



May 12, 2022

Lisa A. Skumatz, Ph.D.
Skumatz Economic Research Associates (SERA)
762 Eldorado Drive
Superior, CO 80027

RE: C1902a CT Midstream C&I HVAC & Water Heating and Foodservice Net-to-Gross Review

Dear Dr. Skumatz,

Eversource Energy (“Eversource”) is pleased to submit these written comments regarding the Review Draft Evaluation Memo: *C1902a CT Midstream C&I HVAC & Water Heating and Foodservice Net-to-Gross Review* (“Draft Memo”), submitted May 6, 2022 by DNV, NMR Group, and Brightline Group (“Evaluator”). Eversource received the Draft Memo on May 6, 2022 with a request to provide comments by May 12, 2022. Per the Energy Efficiency Board Evaluation Road Map Process, these comments are in response to the Draft Memo for consideration for inclusion in the Final Report.

The main objective of this study was to establish prospective Net-to-Gross (NTG) ratios to be applied in the Program Savings Document (PSD) for future program years. Secondary objectives for this study include gaining insight into market actor decision making, in-program and out-of-program sales, customer market events, and identifying barriers to participation.

General Comments on Draft Memo Findings

Eversource appreciates the Evaluator’s efforts to conduct a comprehensive and thorough NTG study for the Midstream C&I HVAC & Water Heating and Foodservice programs. We value the Evaluator’s determination of NTG ratios and suggested program improvements. Eversource anticipates incorporating the new NTG values into the PSD.

Comments on Methodology

The Evaluator conducted program staff interviews at each of the Companies, as well as staff interviews from the two program implementation vendors. The Evaluator reviewed program documentation and data to prioritize midstream measure offerings to evaluate and identify midstream distributors. The Evaluator then conducted a focused review of studies of the Massachusetts C&I Midstream Program to inform measure prioritization, research methods and survey questions, and to provide a benchmark against which to compare this study's results. Lastly, the Evaluator conducted primary data collection (via distributor in-depth interviews (n=30), HVAC and water heater contractor surveys (n=25), and foodservice end-use customer surveys (n=68)) and calculated the NTG values. Eversource finds the study methodology to be appropriate.

Comments and Questions

Eversource has the following comments.

Recommendation – the Companies should increase oversight of the rebate passthrough requirement. Eversource has regular audits to make sure distributors are including incentives as a line item on equipment invoices. We keep records of whether distributors are found to not be including line items during the audits – if it happens too many times, they are removed as a distributor for the program.

Recommendation – the Companies should increase program marketing targeting end-users. Eversource is trying to implement different strategies to make sure customers/end-users are aware they received a rebate. We will be starting a process soon where we send thank you cards to end-users to thank them for their participation in the program. We are also encouraging contractors to be upfront about their participation in the program so end-users are more aware. On the heat pump side specifically, we are developing a network of contractors who we will be working closely with and we will be reiterating to them the importance of being transparent about the passing down of incentives for this program.

Foodservice customers who were aware of the program were informed most frequently by dealers or distributors, and rarely by EnergizeCT or program marketing. The point of a midstream program is to have the distributors/dealers promote and advertise program

discounts. All marketing materials the distributors/dealers use come from the Companies. Additionally, we have found that email or mailer advertising efforts have not always been productive since those emails or mailers typically end up with the wrong people in a company. Those email or mailer marketing materials are not being shared with the people in a company who have purchasing power. We are trying to expand our marketing to promote the program to business owners with purchasing power by doing more advertising/education through the EnergizeCT website and on LinkedIn.

Thank you for the opportunity to provide comments.

Sincerely,

Megan Errichetti

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