

November 25, 2013

HOME ENERGY SOLUTIONS INNOVATION AND TRANSFORMATION WORKSHOP

***NOTICE OF WORKING MEETING
AND
NOTICE OF OPPORTUNITY FOR WRITTEN COMMENTS***

The Department of Energy and Environmental Protection (“DEEP” or “Department”) is conducting a proceeding to solicit ideas from stakeholders on innovative approaches to the Connecticut Energy Efficiency Fund’s Home Energy Solutions program that can improve program cost-effectiveness, ensure equitable participation, and transform the market for residential energy efficiency. DEEP is seeking input through written comments, and through public participation in a workshop-style meeting.

Workshop: DEEP will host the HES Innovation and Transformation Workshop on December 11, 2013, from 9:00 a.m. – 11:30 a.m. in Hearing Room 1 at DEEP’s New Britain Offices, Ten Franklin Square, New Britain, Connecticut. See “Background and Overview” section below for more information. While not required, if you plan on attending and/or participating in the meeting, please RSVP to DEEP.EnergyBureau@ct.gov by December 9. This assists with logistical planning.

Written Comments: DEEP invites written comments regarding Home Energy Solutions Innovation and Transformation. Comments may be filed on or before December 31, 2013, by 4:00 p.m. Written comments may be filed electronically on DEEP’s website at: http://www.ct.gov/deep/cwp/view.asp?a=4405&q=493990&deepNav_GID=2121 under the matter “Home Energy Solutions Innovation” or submitted directly to Debra Morrell at DEEP.EnergyBureau@ct.gov. All materials submitted by stakeholders in this proceeding will be posted on DEEP’s website.

Any questions may be directed to Debra Morrell at (860) 827-2688 and/or via e-mail at debra.morrell@ct.gov.

You may call the Public Utilities Regulatory Authority’s offices, at (860) 827-1553, Option 4 (using a touch tone phone), commencing each day from 7:30 a.m., for information on weather related building closures or postponements and delays of events scheduled to be held at DEEP’s New Britain Offices.

The Connecticut Department of Energy and Environmental Protection is an Affirmative Action/Equal Opportunity Employer that is committed to complying with the requirements of the Americans with Disabilities Act. Please contact us at (860) 418-5910 or deep.accommodations@ct.gov if you: have a disability and need a communication aid or service; have limited proficiency in English and may need information in another language; or if you wish to file an ADA or Title VI discrimination complaint. Any person needing a hearing accommodation may call the State of Connecticut relay number - 711. Requests for accommodations must be made at least two weeks prior to any agency hearing, program or event.

Background and Overview of Proceeding

The HES program has evolved from a pilot effort provided through a handful of vendors in 2007 to an award-winning program that delivers comprehensive energy efficiency services to thousands of Connecticut homes annually. Through the HES program, public utility ratepayers have supported development of a growing home performance industry in Connecticut. The program has created jobs, developed a structure to train energy service professionals, saved energy, and helped provide a cleaner, healthier Connecticut for future generations. Yet, delivering the current program is resource-intensive and we need to explore ways to further increase the benefit to cost ratio, and expand access to efficiency services, while maintaining customer confidence in the quality of the services. Delivering these efficiency measures in an increasingly cost effective way will require educating residents to better understand and value deeper residential efficiency investments, spurring an industry of home performance contractors to market the value proposition, and providing accessible, attractive financing to facilitate those investments with reduced or no ratepayer subsidy. As noted in Connecticut's 2013 Comprehensive Energy Strategy, "efforts by the home energy performance contractors to establish a recognized industry may be a way to provide quality services as a market-based industry outside of, and in addition to, the HES program."

The Department recognizes that significant improvements have already been made to increase the HES program benefits. These include a significant increase in follow-on insulation installations and better vendor incentive structures such as the refinement of an MMBtu/participant vendor metrics to better track savings by dwelling type. Other innovations include the deployment of tablet-based data collection tools, which will aid in information gathering, analyses, and data transfer, and integration of the U.S. Department of Energy "Home Energy Score" home rating tool into the field data collection process. Additionally, the Connecticut Clean Energy Finance and Investment Authority, the Connecticut Housing Investment Fund, and the public utility companies have worked together to provide a varied array of financing offerings to best meet the needs of HES program participants.

As noted in Connecticut's 2013 Comprehensive Energy Strategy (www.ct.gov/energystrategy), "[t]he HES program has traditionally focused on participation (i.e., the number of homes served annually), and relied on relatively high subsidies to deliver these results." The 2013 Comprehensive Energy Strategy therefore called for not only increasing participation in the program, but also for ensuring that more HES participants install "deeper" efficiency upgrades as follow-on measures after the HES visit. The 2013 Comprehensive Energy Strategy identified that between 2007 and 2011; only about 10% of the residential customers who received home energy services through the Home Energy Solutions (HES) program actually installed some of the recommended deeper measures. While those percentages have improved, further increasing that percentage will improve the cost effectiveness of the overall HES program. The public utility companies, with the guidance of the Connecticut Energy Efficiency Board, have taken several steps that have helped increase the uptake of "deeper" savings including establishing low-interest financing and increased rebates for insulation; increased rebates and financing for high efficiency boilers and furnaces; sales training for HES vendors and technicians; and adopting savings performance goals for HES service providers.

[The Department's approval](#) of the [2013-2015 Electric and Natural Gas Conservation and Load Management Plan](#) noted that, concurrent with a Connecticut Energy Efficiency Board evaluation of the Home Energy Solutions program that is currently underway, the Department will provide additional opportunities for stakeholder input through a "HES Innovation" public process to solicit ideas and recommendations for further program design changes to improve the performance and cost effectiveness of the HES program.

This HES Innovation and Transformation Proceeding therefore builds on the recent and ongoing innovations mentioned above that have occurred in the HES program. DEEP encourages all stakeholders and interested parties to participate and provide their ideas at the workshop or through written comments, so that ideas can be considered in an inclusive and meaningful manner.

The Department welcomes suggestions on any aspect of HES program design, including but not limited to the topics below:

- What are the next steps to continue integrating field data collection efforts and building labeling?
- What feedback do home energy assessors and technicians have on the field data collection hand-held electronic tablet used during assessments?
- What are the next steps in leveraging and refining the Vendor Score Card to achieve the objectives of the HES program, including deeper energy savings/more savings per household?
- How can home energy assessors and technicians stimulate interest among HES participants to pursue and install deeper measures?
- How to improve the “Kitchen Table Wrap Up” effort to educate residents to better understand and value residential efficiency investments?
- How can the HES program support changes in conservation behavior?
- What steps are needed to effectively market Home Performance and achieve mainstreaming and transformation of the home performance market?
- What are effective ways to boost participation among hard-to-reach customer segments?
- How to drive down the costs of delivering the program while ensuring energy savings?
- What is the future of program co-payments?