EEB APM Meeting

Wednesday, September 11, 2024 | 1:00 PM – 3:30 PM

[Meeting Materials]

[Meeting Recording]

Meeting Minutes

1. **Process**

   A. **Roll call of Board members**

Board Members, Voting: Anthony Kosior, Amanda Fargo-Johnson, Anne-Marie Knight, Kathy Fay, Bernie Pelletier, JR Viglione, John Wright (Caroline McCormack), Jayson Velazquez, Melissa Kops
DEEP Designees: Ben McMillan, Becca Trietch, Victoria Hackett
Board Members, Utilities: Amy Mclean, Diane Del Rosso, Steve Bruno
Board Consultants: Stacy Sherwood, George Lawrence, Richard Faesy, Bahareh van Boekhold, Leigh Michael, James Willamson, Lisa Skumatz

   B. **Approval of August Minutes**

Mr. Bernie Pelletier motioned to approve the August EEB meeting minutes. The motion was seconded by Ms. Anne Marie Knight. The motion passed 8-0 with 2 abstentions (Melissa Kops, Amanda Fargo-Johnson).

   C. **Committee Updates (Evaluation, Residential, and C&I)**

Mr. Bernie Pelletier provided an overview of the 09-11-24 Residential Committee Meeting:

- There was notable progress on the REPS program, specifically its integration with the HES-IE and the Weatherization Assistance Program.
- There was discussion on Federal grant programs, including: CPRG, Solar for All, and IRA.
- The meeting also covered the "air and duct sealing report", which raised fundamental questions about defining a building's interior and where insulation should be placed.
- There was a major discussion on changes to the HES and HES income-eligible programs, transitioning from a one-step to a two-step process (similar to Vermont, Massachusetts, and Rhode Island's models).
- There was a brief DEI conversation about the importance of involving more diverse voices in the EEB programs.

Mr. George Lawrence provided an overview of the 09-10-24 C&I Committee Meeting:

- There was a brainstorming session led by the DEI consultants which focused on developing strong equity indicators for the programs.
- The discussion transitioned into three-year planning, which highlighted the "hockey stick" effect—an observed trend where significant savings are often claimed in the final two months of the year, making the performance chart resemble a hockey stick. However, for 2023, the trend

was different, appearing more like a straight line, akin to a javelin profile.

- The planning text, from a C&I perspective, was noted as being in good shape.
- A major part of the conversation focused on C&I spending, which is decreasing, partly due to the one-time nature of the Park City Wind initiative and a drop in revenue, especially from Eversource Electric. This reduction in spending will need to be addressed.
- The team also delved into the benefit-cost ratio models, analyzing savings, anticipated changes, and comparisons to the latest version of the model.
- There was a report on the Energy Star benchmarking effort led by the Connecticut Center for Advanced Technology. This initiative appears to be progressing well, with a diverse range of customers and building types being recruited and benchmarked through the Energy Star Portfolio Manager.
- The session concluded with planning for October,

Ms. Kathy Fay provided an overview of the 09-09-24 Evaluation Committee Meeting:

- There was an interim presentation from NMR regarding site ride-alongs for the HES and HES-IE programs. The discussion focused on differences between ride-alongs and independent inspections, vendor communications, and the training inspectors receive on upgrades, emphasizing more on how inspector vendors conduct their business (rather than implementation vendors).
- The conversation then moved to the three-year evaluation plan, coinciding with the 2025-2027 C&LM plan. The Committee examined potential evaluation studies, identifying some that did not fit the evaluation parameters but were still deemed important.
- The Committee began reviewing the draft evaluation studies, making it partway through the list. Due to the large volume of studies, additional sessions were scheduled. A document in the evaluation box includes a list of these studies, complete with short descriptions and titles, encouraging members to review items of interest. So far, the Committee has focused on residential studies.
- There was a brief overview of ideas not included in the evaluation topics. These topics ranged from customer bill impacts of electrification and IRA rebates, the durability of materials in air sealing, and whether to pursue additional non energy impact research beyond greenhouse gases. Other points covered included contractor service diversification and the barriers faced by contractors, which were more suited to workforce development entities than the Committee itself, and the balancing of demand response, energy efficiency, and electrification investments.
- A reminder was provided that the Evaluation Administrator produces a memo every 6 months that summarizes recommendations from evaluation studies and includes company responses, allowing for ongoing dialogue.

D. <u>Diversity Equity Inclusion Consultant RFP Update – Consultant Committee</u>

Ms. Amanda Fargo-Johnson provided a review of the DEI RFP Update memo issued by the Consultant Committee. She began by expressing gratitude to the members of the review committee who had been instrumental in organizing the effort. She reminded the Board that back in May, an RFP had been issued for a DEI consultant. She also noted that Illume, their current consultant, would continue to work with them until the end of the year but had not participated in the RFP.

Ms. Amanda Fargo-Johnson explained that the EEB had received six proposals, but the costs were significantly higher than expected. Both hourly rates and overall budget projections far exceeded what they were accustomed to paying all current consultants. As a result, the Committee reassessed the situation and sought input from DEEP on what the budget ceiling should be for the three-year period they were considering.

At this point, Ms. Amanda Fargo-Johnson clarified that they were not ready to propose a specific candidate for board review or vote. Instead, the suggestion was to reprioritize the tasks that had been outlined and ensure the board agreed with the new priority list. It was also recognized that some priorities might need to be either truncated or eliminated to stay within budget, with further discussions required around what the budget cap should look like.

Mr. Anthony Kosior then opened the floor for comments from Board members regarding the prioritization in the memo. Ms. Stacy Sherwood noted that for “Priority 5: Oversight and Monitoring”, Illume is currently working on this task and has made substantial progress on metric development; it might be able to be eliminated from the new RFP scope. Additionally, the technical consultants may be able to support some of the efforts associated with tracking the metrics.

Ms. Becca Trietch proposed a preliminary budget cap of around $500,000 for a three-year period based on a review of the workplans provided by both Illume and the technical consultants. She emphasized that the Board should put forward a threshold for bidders to respond to, allowing them to reconsider their proposals with revised priorities.

Ms. Kathy Fay noted that it was challenging to make decisions without a clear view of the entire budget, which was echoed by other Board members. Ms. Vicki Hackett mentioned that the costs surprised them and raised concerns about keeping programs cost-effective while still advancing DEI initiatives. Ms. Melissa Kops agreed that proposed costs were high and that the EEB should carefully review the services being provided at these costs. Mr. Anthony Kosior agreed, adding that there was a wide range of rates impacting overall efficiency and capability.

Mr. Anthony Kosior reflected on the interview process for potential consultants, which, despite initial concerns, had gone well and revealed promising candidates. He highlighted that ongoing community engagement and in-state travel were critical priorities, expressing confidence that they could achieve their objectives within the proposed budget with some adjustments. Mr. Ben McMillan seconded Mr. Kosior’s comments and thanked the selection committee for their efforts. Mr. Bernie Pelletier suggested that the EEB should define a “minimum viable product” and that the cost of ongoing operations could be reduced once the DEI efforts are up and running.

Mr. Anthony Kosior added that the “onboarding process” and “travel” could be considered a separate task. He highlighted that the community engagement and on-site presence remains a key priority for the Board. Ms. Stacy Sherwood provided context, stating that the proposed DEI budget would account for 0.058% of the overall budget. Ms. Vicki Hackett asked for the percentage of the “non-program” budget and Ms. Sherwood responded that it was about 1%.

Further discussion ensued about aligning priorities with the board’s budget and ensuring the best use of available resources. The meeting concluded with agreement on moving forward with the rebid process and revising the budget, with Ms. Amanda Fargo-Johnson confirming that the Committee would continue its work and provide a recommendation at the October meeting.

E. Notice of Public Input Sessions

Mr. James Williamson provided a reminder about the upcoming public input sessions. These sessions were organized to gather feedback on the third draft of the 2025-2027 C&LM Plan, as well as the draft budget and savings tables. Two virtual sessions were scheduled for Thursday, September 26th, with one session from 12 PM to 1 PM and the other from 6:30 PM to 7:30 PM, providing opportunities for participation during lunch and after work hours. Notifications had been sent via email lists and were posted on the Energize CT website. Ms. Stacy Sherwood then added that comments submitted on September 4th had not yet been incorporated into the current draft but reassured everyone that they were still being considered. Mr. Anthony Kosior encouraged participants to provide feedback, either by attending the virtual sessions or submitting comments through the website or by email.

2. Public Comment

None.

3. DEEP Updates

A. CTAC Meeting Recap

Ms. Becca Trietch began with a recap of the most recent CTAC meeting, held on August 21st. This meeting included updates from DEEP on the REPS program, the status of federal funding, and an extensive open discussion period.

She noted that during the open discussion, both the Commercial Contractors Consortium and the Residential Contractors Coalition had time on the agenda. The Commercial Consortium shared several updates, with many of the topics being positive. Communications with Utility partners had improved, and the incentive programs for micro businesses and distressed communities were well received. However, the consortium also raised concerns about efficiently using limited resources, leading to discussions on potentially expanding programs to larger businesses. They emphasized progress on deploying more comprehensive projects, including a shift in messaging to focus on benefits beyond reduced energy consumption.

Another positive note was that non-lighting projects had been increasing. However, the consortium expressed concerns that smaller contractors focused on lighting might struggle in a market moving towards more comprehensive, non-lighting projects. This concern sparked a constructive conversation between the consortium and Eversource about potential incentives for LED upgrades with controls. Ms. Trietch explained that the Companies were committed to exploring this topic further and continuing to support such conversions.

Switching to the residential side, Ms. Trietch highlighted the findings of the Residential Contractors Coalition. Representing a subset of residential contractors, they discussed a survey of 13 contractors, which revealed an increase in job rejections, confusion surrounding reporting requirements, installation procedures, quality assurance, quality control, and photo requirements. They also raised general concerns about communications regarding program changes. One of the most significant concerns centered around the installation of heat pumps in low-income households without prior weatherization, leading to a conversation about heat pumps' impact on HES-IE budgets.

As a result of these discussions, DEEP staff compiled a list of deliverables and follow-ups to address the issues raised. These were shared with the Utilities just a day prior, ensuring preparation for the next CTAC meeting, now rescheduled for October 28th. Ms. Trietch encouraged stakeholders to submit topics in advance to ensure a productive meeting with a clear agenda.

B. Moderate Income Eligibility

Ms. Trietch began by explaining that most federal programs, such as the IRA Home Energy Rebate programs (HER and HEAR), define low-income households as those at or below 80% of Area Median Income (AMI). In contrast, Connecticut's ratepayer-funded efficiency programs define low income as households at or below 60% of State Median Income (SMI), highlighting a gap between these definitions. Because of this discrepancy, DEEP conducted research to better understand the impact.

Ms. Trietch shared key findings from this research. In every Connecticut region and for all household sizes, the state's low-income definition of 60% SMI was more restrictive than the federal 80% AMI definition. Applying the federal definition would add approximately 197,000 households to the pool of low-income eligible households. She emphasized that this increase represented about 13% of Connecticut's total households, with the largest growth concentrated in areas like Stamford and Greenwich.

Further, she explained that DEEP's research using the Department of Energy's LEAD tool found that households below the 60% SMI threshold face high energy burdens, spending over 6% of their gross household income on energy costs. However, households between 60% SMI and 80% AMI still have energy burdens, though generally less than 6%. She highlighted that adding these households under the 80% AMI definition could help reduce their energy burden, although they currently do not qualify under the state's 60% SMI program.

Ms. Trietch also provided some historical context. She noted that the budgets for the HES-IE programs had been fully spent or even overspent in recent years, a trend that mirrored neighboring states like Massachusetts, New York, and Rhode Island. All of these states use a similar 60% SMI definition for low-income households. However, both Massachusetts and New York have a moderate-income or enhanced incentive range for households between 60% SMI and 80% AMI, something Connecticut currently lacks.

Ms. Trietch invited everyone to review the research slides that DEEP had submitted into the EEB box folder for more detailed data and links to the sources. In summary, she reiterated that using the federal 80% AMI definition would qualify many more households, but DEEP recognized that Connecticut's low-income programs already face tight budgets. Moreover, those added under the 80% AMI threshold would likely have less severe energy burdens than the current 60% SMI participants.

Based on these findings, DEEP proposed three potential pathways moving forward. First, they could establish a moderate-income program within HES, similar to programs in Massachusetts and New York. Second, they could expand the HES-IE programs to include customers at 80% AMI. Finally, they could decide to make no changes and maintain the current eligibility criteria. Ms. Trietch emphasized that this would be an ongoing conversation and that any program changes would require significant lead time for Companies, contractors, and the EEB to implement. Budgetary analysis would also be necessary to understand the impacts of such changes.

Ms. Kathy Fay asked for elaboration on why it was important for the Utilities to take these findings into consideration, particularly regarding the use of federal programs. Ms. Trietch clarified that the IRA Home Energy Rebate programs define low income as 80% AMI or below, meaning Connecticut must ensure that households falling under this threshold have access to these rebates. Currently, the C&LM programs only check if households fall under the 60% SMI threshold, and the State would need to figure out how to track those eligible under the federal 80% AMI definition to administer the rebates.

Ms. Vicki Hackett added that there is also an ongoing low-income discount rate docket at PURA, which may involve different tiers. If PURA adopts an 80% AMI threshold, the Utilities might already be identifying eligible customers, which could simplify program alignment. She also underscored the importance of maintaining a focus on low-income households with the highest energy burdens and being cautious about the budgetary impacts of expanding eligibility to moderate-income households.

Ms. Melissa Kops asked if the Operation Fuel study was reviewed during DEEPs research. Ms. Trietch confirmed that the Operation Fuel study was reviewed; that this particular study used the DOE LEAD tool and had extrapolated for inflation impacts. DEEP concluded that the most current LEAD tool would provide the most accurate source of data.

Ms. Diane Del Rosso (Eversource) asked whether the State's temporary transition to the 80% AMI definition for IRA funding, with the realization of adding 197,000 additional households, might prioritize customers currently under the 60% SMI definition. She proposed that customers falling between 60% and 80% AMI could access a specific portion of the braided funding, such as the HEAR application, while keeping the C&LM incentives focused on the low-income population. Ms. Trietch agreed this was a great idea to consider as the applications for these federal programs are developed.

Mr. Anthony Kosior asked if the incentives for heat pumps through the CPRG funding would need to meet the same AMI requirements. Ms. Vicki Hackett clarified that these rebates, which are midstream and applicable to all customers, would be accessible to both market-rate and low-income households. However, Ms. Becca Trietch pointed out that these incentives also focused on disadvantaged communities, rather than strictly low-income households, and this could affect how the program is administered.

Ms. Vicki Hackett concluded the discussion by emphasizing the complexity of aligning various pots of federal and state funding, all with different rules. She explained that the goal was to use federal money as efficiently as possible by aligning it with existing programs. The challenge moving forward would be rebalancing State money to ensure all households benefit as much as possible from both federal and state programs. Ms. Kathy Fay noted that this balancing act would be particularly important for multifamily versus single-family homes, as federal funds often target different housing types.

The session ended with Ms. Vicki Hackett thanking everyone for their participation, particularly in meeting the tight timelines for developing federal programs and ensuring their integration with State decision-making processes. She expressed gratitude for the collaboration, which had been highly beneficial in advancing these programs.

4. <u>2024 Budget Status and Projections Through Year End</u>

Mr. Steve Bruno (Eversource) led a discussion on the Eversource C&LM budget status. He began by explaining that the forecasts were based on July data, with additional updates from August where relevant. He pointed out that the reports were also available on the Energy Efficiency Dashboard, both in the reports section and under forecasted performance.

Mr. Bruno highlighted bar charts describing total Eversource Electric spending, annual savings, and lifetime savings in terms of MMBtu. While savings figures were still being fine-tuned, Mr. Bruno noted that this meeting would focus on the spending aspects. He informed the group that for Eversource Electric, they were forecasting to be exactly on budget in terms of spending. He reported that the residential sector was projected to exceed its budget by 15%. On the C&I sector, he noted that it was forecasted to come in under budget at 87%. He reminded attendees that additional funds had been allocated to the C&I sector for the Park City Wind project in 2024, but those funds had not yet been fully utilized.

Mr. Bruno then went on to break down the spending projections, explaining that their data considered completed projects where funds had been spent, as well as committed funds tied to signed contracts with customers. Additionally, there were offers that had been made but not yet signed by customers, along with projects that were still works in progress. He pointed out that tracking progress in the residential sector, particularly through the HES and HES-IE programs, posed more difficulties compared to the C&I sector, where contracts were easier to follow.

Ms. Melissa Kops asked why the savings figures appeared so high. Mr. Bruno explained that they were still adjusting the savings data and were in the process of converting the numbers to MMBtu-based slides. Furthermore, he noted that some projects in the system were in development stages, which accounted for certain discrepancies between expenditures and savings.

Continuing his analysis of the residential programs, Mr. Bruno focused on the new construction, HES, HVAC, income-eligible, and retail product programs. He flagged the HVAC program as having a significantly increased ramp-up, which was largely responsible for the residential sector's overspending. However, the other residential programs—such as HES income-eligible and retail products—were on track, and new construction was only slightly over budget. Mr. Bruno emphasized that the HVAC program was the primary factor driving the 15% overspend. He added that, in prior years, higher-than-expected activity in the HES and HES-IE programs had inflated the numbers, but this year, those programs were more manageable.

Shifting to the C&I sector, Mr. Bruno discussed programs such as the Energy Conscious Blueprint, Energy Opportunities, BES, and small business initiatives. The small business program was reported as underperforming and accounted for much of the underspending in the C&I sector. While the BES program was also tracking below budget, Mr. Bruno highlighted the small business program as the main contributor to the sector's budget shortfall.

Mr. Bruno then explained the electric spending forecast table. Residential spending was forecasted at $64.8 million, which exceeded the $56 million budget, reflecting a $9 million overspend. For the C&I sector, he projected $55 million in spending against a $62 million budget, creating a $7.5 million underspend. Overall, Mr. Bruno concluded that while the residential sector was over budget and the C&I sector under budget, the total spending forecasted at $146 million was essentially on track with the program's overall budget.

Mr. Anthony Kosior requested that "2023 Actuals" be added to the "Eversource Electric Spending Forecast Chart". He asked whether efforts were being made to improve small business program spending. Mr. George Lawrence responded that while they were actively engaging with small businesses, it might be more productive to focus on recruiting more strategic energy management customers for the BES program, as those projects had a more immediate impact and were more within the company's control than trying to ramp up small business projects in the final months of the year.

Mr. Anthony Kosior raised a concern about administrative and planning costs, noting that last year, there had been a surprising overage in this area. He recommended monitoring the numbers closely to avoid a similar situation this year.

Mr. Steve Bruno then described the Eversource gas forecast. He acknowledged that projections for year-end expenditures were not at full capacity, reaching only 80%, largely due to a shortfall in the residential sector. The C&I sector, however, was on track, forecasted to meet close to 100% expenditure by year-end. Mr. Bruno highlighted efforts in the residential sector to bolster project completion through increased marketing initiatives, but the residential side remained a challenge, with the spend sitting at 72%.

He then moved on to a chart that illustrated the discrepancy between residential and C&I programs. Residential new construction hovered around 85%, with the HES and HVAC programs showing similar shortfalls. In contrast, C&I programs, such as new construction and the retrofit program, were aligned with targets, including the heat pump initiatives. Smaller business programs on the gas side were slightly below budget, though their allocations were smaller.

Mr. Bruno then reviewed tables that noted that the residential gas sector forecasted $9.1 million spending, with actuals at $5 million by August, indicating a need for increased efforts. Meanwhile, the C&I sector was performing better, forecasting $10 million, with $5 million already committed. Overall, totals are projected at $21 million, versus a target of $24.9 million.

Mr. Bruno mentioned ongoing collaborations with Eversource, Avangrid, and consultants to optimize budget management for the electric programs. He mentioned efforts including HVAC rebate reductions, and the timing of incentive changes between the Companies, emphasizing the need for Board consensus on differing rebate structures. He raised the possibility of varied rebates across territories, similar to how add-ons are provided in distressed communities.

One notable change was the shift in heat pump initiatives, where Eversource gas was now involved in cases where gas customers installed electric heat pumps, charging the associated costs to the gas companies. Marketing efforts were also ramped up for residential gas programs, with a focus on managing the C&I pipeline to ensure projects were completed and paid by year-end. Ms. Stacy Sherwood inquired about his confidence level in the forecast. Mr. Bruno responded positively, noting that the data was regularly updated, providing timely insights.

Mr. Richard Del Soldato then presented on Avangrid budget forecasts. He began by noting that the budget for the residential portfolio was set at $17.1 million, with a current forecast of $17.2 million—only a $100,000 difference. The C&I portfolio, set at $19 million, showed a variance of $2.1 million. Overall spending across all portfolios was projected to be $42.6 million, with a forecast of $39.5 million, reflecting a variance of $3.1 million.

Mr. Del Soldato (Avangrid) then presented forecasts for CNG, reiterating the $8.3 million budget for residential and $8.5 million for C&I, with minimal variance. He emphasized that total spending had a slight $500,000 variance from the $14.9 million budget.

He then moved on to SCG, revealing that their budget was $11 million, while the forecast was $9.4 million, leading to a $1.6 million variance. The C&I portfolio was significantly smaller, with only a $300,000 variance from a $3.5 million budget. The total SCG budget sat at $17.5 million, with a $2.5 million variance.

Mr. Anthony Kosior about Avangrid's confidence level in the current projections and their ability to meet performance goals. Mr. Del Soldato expressed confidence, explaining that their projections were based on the August closing, and with only four months left in the year, they typically see about 25% of the year's expenditures occurring in the final two months, resembling a "hockey stick" trend.

Mr. Bruno followed up, pointing out that Eversource's forecast was based on July numbers, benchmarked against August figures, and confirmed that updates would follow. Mr. Richard Faesy requested clarification on CNG tables, particularly how negative variances were represented in red or parentheses in various sections of the data. Mr. Del Soldato acknowledged that there were formatting issues requiring correction.

Ms. Stacy Sherwood referenced the $1.6 million underspend in SCG's HES and HES-IE programs, and asked for the plans to address this. Ms. Amy Mclean and Mr. John Karyczak acknowledged the underspend and outlined various outreach efforts underway to address this, including partnerships with local organizations like the Beardsley Zoo and the introduction of incentives aimed at disadvantaged residents in Bridgeport. Mr. Karyczak detailed a multi-phase approach, leveraging contractors in specific territories to expand their outreach and increase adoption of insulation and other services.

Ms. Kathy Fay asked whether the community partnership initiative could assist in boosting participation rates. Mr. Karyczak confirmed that they were actively working with marketing on strategies to engage Bridgeport communities and that any additional outreach efforts, including door-to-door marketing or canvassing, were being explored with contractors.

Ms. Kathy Fay asked about vendor wait times and how to ensure projects would be completed within the budget year. Mr. Karyczak acknowledged the challenge of reduced leads across the State but assured the group that contractors were able to serve customers promptly, with some even able to respond as quickly as the next day.

5. <u>2025-2027 Plan Review – Companies</u>

Mr. Ghani Ramdani (Eversource) presented an overview of the 2025-2027 C&LM Plan development process. The discussion began with a review of the timeline of the Plan, noting that they were approaching the final stages, with a November 1st deadline in mind. Mr. Ramdani pointed out that the third iteration of the Plan as well as the Program Savings Document had already been circulated. He emphasized that the process had been very iterative over the last six months, involving significant collaboration with the board consultants and incorporating public comments.

Mr. Ramdani reviewed the Plan outline, explaining that while the content remained the same as in previous board meetings, only the format had changed. The Plan text still consisted of nine chapters with three appendices.

Mr. Ramdani then discussed the next steps, stating that they had a packed agenda for September. They had already submitted the Plan text and program savings the previous week and noted that they were preparing for two public comment sessions, scheduled for September 26th. They anticipated submitting the fourth and final Plan text savings document to the Board by October 2nd, followed by an October 9th Board meeting where a vote on the final plan text was expected. After that, the process would move into production, incorporating all tables and text into the final filing, aiming for November 1st.

Mr. Ramdani then shifted to the priorities outlined in the plan. He reiterated that there were no changes to the top priorities of decarbonization, equitable access, and energy affordability. Each slide covering these topics reflected the same content as previous presentations.

The budget slide indicated that the total combined budget remained at $234 million, with $181 million allocated for electric and $53 million for gas programs. Mr. Ramdani highlighted that there had been no changes to the budget since the previous board meeting.

On the topic of revenues, he confirmed there were no changes in the electric or natural gas revenues. He mentioned that on the gas side, the budget was set at $44.7 million. However, there had been some minor adjustments to demand figures, which were previously discussed in a Board meeting, but no changes since then.

Moving forward, the presentation highlighted a slight tweak in the residential budget. Mr. Ramdani explained that Eversource had made adjustments to the retail product incentive allocation, leading to higher savings compared to the figures shared in the July and August Board meetings.

Regarding the C&I sector, Mr. Ramdani explained that they had shifted some funds, moving $3.5 million from small business and BES to support more heat pump activity in the C&I sector. This adjustment reflected increased activity in the Energy Conscious Blueprint (ECB) program due to demand for heat pumps.

Mr. Ramdani proceeded to review the demand response section, noting that there were no significant changes compared to previous presentations. He reiterated that Eversource had removed some of the backup generation from their demand response programs during the June and July presentations, and those changes remained intact.

Next, the education budget was discussed and Mr. Ramdani noted that there were no new changes from the last update. Mr. Steve Bruno added that education budgets were increasing for 2024 and 2025. This increase was due to the Request for Proposal (RFP) process, with a potential second mobile exhibit being one of the contributing factors.

The presentation then summarized the draft savings and benefits tables, covering both electric and gas programs. Mr. Ramdani explained that the total investment over the three-year period amounted to $705 million, with ratepayers projected to receive $2.4 billion in benefits. He emphasized that for every dollar invested, ratepayers would receive about $3.4 in benefits over the lifetime of the implemented measures, and these benefits were spread across electricity, gas, oil, and propane savings. Mr. Steve Bruno added that the 2024 Synapse Avoided Energy Supply Cost Study had also driven higher savings estimates for these fuel types.

Charts were presented to describe the total CO_2 savings for residential and C&I sectors – indicating 1 million metric tons per year. Mr. Ramdani clarified that the savings would come from replacing fossil fuel use with electricity from heat pumps, with reductions benefiting both the electric and gas sectors.

The focus shifted to the Performance Management Incentives (PMI). Mr. Ramdani explained that they had adjusted the PMI weighting between the residential and C&I sectors to ensure close alignment, with the residential sector being slightly higher at 51% compared to 49% for C&I. He elaborated on the primary and secondary metrics used for PMI calculations, clarifying that primary metrics were based on electric, oil, gas, and propane savings, while secondary metrics focused on insulation penetration and comprehensive project development.

For the gas sector, Mr. Ramdani mentioned that the same logic applied, with a balanced distribution between the residential and C&I sectors. He added that they had introduced a new metric focused on weatherization for C&I programs, including small business and large C&I projects.

Mr. Ramdani explained a new layout for the PMI tables that shows different sector costs, savings, and benefits for each fuel type (electric, gas, oil, and propane) using MMBtu as a normalized unit of measure. He provided an example from the residential sector, stating that the 2025 benefit would be around $195 million, with fuel-specific savings calculated based on the cost-to-benefit ratio.

Mr. Steve Bruno then presented updates on the Companies' environmental justice communities (EJCs) efforts. He explained that Eversource had mapped all its electric utility accounts to determine whether they were located in distressed communities or EJC census blocks. Roughly 38% of their 1.25 million electric accounts fell into EJC territories, with about 14,000 participating in energy efficiency programs in 2023, representing approximately 3% of the total EJC electric accounts. He acknowledged that this participation rate was relatively low and an area they were working to improve. He added that they were collaborating with the consultants to set performance metrics for next year that would encourage higher participation from EJC communities.

Mr. Anthony Kosior asked about the participation rates in non-EJC areas. Ms. Melissa Kops added that more context is needed to understand the data and requested that "percentage of participants in EJC territories" would be a useful figure to add to the table. Mr. Bruno clarified that the 3% figure was based on EJC accounts only and was not reflective of the total population. Mr. Anthony Kosior supported the request for additional context around the data set. Ms. Amy Mclean added that Avangrid has a similar data set that could be shared. For % electric accounts in EJCs:41% for residential and 42% for C&I. For % of electric accounts in EJCs participating in C&LM programs: 2.4% for residential and 5.2% for C&I.

Ms. Melissa Kops asked if the percentage was based on total electric accounts or based only on C&LM participants. Ms. Melissa Kops asked for the percentage based only on program participants. Mr. Steve Bruno explained that the data was developed around the EJC initiative which focused on the developing of a baseline around the number of EJC customers that participate in the program.

Ms. Amanda Fargo-Johnson sought clarification, asking if the 3% participation rate referred to the 38% or the whole group. Mr. Steve Bruno and Mr. Anthony Kosior explained that the 3% figure represented participants in electric accounts from environmental justice communities (EJC) and clarified that this percentage was based on the 38% bin, not the entire population. Ms. Amanda Fargo-Johnson expressed the desire to see both numbers for comparison and asked why the UI numbers would differ from Eversource's. Ms. Amy Mclean responded that although different data gathering systems were used, the same information could be extracted, even if processed separately. Ms. Amanda Fargo-Johnson asked whether the data was being collected by accounts or customers. Ms. Amy Mclean was unsure but explained that the data collection process could be detailed further, as it had already been shared with DEI consultants by way of a memo. She reiterated that they could provide further breakdowns as requested.

Ms. Kathy Fay revisited an earlier section regarding PMI (Performance Management Incentive), seeking clarification on the percentages presented. Mr. Ghani Ramdani and Mr. Steve Bruno explained that the percentages reflected the total PMI that a company could earn based on meeting targets, such as energy savings or the number of homes weatherized. The percentages were allocations for residential and C&I sectors and represented how performance was measured across different areas.

Ms. Kathy Fay asked whether the DEI consultants or other members of the EEB had input into determining these PMIs. Ms. Stacy Sherwood clarified that while Illume had been involved in developing these DEI metrics, they hadn't consulted on the PMI weighting itself, though their feedback was welcome. Ms. Kathy Fay asked if the public input sessions could include feedback on the PMIs. Ms. Stacy Sherwood added that some of the PMI items may be included in the March 1 filing and noted that public input could also be sought during technical sessions that would be held by DEEP. Mr. George Lawrence referenced the PMI weighting pie charts and explained that there are multiple individual subset metrics that make up the 19% secondary metric portion.

Ms. Vicki Hacket raised questions about multifamily housing, particularly master-metered buildings where a single account could obscure broader participation metrics. Mr. Bruno acknowledged that these situations created some challenges in the data but noted that they were trying to match participation as accurately as possible by both accounts and addresses. Ms. Vicki Hackett suggested that a metric distinguishing between multifamily projects that are master-metered might provide better clarity.

Mr. Jayson Velazquez then inquired about whether data could be broken down further to show the percentage of electric accounts in EJC that also fell within specific income brackets. Mr. Bruno confirmed that while they had data for income-qualified customers, determining figures for the 80% area median income (AMI) level was more complex but might be covered in future data releases. Ms. Hackett explained that DEEP might have granularity of data explaining number of customers within more defined bins, such as between the 60%-80% AMI threshold. Mr. Velazquez added that a participant could live in an EJC community but may not qualify for the income categories. He asked how we can confirm that the if the EJC mapping analysis is properly capturing the desired AMI categories.

6. Review of 2025-2027 Plan Budget and Savings Tables – Technical Consultants

Ms. Stacy Sherwood presented on the Technical Consultants recommendations on the 2025-2027 Plan Budget and Savings tables. She began by referencing the memo issued to EEB members that further describes these recommendations. The consultants and Companies were still reviewing many of the budget and savings items and did not feel comfortable requesting a Board vote at the September meeting. The revised timeline is for the final vote (Plan text, budget and savings tables, performance management incentives, and program savings documents) to occur at the October 9th EEB meeting. Ms. Sherwood highlighted the need to consider the 2024 spending projections, presented by the Companies that day, to assess any potential impacts on the 2025 budget. She also acknowledged the upcoming public input sessions scheduled for September 26th and the importance of incorporating feedback from those sessions before the vote occurs.

Line charts were presented to describe residential spending forecasts for 2025 - 2027, compared to 2023 actuals and the 2024 budgeted forecast. Ms. Sherwood emphasized that the forecasts had not yet been updated based on the latest figures provided that day. She remarked on a decline in Eversource Electric's budget from 2023 to 2024, due to overspending in 2023, followed by a subsequent increase in the 2025 budget. Gas companies showed a more static trend, with a decline and leveling off for UI from 2025 through 2027.

Ms. Sherwood then shared notes on the residential budgets, highlighting the residential new construction as a key area of concern. She pointed out a significant budget decrease for CNG's residential new construction program from $445,000 in 2023 to $38,000 in 2024, followed by a steep increase to nearly $500,000 in 2025. Ms. Sherwood expressed concerns about these fluctuations, especially considering that the gas residential new construction program had been sunset the previous year. She explained that they were in ongoing discussions with CNG to understand why costs were being booked for future years despite the program being officially ended. Ms. Sherwood stressed that their concern lay with the fact that when Avangrid booked a project, they recorded the cost but not the savings, further questioning the pipeline driving these numbers.

Ms. Sherwood also noted that Eversource Electric's residential new construction budget had steadily increased. In 2023, the Company had spent nearly $4 million on new construction, and while their projections for 2024 were at $3.4 million, they had recently learned that the figure was now expected to reach $4.2 million. Ms. Sherwood reminded the Board of the extensive discussions they had earlier in the year about the residential new construction budget when reimagining the 2024 budgets. She then posed a question to the board: how much should they be investing in residential new construction versus other residential opportunities, given that projections showed spending above $5 million per year, compared to the 2024 figure of $3.4 million.

Ms. Kathy Fay asked if any upcoming code changes might affect the baseline requirements for new construction, particularly in terms of energy efficiency. Ms. Melissa Kops confirmed that any such code changes wouldn't take effect until 2026. Mr. Richard Faesy responded that the code changes were not expected to be a factor in the budget considerations.

Ms. Melissa Kops questioned whether gas budgets might be used to support electric work, something they had heard from Eversource, though Ms. Sherwood clarified that this typically applied to HVAC measures and not necessarily to new construction. Ms. Sherwood proposed maintaining the residential new construction budget at prior levels instead of increasing it, but mentioned they were still in discussions with the Companies on this issue.

The conversation then shifted to the HVAC budgets, where Ms. Sherwood expressed concerns regarding Avangrid's approach. While Eversource was transitioning HVAC budgets to account for gas customers differently, Avangrid had not yet taken that step. Ms. Sherwood reported that UI's HVAC budget, for example, was projected to overspend by half a million dollars in 2024, with plans to spend $4.1 million instead of the $3.6 million originally budgeted. She projected that UI would allocate $3.5 million for 2025, raising concerns about whether this lower budget would be sufficient to avoid similar overspending next year. One recommendation is to reallocate funds from UI's behavior program to the HVAC budget, reducing behavior program spending by just under $0.5 million.

Ms. Sherwood noted that UI, CNG, and SCG were the only Companies running behavior programs strictly for savings, referencing a cost-effectiveness evaluation from last year. This evaluation showed that UI's behavior program had been deemed cost-effective, but Ms. Sherwood expressed concerns over the plan to expand the program's budget from $200,000 to almost $1 million. She advocated for a slower ramp-up of the behavior program to ensure continued cost-effectiveness, while directing additional funds toward HVAC.

Mr. Bernie Pelletier commented on the potential drivers of budget changes, referencing a construction boom in multifamily housing and suggesting that this could be a factor influencing new construction budgets. Ms. Melissa Kops added that if the programs missed capturing new construction opportunities, it might be decades before they would have another chance. Ms. Jillian Winterkorn (Avangrid) explained that new construction budgets were driven by pipeline projects in cities like Bridgeport and New Haven. Ms. Sherwood, suggested following up with Avangrid to discuss these developments further. Ms. Anne-Marie Knight emphasized the need for the Companies to provide a clear justification for their budget changes, stating that while the Board could make assumptions based on market trends, the Companies must give explicit reasons for expanded budgets.

Ms. Sherwood shared that C&I spending for gas remained level in the projections for 2025-2027. However, she highlighted a projected decrease in UI and Eversource spending on the electric side. Over the years, the C&I budget had ramped up, but there was now a projected $10 million decrease in electric spending compared to 2024. In reviewing the C&I budget notes, Ms. Sherwood explained that part of the decrease was understandable, as it related to the expiration of the Park City Wind project. This project had contributed $5.4 million to the C&I budget, and without it, a decline was expected.

However, Ms. Sherwood noted that the remaining budget decrease was tied to forecasted revenues from C&I ratepayers and lower revenues from the capacity market, which further impacted C&I. She cautioned against allowing the C&I budget to drop too quickly, recommending instead a more gradual decline to avoid losing momentum in the progress they had made, particularly in small business programs. Ms. Sherwood cited a significant investment in Eversource's small business program, which spent $9 million in 2023, compared to a projected $6 million for 2024. She stressed the importance of sustaining these programs rather than cutting them too drastically. Ms. Amanda Fargo-Johnson asked when they might know more about the suggested amounts based on that day's presentation. Ms. Sherwood replied that they expected to provide a more detailed picture in about a week after further discussions with the Companies.

Ms. Sherwood clarified that the total C&I budget projection for 2025 was around $65 million, based on the figures presented. Mr. Anthony Kosior expressed concerns about mixing actual spending with budget projections in the same graph, noting that it could skew the perception of the data.

Mr. Kosior asked if the decrease of $10 million was closer to $15 million when accounting for additional revenues from Park City Wind. Ms. Sherwood acknowledged this larger gap, pointing out that total C&I spending had additional revenues besides Park City Wind. Mr. Steve Bruno clarified that the 2025 Statewide C&I budget was $83.6 million. Mr. Kosior concluded that more time would be needed to understand whether such a significant decrease was justified, given the program's historical performance and the benefits it provided. He added that the program had proven beneficial to the bottom line and cautioned against making such drastic cuts in a successful program. He also supported the idea of maintaining investment in small business programs.

The next topic covered was demand response, specifically addressing Eversource Electric's load management programs and the allocation of investment between residential and C&I sectors. In 2024, they observed a significant increase in C&I investment compared to 2023 actuals, but projections for 2025-2027 showed a substantial decrease in C&I demand response budgets, alongside an increase in residential investment. Ms. Sherwood explained that a rule change, which disallowed diesel generators from participating in the program, had affected the C&I budget, but she questioned why the company hadn't sought to add additional capacity to offset this loss. Given that the cost of obtaining demand response savings for C&I was roughly half of what it cost for residential, Ms. Sherwood was curious as to why more effort wasn't being made to balance the investments.

Mr. Steve Bruno clarified that capacity market revenues were no longer earned for demand response programs, as the Companies had exited this market long ago due to penalties for non-performance. Additionally, C&I participation was expected to decrease further in 2024 due to customer performance issues, not just the rule change about diesel generators. Ms. Ghani Ramdani then confirmed that the residential demand response program was expanding, with Wi-Fi thermostats driving the growth in participation, while other elements, like battery storage, remained consistent. Ms. Sherwood noted that the cost to obtain savings on the C&I side was significantly lower than on the residential side, and reaffirmed her desire to see more investment in C&I demand response.

Ms. Sherwood then described the education and engagement spending charts. She raised concerns about the optics of increasing the education budget while programmatic budgets were facing cuts. Specifically, she questioned whether it was the right time to pursue investment in a second Energize CT mobile unit, given the budget pressures. Mr. Steve Bruno stated that the mobile unit was budgeted at around $0.5 million, but this figure could be adjusted through an RFP process.

Ms. Amanda Fargo-Johnson asked if there was any data on the current unit's usage and whether there was enough demand to justify a second one. Mr. Bruno responded that the unit was in high demand, but they would need to gather more specific feedback. The discussion shifted to whether it was better to use the funds for programmatic spending or non-program-related items, such as the mobile unit. Mr. Bernie Pelletier showed support for continued funding for the Green Steps program. Mr. Steve Bruno explained that GreenSteps had had a 20% budget increase in the proposed budget.

Mr. Bernie Pelletier shared that he had tried to book the mobile unit for an electric vehicle event and had found it difficult to secure because of its popularity, supporting the idea of investing in a second unit. Ms. Amy Mclean added that usage data could be provided and confirmed that the existing unit had been in high demand. Ms. Sherwood then clarified that the ask was whether the funds should be spent on a second mobile unit or redirected to program budgets, given the budget constraints. Ms. Amanda Fargo-Johnson acknowledged the need for more data on the unit's usage to back up the justification for the additional investment. She was in favor of a second unit if it was justified by the usage statistics.

Ms. Kathy Fay asked for clarification on what was included under the education and engagement budget, and Ms. Sherwood confirmed that it encompassed programs like Green Steps, the mobile unit, and workforce development. Ms. Kathy Fay expressed concern about whether any of these programs directly contributed to residential savings. Ms. Sherwood replied that while education and engagement initiatives were essential, if budget cuts were necessary, they would prefer to see them come from non-program items, like the mobile unit, rather than program dollars. Mr. Anthony Kosior reiterated the importance of investing in workforce education, noting that it indirectly contributed to better program outcomes by ensuring customers received better services from more knowledgeable workers.

Ms. Sherwood then addressed administrative costs, pointing out that while the overall administrative budget was increasing, the actual administrative costs for the Companies remained steady. The increases were driven by consultant budgets, evaluation costs, and planning.

Ms. Sherwood then discussed public comments related to HVAC versus weatherization investments. She pointed out that 80% of the electric savings for 2025 would come from HVAC on the residential side, while C&I savings were shifting from lighting to electrification. On the gas side, HVAC continued to be the primary driver of savings. She then provided a cost breakdown of achieving savings, highlighting that HVAC was far more cost-effective than weatherization programs like HES and HES-IE. For instance, HES-

IE cost $785 per annual MMBtu saved, compared to $124 for the HVAC program.

Ms. Sherwood concluded by acknowledging the importance of public comments and their ongoing work to incorporate feedback from the Companies and the public. She reminded the board that written feedback would be provided as part of the plan document filed on November 1st, and any further follow-up could be directed through DEEP. She thanked everyone for their feedback and expressed her eagerness to work together in October to finalize the Plan.

7. Participant/Non-Participant Preliminary Analysis Findings for Residential Programs – DEI Consultant and Evaluation

Ms. Lisa Skumatz introduced the presentation of the preliminary analysis for the participant/non-participant study, focusing on the residential equity analysis results. She explained that this was just one component of a larger evaluation project, primarily targeting non-participants and looking at equity metrics. She indicated that additional results from the study would be presented over the coming months, mostly in evaluation committee meetings.

Mr. Miles Ingram (DNV) reiterated that this presentation covered only the initial results and had been coordinated with ILLUME to align with their parallel efforts. He then moved directly into the content, mentioning that due to time limitations, they would skip over some sections of the agenda and focus on an overview of statewide findings. The analysis pulled combined tracking data from both major Companies involved, along with data from sources like the American Community Survey (ACS), census, and tax parcel data, all compiled into a comprehensive database. He highlighted the large objectives of the study, with an emphasis on two key areas specifically related to equity: understanding participation and savings patterns and developing baseline metrics, including key equity performance indicators. This preliminary analysis, he clarified, focused on community-level equity rather than more granular household-level variations, which would be part of the later stages of the study.

As he moved into the findings, Mr. Ingram described the two types of results the study presented. The first type of results were "shares", which assessed the proportion of benefits, such as savings, participation, and incentives, going to environmental justice communities (EJCs) versus non-EJCs. For these metrics, the benchmark used was the population share—the percentage of the customer base located in EJCs. The second type of result was "rates," which showed how well the programs served particular groups, focusing again on participation, savings, and incentives. Here, the benchmark was whether the rates for EJCs were greater than or equal to those in non-EJCs. Additionally, a higher benchmark related to energy burden was considered, noting that approximately 25% of homes in EJCs faced high energy burdens, defined as households spending 6% or more of their income on energy.

Mr. Ingram proceeded with the methods used for the study, noting that they applied Connecticut's definition of EJCs, which included distressed municipalities and census block groups where 30% of the population lived below 200% of the federal poverty level. The analysis showed that 39% of Eversource's electric customers and 68% of Avangrid's electric customers were in EJCs, which provided a crucial distinction between the two Companies, as Avangrid served a significantly higher proportion of EJC households. On the gas side, both companies had approximately 50-55% of their customers in EJCs, with gas service having a generally higher EJC representation than electric service.

He moved on to share the key results. First, he noted that program shares (HES and multifamily combined) at the statewide level were roughly proportional to the population shares of EJCs. However, in recent years, participation in EJCs had dropped below benchmark levels, driven primarily by a decrease in HES-IE participation in EJCs. On the incentive side, EJC households received a greater share of overall incentives, which was still above benchmark despite a slight recent decline. In terms of savings, gas savings for EJCs were consistently above benchmark, while electric savings were around the benchmark throughout the period.

Mr. Ingram shared these findings in graph form, showing participation and incentives over time. The benchmark for electric households was around 45%, and while participation had been above benchmark in previous years, it had declined recently, particularly after the pandemic, resulting in a drop below the benchmark. Incentives, although they had also dropped somewhat, remained above benchmark levels. In terms of savings, gas savings for EJCs were consistently higher than the population share, while electric savings fluctuated around the benchmark.

He then provided a more detailed look into SIE participation, noting a significant drop in HES-IE participation in EJCs, which started around 2021 and persisted through 2023. This decline had shifted more HES-IE participation toward non-EJC communities, a trend reflected in the graphs presented. Mr. Ingram then introduced additional metrics related to participation and savings rates, emphasizing that EJC customers participated at lower rates than non-EJC customers. However, those who did participate had higher savings and received larger incentives on average compared to non-EJC participants.

He further explained that the benchmark for participation rates in EJCs, when compared to the level of energy burden (25% of households facing high energy burdens), indicated that participation rates did not fully meet the level of need. At the current rate of 1.5% annual participation, it would take about 16 years to address all the households in EJCs with high energy burdens. Additionally, he observed that savings rates were declining, particularly on the electric side, due to factors like the phase-out of lighting programs and the rise of electrification, which resulted in negative electric savings.

He continued to describe the methodology, noting that they had applied Connecticut's definition of EJCs and aligned it with earlier Eversource slides. He explained the distinction in the percentage of customers in EJCs between Avangrid and Eversource, emphasizing the higher proportion of EJC customers for Avangrid, which created a higher benchmark for their services. This distinction also applied to gas, where Avangrid’s gas customers in EJCs exceeded Eversource’s gas customers in EJCs.

Mr. Ingram then provided graphs showing that program shares for EJCs remained consistent with population shares, with incentives still higher than benchmarks but participation beginning to drop below benchmarks. Gas savings for EJCs continued to be higher than non-EJCs, while electric savings remained at or near benchmark levels.

Ms. Leigh Michael followed up by acknowledging Mr. Ingram’s presentation and explaining that the results would form the foundation for the development of equity metrics. She noted that they had been discussing the equity metrics framework for the past six months, and this data would allow them to propose strategies to advance equity across both Companies. She confirmed that there would be further discussions at the committee level next month, and an hour-long session would be dedicated to these metrics during the November Board meeting.

Ms. Kathy Fay questioned how the company's maps and data projections meshed with the DNV data being presented. Ms. Stacy Sherwood clarified that while the Companies had been working on their metrics, this participant and non-participant study was driving new indicators for equity, though the metrics from both sources would eventually come together. Mr. Bernie Pelletier raised a concern about the shift of HES-IE participation away from EJCs, which prompted a discussion about whether the EJC designation fully captured the needs of all low-income households.

Ms. Michael added that while income eligibility might provide a "purer" view of economic status, the EJC designation was important for identifying geographic areas that had historically experienced disproportionate burdens. Tracking participation in EJCs offered another way to measure potential need among customers who had not yet engaged with these programs.

In closing, Mr. Ingram reiterated that the data used in this analysis came directly from the Companies, and Ms. Skumatz had mentioned that it was just one part of a much larger study that included additional datasets and analyses. He emphasized that the results of this broader analysis, including tracking and billing data dating back to 2017, would provide even deeper insights into equity and program participation across all sectors, including C&I and residential. Mr. Kosior suggested that the Board should map out the various data sources and efforts to ensure alignment across all initiatives.

8. <u>Public Comment</u>

Mr. Edgardo Mejias opened by expressing gratitude for the information shared and then raised two main concerns. First, he questioned the shift from using kilowatt hours (kWh) as a metric to focusing solely on BTUs. He acknowledged that while it's possible to show BTU savings, there could simultaneously be an increase in kilowatt hour consumption. Mr. Mejias worried that eliminating kilowatt hours as a metric might remove important insights and obscure crucial information. He further emphasized that electric bills are the primary means through which ratepayers gauge whether energy programs are working, and most are accustomed to seeing their usage measured in kilowatt hours. Switching to BTUs, he argued, would make it difficult for ratepayers to connect their bills with program outcomes. Mr. Mejias requested clarification on why kilowatt hours were being phased out from the metrics in favor of BTUs.

Mr. Mejias's second concern centered on the need for timelines outlining all meetings, discussions, and deadlines for different program components. He suggested that it would be beneficial for everyone involved to have access to these timelines, whether grouped by residential or other categories. Given the significant concerns being raised, he stressed the importance of ensuring ample time is allotted to address these issues and implement any necessary changes to the Plan.

Mr. George Lawrence responded by explaining that the shift to BTUs was driven by the increasing prevalence of heat pumps in the portfolio, which often result in negative kilowatt hour savings. Entire programs now have negative kWh savings, which could make it seem like the programs were failing if only kilowatt hours were considered. The negative kWh savings from heat pumps, George noted, now outweighed the positive savings seen in the past, and this distorted the actual achievements of the programs when measured only in kilowatt hours.

Mr. Mejias acknowledged George's explanation but reiterated that, from a ratepayer's perspective, kilowatt hours are critical. He argued that ratepayers are deeply concerned about their kilowatt hour consumption and how it affects their electric bills. He urged that the metric of kilowatt hours should not be entirely removed, perhaps suggesting the possibility of keeping both kilowatt hours and BTUs as measures. He underscored the fact that increasing electricity demand would inevitably raise electricity rates, which would directly impact ratepayers.

Mr. Ghani Ramdani reassured Mr. Mejias that the Companies would continue to track and report kilowatt hour savings, even if BTUs were given more prominence in the reports. He clarified that the kilowatt hour metrics were not being eliminated but were instead being pushed to a secondary position behind BTUs. However, all metrics, including kilowatt hours, therms, and CCFs, would still be recorded and available.

Mr. Mejias responded by stressing that BTUs, as a metric, might not resonate with ratepayers, particularly those being asked to give input on programs. He stated that kilowatt hours, and how they translate to savings on electric bills, would likely be more meaningful and impactful in engaging ratepayers.

Ms. Stacy Sherwood acknowledged Mr. Mejias's point and explained that DEEP had directed the Companies and technical consultants to justify the switch to BTUs, and this justification would be filed later in the year. They assured Mr. Mejias that his comments would be included in the ongoing discussions and echoed his concerns, particularly on the residential side. She agreed that bill impacts needed to remain framed in terms of kilowatt hours when discussing savings with customers, especially those switching from natural gas to heat pumps.

Mr. Mejias concluded by emphasizing that low-income ratepayers often lack options, and the offerings available through these programs are frequently their only choices. He explained that many customers he worked with had red-tagged heating systems, and their only feasible path forward was accepting a free heat pump installation, even if it might not be the best long-term solution for them. He urged the group to consider how the programs' offerings impact low-income residents, who might have to settle for whatever option is available, whether or not it is beneficial to them.

By Zoom Chat, Mr. Mejias conveyed several additional comments. He began by expressing apprehension regarding the timing of a scheduled meeting to address ongoing topics, particularly in light of the upcoming scheduling for the HES/HES-IE RFP and final plan design. Later, he recommended that the utilities present on their QA/QC processes, emphasizing that although the current version shows improvement, issues remain with the implementation, communication, and documentation. He also suggested that utilities present on the metrics they plan to implement in the future.

A significant concern raised by Edgardo was the potential financial burden on ratepayers, particularly vulnerable groups, due to the installation of heat pumps under certain conditions. He questioned whether the issue should be addressed promptly to avoid further risk under the new Plan. He followed this by highlighting that since heat pump funding is intertwined with weatherization funding, there's no real way to impose limits or controls, suggesting that these two areas might need to be separated.

As the discussion moved forward, Edgardo questioned the conversion from kWh to BTU, highlighting the possibility that, although programs project BTU savings, they could inadvertently increase kWh usage. He voiced his opinion that while electrification based on BTUs appears beneficial, the cost and kWh perspective might paint a different picture, emphasizing that KWH-based metrics should not be dismissed, as they offer valuable insight into program performance.

9. <u>Adjourn EEB Meeting</u>
The meeting was adjourned at 3:55pm.

<u>Action Items</u>

Diversity Equity Inclusion Consultant RFP Update

- the Board should put forward a threshold for bidders to respond to, allowing them to reconsider their proposals with revised priorities.

2024 Budget Status and Projections Through Year End

- “2023 Actuals” to be added to the “Eversource Electric Spending Forecast Chart”.
- Avangrid to correcting formatting issues (parenthesis and red text) in budget tables
- Utilities to provide additional info on the data collection process for the EJC mapping – share memo with Board
- Utilities to determine whether EJC data could be broken down further to show the percentage of electric accounts in EJCs that also fell within specific income brackets.

Review of 2025-2027 Plan Budget and Savings Tables

- Final Plan vote to occur at October EEB meeting
- Utilities to re-investigate if C&I program budget decrease could be reduced
- Utilities to provide usage data for mobile unit

Participant/Non-Participant Preliminary Analysis Findings for Residential Programs

- Board should map out the various EJC/AMI data sources and efforts to ensure alignment across all initiatives.