



Energy Efficiency Board Monthly Meeting

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

MINUTES¹

In Attendance

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

Utility Board Members: Pat McDonnell, Ron Araujo

Board Members Not in Attendance: Eric Brown, Mike Wertheimer, Chris Plecs, Roddy Diotalevi, Will Redden

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

Others: Mary Sotos, Linda Foreman, Walter McCree, Steve Bruno, Pam Penna Verrillo, Will Riddle, Sheri Borelli, Anthony Clark, Mackey Dykes, Leticia Colon, Kyle Ellsworth, Tom Hernandez, Guy West, Julian Han (phone)

Process

Minutes

The Board considered whether to approve the minutes from the February 14, 2018 Board meeting. Ms. Fargo-Johnson moved to approve. Mr. Dornbos 2nd. Vote: all present voted to approve, except Ms. Houel who abstained. **February 14, 2018 meeting minutes approved.**

Public Comments

Mr. Han, Greenergy, Inc. He said that many vendors, such as his company, had not received rebate reimbursements from the Companies for several months. Mr. Han said he would submit his comments in writing to the EEB.

EEB operations/process changes approved at June 2017 retreat

It was noted that the process changes approved at the June 2017 retreat included a greater reliance on the Committees to work through issues. Mr. Beup asked how the EEB consultant budget cuts would impact their ability to do more work for the Committees. Ms. O'Connor said that would be a challenging issue, and that each Committee should decide how to handle the issue.

¹ Meeting materials available in Box.com: <https://app.box.com/s/i55awywwpvbzqk77lcrq68kl8rq32w>

Vote: 2018 EEB meeting schedule changes

The Board reviewed a list of proposed Board and Committee meeting schedule changes for 2018. Mr. Traver said he was concerned about how the C&LM Plan would be adequately covered with the revised schedule. He noted that the regular business meeting on June 13 should include both regular business and planning. Mr. Schlegel proposed adding regular business to the agenda of the June 13 meeting. Ms. Fargo-Johnson said the phone and internet issues at the EEB meetings should be addressed. Ms. Duva said the Board might consider meeting at a location other than Hearing Room 1 in 10 Franklin Square. Mr. Diamond edited the proposed schedule changes to note that the June 13 EEB regular meeting would still be focused on the C&LM plan, but not solely dedicated to it. Mr. Beup moved to approve the proposed schedule changes. Mr. Traver 2nd. Vote: all present voted in favor of the schedule changes. **2018 meeting schedule changes approved.**

Vote: Board approval of revised 2018 Board Consultants Budget and 2018 Workplans

Mr. Schlegel provided a presentation on the proposed revised 2018 EEB consultant workplans and budgets. He then provided a presentation on what consultant tasks would need to be cut back, and he provided some recommendations on processes with the Companies that could be made more efficient. Ms. Duva suggested that the Board discuss whether the Consultants should spend more time on specific deliverables and less time on general work, particularly attending meetings. Mr. Beup said the consultants' participation at meetings was quite specific because the meetings involve coverage of specific issues. Ms. O'Connor said that the Board should let the Consultants decide how to best manage their budget and priorities. She said there was no need for the Board to formalize a change in the consultants' work. Ms. Houel moved to approve the revised 2018 EEB consultants' budget and workplans. Ms. Fargo-Johnson 2nd. Vote: all present voted in favor of the revisions, except Ms. Duva who abstained. **Revised 2018 Board Consultants Budget and Workplans approved.**

Programs and Planning

Update on impact of reduced budget on C&LM programs

Mr. Bruno provided an update on behalf of Eversource. He said that Eversource was facing budget pressures for both electric and gas. Mr. Araujo said Eversource was significantly behind goal with HES due to the RGGI funding shortfall. Mr. McDonnell provided an update on UIL. He said UI was projecting being fully expended in both Residential and C&I by sometime in the summer timeframe. He said there would be variability among the different programs, and that some would be expended earlier than others. He said UI would likely need to curtail programs in both Residential and C&I. Mr. Schlegel asked the Companies to inform the Board prior to curtailment of programs.

Update on letter to DEEP regarding EEB disapproval of the revised 2018 Plan update and recommendations on 2018-2019 budget allocation

Mr. Schlegel provided an overview of the EEB letter to DEEP. He noted that the Companies and DEEP had provided a response to the letter. Mr. Bruno said that the issue might in essence be whether Eversource can overspend in 2018, and then underspend in 2019. Mr. Bruno said that he had not yet discussed this with Chris Plecs, so he could not elaborate on

what Eversource should do in response to the letter. Mr. McDonnell said UI would likely be open to moving forward with the smooth budget allocation approach, but UI would need a regulatory guarantee of recovery. He said he believed PURA should be able to provide that guarantee. He said UI would require a PURA proceeding. He said DEEP action by itself would not be sufficient. Ms. Duva said PURA and DEEP would be in a situation in which a regulatory guarantee would amount to a tax decision (i.e., taking funds from another source), which PURA and DEEP would not be able to do. She said that DEEP did not have the statutory authority to approve the 2019 budget, and PURA could not do a proceeding on a budget that did not exist; therefore, a regulatory action such as this would likely take considerable time to figure out. Mr. Traver said the proposal actually should be to have equal budgets in 2018 and 2019 – a completely smooth allocation, rather than just a smoother allocation, which is what the current proposal is. Ms. Houel said she was concerned that the parties were running out of time to pursue a solution. Mr. Schlegel said that the six months of collections that the Companies included in the March 1 filing also do not exist, so that was inconsistent with DEEP’s explanation that it could not approve a budget that did not exist. Mr. McDonnell said there were two statutory language components to a regulatory sweep. Mr. Traver suggested that a 2017-2019 plan could be developed. Ms. Duva said that DEEP’s attorneys said that DEEP was not allowed to do that. Mr. Dornbos said he wanted to encourage stakeholders to push for a legislative restoration of C&LM funds, which would help alleviate these challenges. Ms. Duva said DEEP’s perspective was that they needed to work through the Conservation Adjustment Mechanism (CAM) proceeding to understand what options might be possible. She said DEEP needed to approve the C&LM budget so the CAM could move forward, but she noted that could be a challenge because the Board had not approved the budget. Mr. Beup suggested that the Board should communicate information to PURA, the legislature, and others to make sure they fully understood the EEB’s request. For example, Mr. Dornbos said that legislature could say that 2019 collections cover only FY 2019 expenditures. Ms. O’Connor recommended that letters to PURA and the legislature should be drafted by the Board and voted on. Mr. Schlegel was asked to lead a working group that would draft the letters. Mr. Traver clarified that the Board should develop separate letters to the legislature, PURA, and DEEP.

Update on SBEA financing, including new Eversource proposal

Mr. Bruno said the Green Bank would provide a proposed modified structure by the end of March. Mr. Clark said that the Green Bank would need to figure out confidentiality issues, in particular whether JP Morgan could see the revised proposal. Mr. Clark also said that the Eversource proposal did not include UI; therefore, the Green Bank would need to bring UI into the discussions. Ms. O’Connor asked if the Board could see the new proposal before it was finalized. Mr. Bruno said yes.

Update on 2018 New England avoided cost study

Mr. Schlegel provided an overview. He said the avoided costs would be 20% - 30% lower than in the previous avoided cost study. He said some of the reasons for the lower avoided costs were: lower gas prices, lower Forward Capacity Market prices, and other lower prices. He said this would likely impact some energy efficiency programs that have lower cost-benefit ratios (such as multi-family).

2019-2021 C&LM Plan: plan development and key issues

Mr. Schlegel encouraged Board members to let the EEB consultants know what issues were important to them prior to the June Board meeting.

Closing Public Comments

Leticia Colon – She said that legislators were unaware that certain programs could be curtailed or terminated soon. She said that we were in a crisis, and that the Board needed to take a different approach. She said the Board needed to help the legislature understand the potential impacts, and to provide better options. She suggested that perhaps parity could be abandoned as a short-term fix (e.g., get rid of upstream benefits).

Tom Fernandez, Maximum Home Performance – He said he would send Mr. Diamond a document to be posted in the Box folder.

Tim Schneider, Earthlight Technologies – He said he was an energy efficiency and solar contractor. He requested greater funding stability so that we did not need to keep defending programs.

Guy West – He said he believed a detailed EEB letter to the legislature was very important. He encouraged individual Board members to communicate on their own to legislators.

The meeting adjourned at 3:40 pm.