



Energy Efficiency Board Monthly Meeting

Wednesday, March 9, 2016, 1:00 – 3:30 PM

10 Franklin Square, New Britain, CT (Hearing Room 1)

MINUTES¹

In Attendance

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

Utility Board Members: Pat McDonnell, Matt Gibbs, Ron Araujo

Board Members not in Attendance: Eric Brown, Michael Cassella, Chris Ehlert

Board Consultants: Les Tumidaj, Glenn Reed, Jeff Schlegel, Craig Diamond, George Lawrence (phone), Phil Mosenthal (phone)

Others: Ellen Rosenthal, Guy West, Steve Bruno, Dave Dobratz, Walter McCree, Pam Penna, Chris Plecs, Mark Grindell, Leticia Colon, Julia Dumaine, Mark Thomson (phone), Jim O'Reilly (phone), Lisa Skumatz (phone)

Process

Minutes

The Board considered whether to approve the minutes from the February 10, 2016 Board meeting. Ms. O'Connor moved to approve, Mr. Traver 2nd. All voted in favor. **February 10, 2016 minutes approved.**

Public Comments

None

Executive Secretary's Report

Mr. Diamond briefly discussed the 2016 EEB meetings topics schedule. He also briefly discussed the compilation of Board member appointments and terms that he completed at the request of the Board.

¹ <https://app.box.com/s/nbdfyvtjism632hw93els3ohf166z9lzo>

Program Updates/Highlights

Demand resources/demand response including pilots

Mr. McDonnell and Mr. Plecs provided a presentation. Mr. Schlegel discussed some key points regarding demand response, including cost drivers and how to reduce costs, and the need to identify the best strategies for Connecticut. In regard to the demand response pilots being planned, he said it will be important to learn about the effectiveness of automation, and to demonstrate the value of demand response programs, and customer demand for them, before launching a larger demand response program. Mr. McDonnell said that the Companies should talk with the New England ISO before implementing programs. He also said that, regarding lighting controls, there are many technologies available now that can be integrated into automated demand response. Ms. Babbidge said that she would like to facilitate a meeting with the ISO and the New England States Committee on Electricity to discuss demand response market rules. Ms. Fargo-Johnson asked if savings from demand response would be all year round or only at certain times. Mr. Plecs said that some customers will see immediate benefits all year round, while others might be time-specific. Ms. Fargo-Johnson also asked if there were funding sources other than ratepayer funds for demand response. Mr. McDonnell said that the pilots would be funded only by ratepayer funds, but other funding sources will be sought for large projects/programs. Mr. Dornbos said that the Board is available to help as the Companies develop their demand response plans.

Programs and Planning

Revised 2016-2018 C&LM Plan budget and goals filed with DEEP

It was noted that the Board did take action to approve the Consultants budget and the Evaluation budget, but it did not take action on the other compliance items submitted by the Companies. Mr. Bruno gave an overview of the compliance items submitted by the Companies: Condition 9 – Board consultants budget; Conditions 10/11 – Evaluation, including a note to DEEP asking for permission for the Companies to overspend on Evaluation beyond \$3 million as requested by DEEP; Condition 17 – allocation of carryover funds, including the C&I demand response pilots; Condition 19 – funds for municipalities; Condition 20 – Companies’ performance incentive; Condition 13 – improved process for multi-family; Condition 16 – Portfolio Manager integration; and Condition 21 – gas conversion coincidence with energy efficiency. Mr. Dornbos noted that some of the compliance items submitted to DEEP had not yet been reviewed by the Board for feedback. Ms. Babbidge said that the compliance submissions were under review, and that DEEP might provide a response within the next few weeks.

Revised Evaluation Projects List and Budget, and revised Evaluation Administrator Budget

Ms. Skumatz provided a presentation. There was no follow-up Board discussion.

Revised EEB Consultants budget

Mr. Schlegel mentioned that a revised Consultants budget of \$650,000 had been approved by the Board and then filed with DEEP.

EEB/CGB Board Joint Committee authority and responsibilities

Ms. Fargo-Johnson said that the Board needed to clarify the authority of the EEB representatives to the Joint Committee. Mr. Wertheimer agreed that clarification of the authority of the EEB representatives was needed, and also asked if it was appropriate for the Joint Committee to initiate any communications on its own, even if the Joint Committee were to indicate that it was not speaking on its own. He said the Board does not know what the legislative intent was of the statutory language that created the Joint Committee. Ms. O'Connor suggested a regular placeholder on EEB agendas for Joint Committee issues to be discussed if necessary. Mr. Dornbos said that he believes the legislative intent was that Joint Committee decisions can't bind the EEB or the CT Green Bank. Mr. Dornbos suggested that the Board's Rules/Roadmap be amended regarding this issue. Ms. Fargo-Johnson and Mr. Wertheimer agreed that the Rules/Roadmap should be amended. Mr. Wertheimer noted that the Rules/Roadmap probably would not be able to address the issue of whether the Joint Committee can communicate on its own accord. He asked who has authority to clarify the Joint Committee's authority to communicate independently? Mr. Traver said that the Joint Committee should have the authority to vote. Mr. Schlegel and Mr. Diamond will draft proposed changes to the Rules/Roadmap for consideration by the Board at its April meeting.

2015 EEB Legislative Report highlights

Ms. Rosenthal and Mr. Grindell provided a presentation, including an overview of the Companies' public relations efforts.

Monthly financial report

Mr. Gibbs said that he would provide an Eversource financial update at next month's meeting. He noted that the low price of oil was dampening demand for Eversource's HES program. He said that Eversource was creating a weatherization radio campaign, and considering other marketing efforts as well, to address the reduced demand. He also said that a pending HES co-pay increase scheduled for September 1 could further dampen demand. Mr. Gibbs said that Eversource was working with vendors and Clean Energy Communities team to strengthen demand. Mr. Dornbos said the situation should be monitored and addressed by the Board. Mr. Gibbs said he would like to discuss the co-pay during the Board's summer meetings. Mr. Schlegel suggested an update from Eversource at the April or May meeting, to include Eversource's responses and the extent to which they are working. Ms. O'Connor encouraged Eversource to work with the HES vendors on solutions. It was noted that UIL was not experiencing the same dampening of demand as Eversource, and that its electric HES budgets were fairly close to being on target.

- *SCG budget and statewide vs. company-specific budgeting.* Mr. Schlegel noted that the requirement that funds collected by a Company must be spent by that Company can be an impediment to solving budget challenges, as is the case with the SCG C&I budget (significant overspending in 2016) and Eversource's HES budget (significant underspending in 2016). Mr. McDonnell asked if each of the Companies' spending still cannot vary by more than 15% in a given year. He noted that that requirement is limiting UIL's ability to manage SCG's C&I overspending. Mr. Wertheimer said he does not support a state-wide budget (that is, the ability

for funds to be shifted among Companies), and does not support more than a 15% overspend for each Company. Ms. O'Connor said that the OCC agrees that the overspend limit should not be higher than 15%. Mr. Araujo asked if there could be funding fungibility when an Eversource company is in same service territory as a UIL company (e.g., Eversource Electric and SCG/CNG). Mr. McDonnell asked about the statute and regulation regarding spending of RGGI funds. Ms. Babbidge suggested looking at the regulation rather than the statute, and said that it might be only for electric programs. Mr. Traver said that in cases of overspending, programs should be throttled back (e.g., by reducing incentives) rather than completely turned off. He said that shutting programs down as a result of overspending could hurt vendor jobs, and could also discourage C&I customers from budgeting for capital improvements.

Other

Status of appointment of EEB Residential Board seat

Ms. Babbidge said that DEEP likely will appoint a new Board member prior to the April Board meeting.

Update on DEEP RFP for Clean Energy pursuant to Public Act 15-107: Companies' Consultation with EEB on possible proposals

Ms. Babbidge said that DEEP would be releasing the final RFP for electric within the next few days, and that a draft RFP for gas will be released soon. She said that electric RFP proposals probably would be due some time in May.

Mr. Araujo announced that the Zero Energy Challenge awards would take place on April 7 at 6:00 pm in South Windsor.

Ms. Babbidge noted that DEEP would be hosting an energy education workshop on March 28 at the Energize CT Center.

Closing Public Comments

Ms. Colon said that there had not been enough focus on the goal of weatherizing 80% of CT homes by 2030. She said that too much emphasis was being placed on financing. She said that she had spoken with many contractors, and said they are all concerned about demand for weatherization. She said that marketing should be less focused on branding and more focused on weatherization. She also said that marketing should mention climate change and its connection to weatherization.

The meeting adjourned at 3:09 pm.