



**Energy Efficiency Board  
Commercial & Industrial Committee Meeting**

**Tuesday July 12, 2022**

1:00 – 3:30 PM

Meeting Materials in Box.com:

<https://app.box.com/s/6y7nzmwbonhz4yioksnfz07r13tcr6oo>

[Meeting Recording](#)

## **Minutes**

1. Roll Call

Board Members: Neil Beup, Kate Donatelli (DEEP), Amanda Fargo-Johnson, Anne-Marie Knight, Neil Beup, Ron Araujo, Hammad Chaudhry, Joel Kopylec, Walter Szymanski

Board Consultants: Allison Carlson, Deidre Sanders, Emily Rice, George Lawrence, Lisa Skumatz, Philip Mosenthal, Ralph Prah, Stacy Sherwood, Chris Zimbelman

Other Attendees: Daniel Robertson, David Dobratz, Devan Willemsen, Jay Goodman, Jordan Schellens, Peter Ludwig, Ricky Jordan, Alex Sopelak, Colleen Morrison, Gary Pattavina, James Beatrice, Megan Errichetti, Romilee Emerick, Sarah Wall, Shea Kirwin, Sheri Borrelli, Tiffany Murphy

2. Evaluation presentation on Early Retirement – Evaluation Consultants/Contractors

Mr. George Lawrence introduced Mr. Chris Zimbelman of DNV, Project Manager for the [CT EEB X1939 Early Retirement evaluation study](#). The Evaluation administrators put together a presentation to address how the Companies can drive more early retirement projects. The Evaluation Administrators have been conducting early retirement analysis (X1939) in two phases. The first phase consisted of best practices research and was completed in 2021 and the second phase is an evaluation of the actual impact of early retirement programs that have been released to-date, which is still in progress.

Mr. Zimbelman’s presentation addressed the following questions:

- What is early retirement versus retrofit or Market Op/ROB?
- What measures are most likely candidates for early retirement?
- How to determine if a project is eligible for early retirement?
- How to document that a project qualifies?
- How could a market study facilitate early retirement qualification for a class of measures?
- How to claim savings?
- What are other states doing?
- What is X1939 Phase 2 going to tell us?

Referring to the Evaluation Team’s recommended custom measures (Slide 5) Mr. Daniel Robertson, Connecticut Contractors Consortium (CCC), asked if operating equipment beyond end-of-life was considered as a category and what percentage of equipment is passed end-of-life. Mr. Zimbelman indicated that the Evaluation Team has conducted studies around the percentage of HVAC equipment passed useful life, but didn’t know the percentage. Mr.

Zimbelman noted that equipment passed useful life still in operation that only requires minor, economically-viable repairs would be included in the early retirement category. Mr. Zimbelman added that solid documentation demonstrating the equipment is fit to run would be needed for it to be considered an early retirement project.

Mr. George Lawrence noted that in Connecticut the dual baseline approach for early retirement has only been used for HVAC modernization pilots. Mr. Lawrence would like to see the dual baseline approach become more common for regular energy opportunities in the custom program. Mr. Zimbelman noted that the Evaluation Team's recommendation was to expand the application of dual baseline approach, when appropriate.

Regarding the Remaining Useful Life (RUL) determination (Slide 11), Mr. Jay Goodman asked why 1/3 end of useful life is used in cases where the RUL isn't listed and the dual baseline calculations are adopted. Mr. Zimbelman said this was consistent with other jurisdictions across the country.

Regarding the impact evaluation of CT early retirement programs (Slide 14), Ms. Jordan Schellens, Eversource, asked how the boiler and furnace Industry Standard Practice (ISP) study for baselines was integrated into the evaluation, knowing there are higher baselines for condensing equipment. Mr. Ralph Prah, Evaluation Consultant, said the ISP studies determine the baseline for replacement on failure and can inform the dual baseline estimate, but only somewhat. Mr. Prah and Mr. Zimbelman said they would have to discuss this further offline and follow up as needed.

Mr. Robertson asked what the success for early retirement program looked like in neighboring states. Mr. Zimbelman said the evaluators interviewed program administrators (PAs) in other states, but most didn't have real targeted programs and when they did have programs, they all noted challenges around collecting data that supported the event type determination. Mr. Zimbelman noted that the Appendix of the report includes more information on what information was obtained from the PA interviews.

Mr. Lawrence asked whether the other states had flowcharts, checklists, or tools that would help both contractors and the Companies when developing or evaluating, respectively, projects. Mr. Zimbelman noted that Massachusetts baseline framework had the best decision-tree flowcharts and the Evaluators adopted the protocol, and referenced it, in the X1939 Report. Also, see Page 4: <https://ma-eeac.org/wp-content/uploads/Study-19-21-CI-Early-Replacement-Study.pdf>

A copy of Mr. Zimbelman's presentation can be found in the materials folder. Please note that Evaluation Reports can be found at the [Evaluation Reports](#) page on the EEB website. Please contact the Executive Secretary at [ExecutiveSecretaryCTEEB@theenergygroup.biz](mailto:ExecutiveSecretaryCTEEB@theenergygroup.biz) if you need help finding a particular file.

### 3. Diversity, Equity, and Inclusion (DEI) Presentations and Discussion – Consultants & Companies

The DEI Consultant, Technical Consultants, and Companies provided a presentation that covered the following items:

#### a. Introduction of the DEI Consultants – DEI Consultants

Ms. Deidre Sanders introduced herself and Allison Carson (Slide 2) and outlined ILLUME's approach and plan for the rest of the year, adjusted to account for the late onboarding. (ILLUME was selected in April, but the onboarding was delayed to Company purchase order processes.) The remainder of 2022 will include an assessment of the current Programs and functions and engagement with stakeholders. ILLUME will develop specific metrics they plan to present in early 2023. Ms. Sanders noted that the workforce development issue will not be addressed this year due to the timeline.

- b. Goals for 2022, and how to get there – DEI and Technical Consultants  
Mr. George Lawrence shared the DEI planning roadmap to create or modify metrics and goals for the 2023 Plan Update (Slide 3).
- c. Condition of Approval #4, parity with respect to revenues vs. budgets – Companies  
Mr. George Lawrence explained the Condition of Approval #4, and what the Companies provided to DEEP (Slides 4-6). The budget by customer class and revenue by customer class parity pies were included in the presentation. Mr. Joel Kopylec, Avangrid, and Mr. George Lawrence explained the definition of the quartiles and how they are broken out by segment. Mr. Kopylec noted that the commercial gas parity has lagged compared to the electric side since the inception of gas programs but is improving.
- d. Current metrics – Companies  
Ms. Jordan Schellens, Eversource, explained the four equity quartiles: large healthcare, financial/insurance/real estate, medium to small healthcare, and retail (shopping). Ms. Schellens also provided information on the verticals (business segment such as manufacturing, healthcare, etc.) and which are being targeted now (Slides 7-9).

Ms. Schellens explained that changes in the market can impact the verticals and wondered whether the targeted verticals should be adapted. Ms. Anne-Marie Knight asked if more detail would be provided so that the Board can provide input on modifying the verticals. Ms. Schellens said that more details can be provided. Ms. Schellens pointed to Slide 14, which demonstrates quartile and segment analysis completed earlier. Mr. Lawrence asked if the analysis would be for a five-year or three-year period; Mr. Kopylec said it would be worthwhile to continue at 5 and noted that the companies can update the three-year numbers in the presentation to reflect a five-year period.

Mr. George Lawrence noted that there is a social benefit to reducing energy expenses in Government buildings. Government is a vertical that the Companies target.

- e. Community Partner Initiative (CPI) – Companies  
Sheri Borelli, Avangrid, and Devan Williamsen, Eversource, provided an update on the Community Partner Initiative, including an overview of ongoing projects and next steps (Slides 10-11). Mr. Lawrence asked if there were plans for another round and Ms. Amanda Fargo-Johnson asked about the timeline and scoring for the next round. Ms. Williamsen indicated that there are plans for another round, and the Companies will be working with the DEI Consultant before announcing the next round and subsequent scoring.

Ms. Deidre Sanders noted that the DEI Consultant team would be contacting the Companies in the next couple days.

Mr. Peter Ludwig, CT Green Bank, asked how the program funding was structured. Ms. Devan Williamsen said that a full presentation was provided at the May EEB meeting and can be found in the [May EEB materials folder](#). Ms. Williamsen shared that 1/3 of the participants are municipalities and the rest non-profits and community-based organizations. The structure varies, but for example Branford's energy community is leading the work and the town serves as the fiduciary and passes through the funds to the ad hoc committee to carry out the work. In some situations, the funds are directly paid to the municipality.

Ms. Anne-Marie Knight asked for an example of one town, its goal, and the funding it received. Ms. Williamsen shared that Branford is focusing on driving an increase in small business participation by 5% compared to 2017-2019 average. As of June 30,

paid and scheduled projects were up by approximately 80%. The project team is also tracking projects after media campaigns, and are showing improved participation after outreach events.

Mr. Lawrence asked Mr. Peter Ludwig if there might be an opportunity for Green Bank programs to collaborate with the next round of the CPI. Mr. Ludwig noted that the minimum C-PACE Commercial Property Assessed Clean Energy (C-PACE) project loan size is \$30K and most participants are doing projects that are \$400K-\$500K. Mr. Ludwig said he's happy to talk about it further.

- f. Review updated participation data by vertical in each size quartile – Companies  
Mr. George Lawrence refreshed the Committee on the verticals and led a discussion around possible changes for 2023. Mr. Lawrence also led a discussion around DEI in the C&I space. Mr. Lawrence asked the Committee if there are other data points that are desirable to see. Ms. Anne-Marie Knight observed that at least two of the communities participating in the CPI, discussed earlier in the meeting, are not communities with high numbers of people of color.

Ms. Knight noted that community involvement can hold different meanings, adding that finding a way to get more involvement from disadvantaged communities is important. Mr. Ludwig noted that the Green Bank is thinking about where capital is deployed and has been committed to aligning with the [Justice40](#) (Federal) Initiative by targeting underserved communities. Mr. Ludwig added that considering how Connecticut is segregated on race, class, and economic lines is significant, but not always perfect when figuring out how to get resources to underrepresented groups in the Commercial space. Mr. Ludwig noted that deploying capital in an underserved area doesn't always yield the intended results for equity. Mr. Lawrence referenced a report from Massachusetts that looked at location with respect to underserved qualifiers and there isn't always a direct correlation between a business in an underserved area and its vitality. Massachusetts report on Non-participation, see Appendix I, "MA economic opportunity zones": [https://ma-eeac.org/wp-content/uploads/Final-MA19X11\\_B\\_SBNONPART-Report-20200415-1.pdf](https://ma-eeac.org/wp-content/uploads/Final-MA19X11_B_SBNONPART-Report-20200415-1.pdf)

Ms. Knight requested that ILLUME share what other areas across the country are doing to address inequity in this space. Ms. Deidre Sanders said that ILLUME's focus would be to collect data and form a framework but ILLUME will work the Companies on the Community Partnership Initiative.

Ms. Amanda Fargo-Johnson, in reference to the three-year versus five-year snapshot for the quartile assessment, asked if the recent impacts to programs and customers would be diluted with a five-year timeframe compared to a three-year timeframe. Mr. Lawrence noted the benefits for both, and Mr. Ricky Jordan noted that the Companies can look at both annual data and the average but will be looking specifically at outliers.

A copy of the presentation can be found in the [materials folder](#).

4. Report out on Condition of Approval #8 – Companies  
*"The utilities shall lead a collaborative process, working with C&I customers, EEB Technical Consultants, and the Evaluation Administrator, to develop a proposal for an alternative verification pathway in instances where the customer is able to provide reliable calculated savings."*  
Mr. Joel Kopylec, Avangrid, and Mr. Ricky Jordan, Eversource, provided a presentation that included the Companies' approach to addressing Condition of Approval #8. This presentation included background on the order and a review of the 2022-2024 Plan development timeline, the steps taken, and the proposal for an alternative verification pathway in instances where

customers can provide reliable savings information. The presentation also included information on the savings calculation process and modifications made because of this process and a pilot approach to testing new methods. A copy of the presentation can be found in the [materials folder](#).

Mr. Jay Goodman, Connecticut Industrial Energy Consumers (CIEC), said that CIEC appreciated the collaborative process to develop the proposal for an alternative pathway. Regarding the proposed pathway, Mr. Phil Mosenthal suggested eligibility criteria on the size of the customer.

Ms. Kate Donatelli, DEEP, referenced the pilot and asked if the Companies anticipate an existing pipeline and if there are multiple participants how the Companies plan to select or prioritize which projects to choose. Mr. Jordan didn't indicate any knowledge of an existing pipeline or having selection criteria beyond the size of users currently. Mr. Kopylec said the Companies would have to evaluate when there is a high demand for participation. Mr. Goodman noted that he has conversed with many companies during this process and believes companies are considering projects already.

Ms. Donatelli said that before the Companies roll out the alternative pathway more broadly, that they consider how to measure and demonstrate success. Ms. Donatelli noted that DEEP would be interested to see this throughout the course of the pilot.

Mr. Lawrence asked if there are other steps the Companies must take to meet the Condition. Ms. Donatelli said that unless any modifications to the proposal will be made after the presentation today, they should file the proposal with DEEP.

5. Planning for August C&I Committee Meeting

- a. Plan Update – Mr. Lawrence noted that Mr. Stephen Bruno shared budget changes and asked the Committee if it would like to hear about these. Ms. Kate Donatelli said this was a good idea.
- b. C&I Performance metrics – Ms. Jordan Schellens said that the data would be ready, and the Companies can include the data for equity, based on the conversation today.

Mr. Lawrence also suggested a Green Bank update in August. Mr. Lawrence also noted the financing recommendations for small businesses in the Three-Year Plan and asked if this topic would be of interest. Mr. Dan Robertson said yes and Mr. Ludwig noted that the Green Bank can address this. Mr. Joel Kopylec asked if the Companies should provide information on options they provide, and Mr. Lawrence said it would be good information to include.

Mr. Dan Robertson asked what the next steps would be for the baseline evaluation and proration of energy savings for HVAC. Mr. Ricky Jordan noted the Companies need to digest the information and can provide thoughts in August.

6. Adjourn

The meeting was adjourned.