



Energy Efficiency Board Monthly Meeting

Wednesday, June 13, 2018, 1:00 – 3:30 PM

Energize CT Center, 122 Universal Drive N., North Haven, CT

MINUTES¹

In Attendance

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

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

Board Members Not in Attendance: Roddy Diotalevi, Justin Connell, Amanda Fargo-Johnson, Mike Wertheimer

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

Others: Mary Sotos, Guy West, Steve Bruno, Pam Penna Verrillo, Will Riddle, Anthony Clark, Craig Clark (phone), Ghani Ramdani (phone), Laura Fdao (phone)

Process

Minutes

The Board considered whether to approve the minutes from the May 9, 2018 Board meeting. The Board decided to conduct an e-vote on the minutes because they were not available in hard copy at the time of the meeting. An e-vote was conducted June 13 and 14. All Board members voted to approve. **The May 9, 2018 EEB minutes were approved via e-vote.**

Public Comments

None.

VOTE: Bi-annual elections of EEB Chair and Vice-Chair

Ms. O'Connor said that she was stepping down as Board Chair. She said she would remain on the Board representing the Office of Consumer Counsel. She said she appreciated the work and support of the Board Consultants. Ms. Duva thanked Ms. O'Connor for her service to the Board. Ms. Houel nominated Mr. Dornbos to be Board Chair. Mr. Dornbos accepted the nomination. Mr. Gorthala seconded the nomination. Ms. O'Connor nominated Ms. Fargo-Johnson to be Vice-Chair. Mr. Beup seconded the nomination. A vote was held for both nominations. All voted in favor to approve the nominations of Mr. Dornbos for Chair and Ms. Fargo-Johnson for Vice-Chair. Ms. O'Connor said she was providing a proxy vote for Mr. Wertheimer and Ms. Fargo-Johnson, both of whom were not

¹ Meeting materials available in Box.com: <https://app.box.com/s/s3ly5x2742thdk82ngvh77f8xkhpm5m8>

present at the meeting. **Mr. Dornbos was elected Chair, and Ms. Fargo-Johnson was elected Vice-Chair.** Ms. Duva said she assumed that most Board members would be staying in their current appointments, unless she hears otherwise.

Programs and Planning

Highlights of the morning's Public Input Session

Mr. Schlegel provided a summary of the morning's Public Input Session. He noted there had been a significant amount of discussion, particularly regarding the Residential programs. He said the Board members present at the Public Input Session committed to continue discussions with the home performance contractors as part of the 2019-2021 planning process. Mr. Schlegel recommended that August 1 should be the last day the Board would accept written public comments. The Board agreed with Mr. Schlegel's recommendation.

Monthly financial update, including update on impact of reduced budget on C&LM programs

Mr. Plecs provided an update on Eversource's C&I programs. He said that the C&I electric programs were on track to meet their goals at year-end. He said the C&I gas programs could potentially exceed goals at year-end because of a good C&I project pipeline had been built at the end of 2017. Mr. Araujo provided an update on Eversource's Residential programs. He said that Residential electric goals were on track to be met at year-end. He said the gas programs were on track to exceed some goals, but he said they were not planning to curtail any programs. Mr. Riddle provided an update for UIL programs. He said that UIL was oversubscribed on most C&I programs, and that they would need to curtail most of the C&I programs. For Residential, he said they might need to curtail the HES program for UI and SCG sometime in September or October. He said that CNG was tracking behind on its Residential goals. Mr. Brown said he would like to talk with the Companies about marketing to small businesses. Mr. Traver said that adjustments should have been made to prevent program curtailments. He asked if anything could have been done to avoid curtailments. It was clarified that adjustments were made by the Companies last November and December, and that adjustments were reviewed at the Committees. Some Board members asked what the role of the Board could have been in preventing the UIL program curtailments.

2018-2019 C&LM budget and goals

- *Legislative outcomes, reduced diversion for FY 2019.* Ms. Duva provided a presentation. She said that Public Act 18-81 had reduced the diversion amount by \$10 million for FY 2019. She said the legislation made no changes to the RGGI diversion. Mr. Schlegel said the \$10 million reduction in the diversion for FY 2019 means that \$5 million would be added back to the programs for the 2018 program year.
- *Revised 2018 C&LM budget and goals.* Mr. Bruno provided a presentation. It was noted that Eversource received \$4 million from the diversion reduction, and that UIL had received \$1 million. For the Eversource Residential program, most of the funds were put into HES and HES-IE. For 2019, Mr. Bruno said the Companies were considering some changes for the budget; in particular, they wanted to move closer to

parity. He said the Companies would review changes to the savings goals with the Board Consultants. Mr. Bruno said the proposal was for the Board to conduct an e-vote for the proposed changes prior to the next Board meeting. Mr. McDonnell said he would like approval by the Board quickly so that UIL could move forward with some projects. Mr. Schlegel recommended that the Board provide feedback today's meeting, and then the Consultants and Companies would provide recommendations to the Board via an electronic vote in about a week from now. Mr. Schlegel suggested some questions for the Companies to consider: Is the \$5 million placed in the right budget categories; what can or should be done with the smooth allocation issue; what should the allocation of funding be across programs; can funds be stretched further; and would some project applications be paid in 2019, freeing up funds for 2018? Mr. Traver asked if it might be possible to make adjustments now. A question was asked about the UIL decision to curtail its retail products program. Mr. Riddle said UIL would look at its upstream rebates. A question was raised about the energy efficiency lawsuit filed in May by several stakeholders. It was noted that some of the diversion funds could be returned, but if they were to be returned, it was unknown how that would occur. Regarding the smooth allocation of budget across 2018 and 2019, the Companies confirmed that the PURA route of guaranteed recovery would not be able to work for the Companies from a legal and accounting perspective.

Analyses and recommendations regarding HES co-pay and impact on moderate income customers

Mr. Araujo provided a presentation for Eversource. Ms. Houel noted the finding that moderate income customers tend to be in older homes. Mr. Riddle provided a presentation for UIL. Ms. Houel said that marketing probably did have an impact on the response to the co-pay increases. She said that there was also likely an impact of the co-pay rebate. She noted that these factors could have hidden the potential negative impact of the HES co-pay increases.

SBEA capitalization, results and recommendations from new RFP

Mr. Schlegel noted that the intent was to have the Board ask questions today, and then there would be an additional Board discussion likely sometime in July, and then likely an e-vote prior to the August Board meeting. Anthony Clark provided a presentation. Mr. Brown asked about the three proposals that would be managed by the Green Bank, and asked if the Companies would limit the need for their involvement. Mr. Bruno said that those three proposals would not necessarily reduce the role of the Companies. Mr. Plecs said the Companies have accepted that there would need to be some role for Companies moving forward. Ms. Duva asked why the differentiation between the municipal market and private sector market was not a selection criterion. Mr. Clark said none of the respondents provided differentiation on that issue.

2019-2021 C&LM Plan: C&I key issues

Mr. Lawrence provided a presentation. Mr. Beup said it's important to assure that market need is well understood and documented before pushing a technology, advanced lighting controls, for example. Mr. Bruno provided a brief presentation on C&I and Residential priorities.

3. Other

Mr. Schlegel thanked Ms. O'Connor for her many years of Board leadership.

Ms. Duva said DEEP would be placing priority on incorporating the Comprehensive Energy Strategy, Integrated Resources Plan, and the recommendations of the Governor's Council on Climate Change into the 2019-2021 C&LM Plan.

Ms. Duva said Donna Wells had been hired by DEEP as a new employee in the Energy Demand office.

4. Closing Public Comments

None

The meeting adjourned at 3:45 pm.