



Energy Efficiency Board Monthly Meeting

Wednesday, May 11, 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), Diane Duva, Mike Wertheimer, Jack Traver, Neil Beup, Eric Brown, Adrienne Houel, Amanda Fargo-Johnson (phone)

Utility Board Members: Ron Araujo, Pat McDonnell, Chris Plecs, Mike Cassella

Board Members not in Attendance: Ravi Gorthala, Chris Ehlert

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

Others: Steve Bruno, Pam Penna, Lynn Stoddard, Mimi Cedrone, Walter McCree, Amy Mclean-Salls, Randy Vagnini, Guy West, Diane Del Rosso, Marissa Westbrook, Anthony Clark (phone), Leticia Colon (phone), Jennifer Gray, John Sima, Diana McCarthy-Bercury, Jeff Wihbey

Process

Minutes

The Board considered whether to approve the minutes from the April 13, 2016 Board meeting. Ms. Duva requested changes to the minutes, which were provided to Mr. Diamond and incorporated into the minutes. Mr. Wertheimer moved to approve, Ms. O'Connor second. All voted in favor except Mr. Beup and Mr. Dornbos who abstained, and Ms. Houel who was not present for the vote. **April 13, 2016 meeting minutes approved.**

Public Comments

- 1) Guy West, Clean Water Action - Mr. West said that the Board should consider recommending a deferral in the scheduled increase in the HES co-pay, particularly since customer demand has been very low.
- 2) John Sima, CT Geothermal Association – Mr. Sima requested that the programs offer increased incentives for geothermal technology. Mr. Sima also said he would like help with promotion of the technology, and said he would like to see it included in EnergizeCT or Green Bank advertising.

¹ Meeting materials can be accessed at: <https://app.box.com/s/wk7eu33w5b0ohf85n84zg5zmv7bg9ukg>

Executive Secretary's Report

Mr. Diamond provided an update on the upcoming meeting schedule, including the new date for the public input session (June 8), and the Board retreat (June 22).

June election of Board Chair and Vice-Chair

Mr. Dornbos reminded the Board that the EEB Rules and Roadmap requires the Board to elect a Chair and Vice-Chair in June of every even year. Therefore, the Board will need to elect a Chair and Vice-Chair at the Board's June 22 monthly meeting (following the retreat).

Program Updates/Highlights

Roundtables for engaging business customers

Amy McLean Salls and Randy Vagnini provided a presentation. Mr. Vagnini noted that working through associations was an effective way to engage various market segments.

Energy Efficiency in CT Technical High Schools

Ms. Stoddard, Mr. Wihbey, Ms. Cedrone, and Mr. Vagnini provided a presentation on this topic. Mr. Dornbos asked the presenters if they could provide specific energy savings numbers from the work in the technical high schools. Mr. Wihbey said they were projecting substantial savings, but did not yet have specific numbers. Ms. Cedrone said all lighting projects have a payback of four years or less. Mr. Brown asked if there had been an analysis of how much the school systems pay into the CT Energy Efficiency Fund (CEEF). That number was not available, but Ms. Duva said that state buildings as a whole paid \$6 million annually into the CEEF, and technical high schools were a part of that. Ms. Colon asked if the group's presentation could be made to other schools. Ms. Stoddard said that their projects could be models for other schools. Mr. Lawrence asked if they had plans to go beyond the current focus on lighting to look more at HVAC and other measures. Ms. Cedrone said that next phase of the project would involve more measures beyond lighting. Ms. Duva mentioned that there was no funding currently available for energy savings performance contracting. She said there was a queue for financing, and technical high schools were one of the organizations high up in the queue. Mr. Wertheimer commented that these projects generate considerable tangible benefits. Mr. Beup said these projects, along with the Roundtables presented on earlier, were good examples of getting to know customer segments better. Mr. Beup said these projects were providing tangible benefits.

Programs and Planning

Quarterly financial report

Mr. McDonnell presented on UI and CNG/SCG financial performance. Mr. Plecs and Mr. Araujo presented on Eversource electric and gas financial performance. Mr. Schlegel asked when the first demand response pilots would be in place. Mr. Plecs said that the first

Eversource pilots would not begin this summer, but would begin before the end of the year. Mr. McDonnell said UI will be starting the Residential pilots this summer, but that they still needed DEEP approval to move forward on the C&I pilots. Ms. Duva said that DEEP would be providing a letter to clarify that.

HES program issues

Mr. Schlegel recommended a Board discussion today on the HES co-pay and then a Board vote via email over the next 10 days. Mr. Araujo, Ms. Gray, and Ms. Westbrook provided a presentation. They said that they would need to get any decision on the HES co-pay communicated to vendors before the end of June. They said that the Companies were recommending that the HES co-pay not be increased in 2016, and that it be re-visited in 2017. They said that customer demand was very weak due to the warm winter and to low oil and natural gas prices. They said that Eversource in Massachusetts was also experiencing a significant reduction in demand for energy efficiency services. They also mentioned that the standard offer will lower residential bills, which would further reduce demand for energy efficiency.

Mr. Dornbos asked if the addition of more HES vendors this year had a role in reducing demand for services. Mr. Araujo said it is possible that could have been a factor, but he believes that weather and fuel prices were likely responsible for most of the reduction in demand. The Companies requested that the EEB vote by May 20 to recommend no increase in the HES co-pay for 2016. Mr. Wertheimer asked why increasing the copay to \$124 would necessarily further reduce demand. Mr. Araujo said he did not know for certain that it would further reduce demand, but he believes that it likely would reduce demand, based on the price elasticity study that the Companies had conducted. Mr. Araujo said he thinks it would be risky to experiment this year with increasing the co-pay. Mr. Wertheimer asked if not increasing the co-pay was consistent with market transformation, i.e., reducing dependence on rate-payer funds, and increasing perceived value of EE services. He then asked if other changes might be necessary, not just actions regarding co-pay. In addition, Mr. Wertheimer asked what Eversource would do if the Board did not support delaying the co-pay increase. Mr. Araujo said that Eversource probably would submit the request to DEEP anyway. Ms. Fargo-Johnson asked Mr. Araujo if the historical lowering of the co-pay had resulted in increased demand. Mr. Araujo said that the last time the co-pay was lowered was not for the purpose of stimulating demand in an environment of reduced demand. Ms. Fargo-Johnson said she would not be in favor of an increase in the co-pay this year. Ms. Westbrook and Mr. Araujo said that the message of value (i.e., receiving approximately \$1,000 of services for only \$99) is included in some marketing initiatives. Ms. O'Connor asked if the Companies should further deploy the \$1,000/\$99 value message. Mr. McDonnell said that the Companies needed to do a better job of communicating the actual value of the services, so that any cost over \$99 would no longer be perceived as too expensive; however, Mr. McDonnell said that this might not be the right time to raise the co-pay. Ms. O'Connor said that the Programs should do more to communicate value.

Mr. Schlegel said the Consultants needed to further analyze that situation and would make a recommendation to the Board soon. He said that the Consultants would be

recommending an increase in co-pay, but not necessarily in September of this year. He said that the Companies needed to do better at promoting the \$1,000/\$99 value concept. Mr. Schlegel said the Consultants supported the “home improvement” messaging, but that was not sufficient. He recommended a Board electronic vote 5 days after the Consultants receive information they’ve requested from the Companies. He said the Companies needed to plan specific transition activities so that customers accept a co-pay higher than \$99. Mr. Dornbos said that other opportunities to increase demand, in particular programmatic changes that go beyond marketing and co-pay, should be explored. Mr. McDonnell suggested that the Board should initiate its email vote no later than May 18. Ms. Houel requested information on outreach to vendors as part of the information provided by Consultants. Mr. Traver said he would not support increasing the co-pay at this time.

Update on plan for education of the public and students, and HES vendor roundtable

Ms. Duva provided a presentation on the HES vendor roundtables. She said that the May 5 roundtable focused on HES-IE. Then she presented on the workshop on education of the public and students. She said the second workshop on May 26 would solicit comments on what should be included in the education plan the Companies were asked to submit to DEEP on July 1.

4. Other

Update on Legislative session - not covered at this meeting.

5. Closing Public Comments - none

The meeting adjourned at 3:43 pm