

The Board considered whether to approve the minutes from January 10, 2018 Board meeting. Ms. Fargo-Johnson requested an edit to the minutes; the edit was incorporated. Ms. Fargo-Johnson moved to approve. Mr. Gorthala 2<sup>nd</sup>. All present voted to approve the minutes (Mr. Wertheimer was not present for the vote). **January 10, 2018 EEB meeting minutes approved.**

##### Public Comments

Leticia Colon, representing Efficiency For All. Ms. Colon requested that the Board support the EEB Consultants' proposal for the smooth allocation approach for the 2018-2019 C&LM budget. She said that the smooth allocation approach would help protect programs and the HES vendor workforce.

#### Programs and Planning

##### 2017 Year-End Financial Results

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<sup>1</sup> Meeting materials available in Box.com: <https://app.box.com/s/5hsvo1mgjo2d5wnvbyiluz2k80mtqxq>

Mr. Bruno provided a presentation for Eversource. Mr. Riddle provided a presentation for UIL. There was no Board discussion following the presentations.

#### DEEP Letter on EEB Consultant Budget and Other Items

Ms. Duva provided presentation on the DEEP decision to cut the consultant budget by 26.4% (33% to electric). Mr. Beup said he was not supportive of DEEP's decision. He said the cut directed by DEEP was symbolic, and that it was short-sided and not thought through well. He said that from the C&I perspective, the cuts would be difficult. Ms. O'Connor said she agreed with Mr. Beup's comments. Ms. Duva said DEEP did not view its decision as a symbolic cut. Ms. Fargo-Johnson said she also agreed with Mr. Beup's comments. Mr. Schlegel noted that there were several budget categories in the approved C&LM budget that were less than a 33% cut. Mr. Schlegel also said that the \$93,600 additional reduction in the consultant budget (from 15% to 33% cut in electric) should go to direct programs and not to other budget categories, such as evaluation. He also said that the evaluation cost overrun amount of \$116,000 should come from non-program budget categories. Ms. O'Connor said that the \$116,000 evaluation cost overrun was the fault of the Companies, and she believed the funds should not come from ratepayer funds. Mr. Plecs said that the cost overruns were not the fault of the Companies, and he noted that there was an approved letter stating that the Companies were not at fault. Ms. O'Connor said she was expressing her own personal opinion on the matter. Mr. Schlegel recommended that the Board recommend that: **1) the savings from the EEB consultant budget reduction (\$93,600) be allocated to programs (with direct savings); and 2) the evaluation cost overrun amount (\$116,000) should come from non-program (including incentives) budget categories. Mr. Dornbos moved that the Board support Mr. Schlegel's recommended Board action. Mr. Beup 2<sup>nd</sup>. All present voted to approve the motion, except Mr. Traver who did not vote, and Ms. Duva who abstained. Motion approved.** Mr. Schlegel said that Board needed to act on DEEP's direction on the EEB budget. Mr. Beup asked that the Consultants provide a list of tasks that would not get done by the consultants and would need to be done instead by DEEP or the Companies. Mr. Dornbos said he agreed with Mr. Beup's suggestion. It was agreed that the Board would act on DEEP's direction at its March meeting.

#### 2018 Budget Adjustments, Including Multi-Year Budget Allocation, Revenues, and Goals

Mr. Schlegel provided a presentation on the 2018 Plan Update revisions, with recommendations to smooth the allocation of the budget across 2018 and 2019, and for the Board not to support the Companies proposed revised budget for the 2018 Plan Update. Mr. Plecs noted that Eversource's 34 megawatt energy efficiency bid was not relevant to the 2018 budget situation, since Eversource chose not to cut back more in 2017 due to the existence of the 34 megawatt bid. Mr. Schlegel said he disagreed with Mr. Plecs' comment. Mr. Schlegel then discussed the proposal for a smooth allocation approach for the funds diverted by the legislature. This approach would result in a 35% cut to electric rather than 41% cut to electric in 2018. He noted that the 41% cut would be crippling, and would result in some programs needing to be shut down at some point in 2018. He also said that the vendor network would be damaged and would take several years to recover. He said the EEB consultants were recommending that the Board not support the Companies budget proposal. Mr. Schlegel then provided a presentation which

included three potential regulatory solutions, including what would be required from a regulatory perspective. He said all three options could work, but would not be easy. Mr. Dornbos noted that the legislature could issue a clarification (outside of regulatory action). Mr. Plecs said that the Companies' proposed budget took into account funding that was known would be available in 2018. Mr. Plecs said he would be concerned if the Board did not approve the Companies' proposed Plan Update revisions. Mr. Bruno then provided a presentation on the Companies' proposed 2018 budget revisions. Mr. Riddle noted that UIL was open to Mr. Schlegel's recommendations, but they would also be concerned if the Board did not approve the Companies' proposed Plan Update revisions. Ms. O'Connor, Mr. Beup, Mr. Wertheimer, Ms. Fargo-Johnson and Mr. Dornbos said they supported the Consultants' recommendations. **The Board considered the following motion:**

1. The EEB does not approve or support the additional 2018 C&LM budget cuts and the associated 2018 Plan revisions the Companies are proposing, which the Companies presented to the EEB on February 14, 2018.
2. The EEB supports the optimal smooth allocation of the legislative diversion across the 2017, 2018, and 2019 C&LM program years, as discussed during the EEB meeting on February 14, 2018.
3. The EEB requests that the Companies, DEEP, and PURA pursue a regulatory solution to smooth the allocation of the legislative diversion across the 2017, 2018, and 2019 C&LM program years, in a manner that is consistent with the statute (CGS § 16-245m(d)(1)) and would fund the two payments to the state General Fund due in June 2018 and June 2019, and that would reduce the crippling effects of further cuts to the 2018 C&LM budgets and programs.

Mr. Traver said he agreed with the comments from other Board members, and that he supported the Consultant recommendations. Mr. Plecs asked whether the Board should approve the proposed Plan today, and then pursue smooth allocation options following the vote. The Board chose to move forward with the vote today. Mr. Beup moved to approve, Mr. Wertheimer 2<sup>nd</sup>. Mr. Plecs said he was not sure if Eversource was legally allowed to file the current plan if the EEB did not approve it. That fact was acknowledged, and it was agreed that the Companies should file what they feel they need to on March 1. Ms. Duva said that, regarding the first regulatory option proposed by Mr. Schlegel (for DEEP to approve the initial 2019-2021 budget and revenues now and then authorize funding for 2019), it might be more realistic to look at other time-frames, not necessarily 2019-2021. **Vote: all present voted in favor of the motion, except DEEP which abstained. Motion approved.**

#### Update on SBEA Financing, Including Discussions with CT Green Bank

Mr. Plecs said that Eversource had been in a few initial conversations with the Green Bank. Since then, Eversource had developed some potential additional ideas which they would be discussing with Green Bank on Friday, Feb. 16.

#### Other

#### Comprehensive Energy Strategy (CES) and Legislative Update from DEEP

Ms. Sotos provided some comments. She said that the CES had been published on February 8. She said that part of the delay with the CES was making sure that it reflected the legislative C&LM diversions. She noted that the CES had 8 key strategies, the first two of which cover energy efficiency. She said the first strategy was to develop an annual, all-fuels, MMBtu target, and to assure enough funding was available to reach that target. She said this approach was consistent with the Governor's Council on Climate Change recommendations. She said the first strategy also proposed a new procurement approach, which would allow DEEP to procure up to 25 MW of energy efficiency per year. She said the second strategy was to advance energy efficiency market transformation. Ms. O'Connor asked if there was an opportunity to comments on the final CES. Ms. Sotos encouraged stakeholders to provide comments if they wanted to, particularly regarding some of the new concepts in the final version of the CES.

### **Closing Public Comments**

Ms. Colon noted that stakeholders had not previously been notified of the additional cuts that were discussed at the EEB meeting today. She encouraged DEEP and the Board to better engage the HES vendors. Ms. Duva noted that a HES vendor forum had been proposed to take place in each Residential Committee meeting. Ms. Duva also said the Board should consider a HES vendor, or practitioner, committee. She noted that Massachusetts had a committee similar to that, and that such a committee would be separate from the EEB.

**The meeting adjourned at 3:25 pm**