

Section I

Energy Efficiency Board

Structure and Rules

Date of latest modification: 8/10/11

1. Board Priority Tasks

The Board has three main categories of tasks it undertakes to fulfill its obligations, including those defined in statute (Conn. Gen. Stat. §§ 16-245m, 16-32f and 7-233y, and as otherwise imposed by the General Assembly), those defined by other funding sources (such as US Department of Energy), and those assigned by other authorities such as the Department of Energy and Environmental Protection (DEEP) and the Public Utilities Regulatory Authority (PURA).

- a. **Programs and plans:** Advise and assist the electric distribution companies in the development of a comprehensive plan to implement cost-effective energy conservation programs and market transformation initiatives; review and approve plans proposed by the utility administrators and other parties, including reviewing program proposals, new initiatives, budgets, and budget allocations, ensuring both geographic and class and sub-class parity in EEF benefits relative to revenues received when viewed over time.
- b. **Program tracking and evaluation:** Monitor and evaluate the development, implementation and performance of programs on an ongoing basis.
- c. **Policy issues:** Make recommendations to regulators such as, but not limited to, DEEP, in PURA dockets, at technical meetings, and other forums, and to policy makers in the General Assembly on policy matters related to Board responsibilities.

2. Board Governance

The Board process is controlled by its Chair and membership. Board meetings are the substantive and procedural venues for decision making and voting.

- a. **Board Membership:** The Commissioner of the Connecticut Department of Energy and Environmental Protection is responsible for appointing, convening and chairing the Board. Board membership is defined by Connecticut General Statutes § 16-245m and includes the following:

i. Utilities

1. Representatives of each of “the electric distribution companies in whose territories the activities take place for such programs” (Conn. Gen. Stat. § 16-245m(c)(4));
2. Representative of “a municipal electric energy cooperative created pursuant to chapter 101a” (Conn. Gen. Stat. § 16-245m(c)(9));
3. Two “representatives selected by the gas companies in this state” (Conn. Gen. Stat. § 16-245m(c)(10)).

ii. Business consumers

1. Representative of “a state-wide manufacturing association” (Conn. Gen. Stat. § 16-245m(c)(5));
2. Representative of “a chamber of commerce” (Conn. Gen. Stat. § 16-245m(c)(6));
3. Representative of “a state-wide business association” (Conn. Gen. Stat. § 16-245m(c)(7));
4. Representative of “a state-wide retail organization” (Conn. Gen. Stat. § 16-245m(c)(8)).

iii. Residential consumers

1. Representative of “residential customers” (Conn. Gen. Stat. § 16-245m(c)(11)).

iv. Mixed consumers

1. Representative of the Office of Consumer Counsel (Conn. Gen. Stat. § 16-245m(c)(2));

v. State of Connecticut / Public Interest

1. The Attorney General (Conn. Gen. Stat. § 16-245m(c)(3)).

vi. Environmental public interest

1. Representative of “[a]n environmental group knowledgeable in energy conservation program collaboratives” (Conn. Gen. Stat. § 16-245m(c)(1)).

b. Executive Committee:

- i. **Members:** The Board Executive Committee consists of the Commissioner of DEEP, the Board’s Vice-Chairs, and the following:

1. one representative each from:
 - a. the utilities, and
 - b. business consumers, and
2. two representatives from among representatives of residential consumers, mixed consumers, state / public interest and environmental public interest.

The Vice-Chairs serve as the Executive Committee member from their respective above grouping for the duration of their terms as Vice-Chair. Except for the Commissioner of DEEP and the Board's Vice-Chairs, executive committee members are elected by members of their respective grouping for a period of two years and may designate another Board member to speak in their stead when unable to participate in a discussion.

- ii. **Scope of duties:** The Executive Committee sets EEB meeting agendas, attempts to resolve issues, and discusses other issues and handles matters delegated to it by the Board.
 - iii. **Conference calls:** Committee conference calls will be scheduled at times and dates determined by the Board. The Executive Secretary informs Board members of conference call times and dates and provides information to access the conference call. Responsibility for the conference lines is shared by the utilities.
 - iv. **Utility voting:** The utilities are nonvoting members of the Executive Committee.
- c. Additional Committees:** Committees perform responsibilities assigned by the Board.
- i. **Standing Committees:** The Board has the following standing committees: Executive, Residential, Commercial/Industrial, Evaluation, and Consultant committees, marketing, and a joint committee with the Clean Energy Finance and Investment Authority. The chair of each standing committee is elected by members of that committee for a two year term.
 - ii. **Short-term Committees:** The Board creates committees to address matters before the Board, including those related to development and oversight of RFPs, dispute resolution, and development and presentation of such specialized documents or positions as may be necessary. Committees are created to operate for the length of a specific project or as agreed upon by the Board, but no longer than three years without Board action to maintain the committee.

d. Election and Terms and Duties of the Vice-Chairs

- i. **Election and terms:** By simple majority of a Board quorum, the Board elects a first and second Vice-Chair in June of even numbered years from among the voting Board members for a two year term. The Vice-Chairs may not represent a utility, only one may be a state employee, and only one may be from the business grouping. The Vice-Chairs serve at the pleasure of the Board and may be recalled by the Board. In case of a recall or for any other reason a Vice-Chair is not available to complete his/her term, the Board will elect a replacement to complete the term.

- ii. **Duties:** The Vice-Chairs are responsible for the following on behalf of the Board:
 - 1. The Vice-Chairs coordinate Board matters with the Chair. When the Chair is unavailable or otherwise at the Chair's discretion, the first Vice-Chair conducts Board meetings and on behalf of the Board receives reports of the committees and other communications. In the case of the unavailability of the first Vice-Chair, the second Vice-Chair serves in his/her stead.
 - 2. Provide immediate and ongoing direction to Board consultants when needed, consistent with Consultant committee direction and policy regarding the consultants.
 - 3. Act as a point of contact for DEEP and PURA and other governmental bodies, press, public and others.
 - 4. Make procedural decisions regarding the operation of the Board.
 - 5. Such other responsibilities as may be decided by a simple majority of a Board quorum, except where these rules otherwise require a supermajority vote.

3. Communications Procedures

- a. **Intra-Board Communication:** The following procedures govern intra-Board communications, with a focus of ensuring adequate opportunity to consider information, positions and recommendations informing decision-making, efficiency and accountability, and to provide opportunity for Board communications to include dissenting positions.
 - i. **Advance notice:** Reports, analyses and other documents and information which may form the basis for Board discussions and decisions, including program modifications and new program proposals

with budgets and target goals, will be circulated to all Board members whenever reasonably feasible at the Board meeting preceding the meeting at which the discussion will occur or a vote will be taken, but no later than three days prior to the meeting. Periodic reports such as those concerning program activities and program status do not need to be circulated in advance of the Board meeting where they will be presented. Other exceptions are permitted only where a significant reason for the delay is demonstrated or there are other emergency circumstances, and if challenged, a simple majority of a Board quorum must vote to permit the delay for the discussion or vote to be taken.

- ii. **Agendas:** Items requiring decision or extensive discussion are placed on the Board meeting agenda. Draft agendas are circulated for comment five days in advance of Board meetings. Final agendas are provided to Board members when available but no later than the day of the meeting. All agendas will include sufficient detail to provide notice of what will be discussed, provide time for discussion and identify items on which a vote will be taken.
- iii. **Minutes:** Draft minutes will be provided to Board members and posted on the Board website within seven days of the previous meeting. Board members may review the minutes and forward readily identified corrections to the Executive Secretary. The draft revised minutes will be distributed at least days prior to the Board meeting at which the vote regarding approval will be taken.

b. Communications with outside parties

- i. **Representing Board Positions:** While representing the Board, Board members and consultants may only present as Board positions those adopted by majority vote of the Board or by clear consensus.
- ii. **Dissenting position procedure:** Any Board member who votes in opposition to any communications of the Board to other entities may draft a dissenting view to be included with such Board communication, provided the dissenting document is provided to the Executive Secretary prior to the date of the communication or other deadline set by the Board and a copy of the dissenting document is provided to all Board members at the time it is submitted to the Executive Secretary.
- iii. **Availability of Board Documents to the Public:** The Board treats any document distributed to the Board and discussed at a meeting as a public document available during Board meetings. Such documents

will be made available via the Board website for general availability. Other documents available under the Connecticut Freedom of Information Act will be provided on request to the public.

4. Voting

- a. **Utilities:** The utilities are nonvoting members of the Board.
- b. **Quorum:** At least five voting Board members must be present to conduct a Board meeting. Votes, however conducted, require a minimum participation of at least half of those Board members eligible to vote.
- c. **Voting:** A supermajority of at least two-thirds of Board members eligible to vote is required for program plans and budgets to be approved by the Board. Once the Board has approved a plan, subparts of that plan, including RD&D projects, require only a simple majority vote of a Board quorum for approval.
- d. **Proxies:** By notifying in writing in advance of a meeting either Vice-Chair or the Executive Secretary, Board members may send another individual to represent their interests at Board meetings and vote in their stead or assign their voting proxy to another Board member present at an EEB meeting.

5. Consultant Coordination and Technical Support

To assist the Board in fulfilling its responsibilities, the Board retains the assistance of an independent Executive Secretary and independent expert consultants whose responsibilities are defined by the Board and who report to the Board and operate under its control and in its discretion. The Board and utilities provide feedback to the Executive Secretary and consultants on their Board activities so these individuals are informed regarding the impact of their work on the Board processes and programs. Board consultants serve at will of the Board and operate within a defined budget. The utilities will designate staff to act as liaisons with the consultants and direct them to appropriate program managers when information is not available to the consultant at a more strategic level.

- a. **Coordination:** The Executive Secretary: ensures the administrative needs of the Board are met; prepares documents at Board direction; assigns Board queries to the appropriate technical consultant(s); ensures technical support is timely and within budget; provides a point of contact for the public and others seeking to communicate with the Board; and handles other tasks as assigned by the Board in the course of conducting its business.

- b. Technical Consultants:** Managing and Program Consultants: provide the Board with information to assist it in developing policy and positions; review utility plans and proposals; develop options for innovative program and plan modifications based on their expertise, approaches in other jurisdictions and regional and national policy; provide assessments of utility positions and data; evaluate the basis for proposed performance goals; monitor and evaluate program performance including development of evaluation policies and RFPs and interpretation of evaluation and tracking data; assist in framing and examining policy initiatives; prepare documents and represent Board positions at Board direction; and handle other tasks as assigned by the Board in the course of conducting its business.

 - i. **Managing Consultant:** The Board retains a Managing Consultant to augment and coordinate the technical activities of the Program Area and other Board consultants. The Managing Consultant is the primary contact and resource for the Board for program design and related areas, and is expected to participate in most regular Board meetings.
 - ii. **Program Area Consultants:** The Board retains experts selected for their particularized expertise and experience with and knowledge of Connecticut's efficiency program with responsibility for: residential programs; commercial and industrial programs; and program evaluation and performance.
- c. Specific Project Consulting:** The Board may retain consultants as needed for specific projects. The Board must approve the scope of work for such a consultant.
- d. Consultant Travel and Reporting**

 - i. **Travel:** Travel taken to carry out work tasks assigned to consultants and accounted for within an approved budget does not require prior additional approval by the Board.
 - ii. **Reports:**

 - 1. **Where travel is involved:** Written reports will be prepared by consultants for scope of work assignments involving travel to analyze programmatic or M & E activities. If directed by the Board, drafts of these reports will be provided to the Executive Secretary to allow the Board to indicate a need for further information and input to clarify the intent of the Board.

2. **Ongoing activities:** Unless otherwise directed by the Board, consultants shall provide brief monthly reports to the Board and any relevant committee regarding activities undertaken for the Board. For consultants with responsibility for residential programs and commercial and industrial programs, at least quarterly such reports shall indicate whether the utilities are timely committing and expending budgeted program funding and if not, recommending budget or program modifications to ensure expenditures are in accordance with approved budgets.

e. Consultant Billings and Payments

- i. **Consultant firm staff billing:** Experts from a firm retained as a Board consultant for whom services may be invoiced, must be listed in the contract with the consultant.
 - ii. **Invoicing and tracking:** Consultants will submit invoices on a monthly basis to the utilities and provide a copy to the Executive Secretary. The Executive Secretary will review invoices for completeness and accuracy and track consultant billings as follows for each EEB consultant: the consultant's current invoice amount; previous expenditures for each consultant in the program year; the annual budgeted amounts for each consultant and the budgeted funds remaining for each consultant. The Executive Secretary will provide a copy of the monthly report of invoicing for review by the Executive Committee.
- f. **Emergency Retention of a Consultant:** If a simple majority of voting members of the Board believes a consultant should be retained for a limited special purpose beneficial to meeting the Board's responsibilities, that time is of the essence in retaining such a consultant and the time frame is too short to engage all Board members if they cannot all be reached, a written request with detailed information regarding the need for the consulting services and identification of the consultant and his/her expertise must be made of the Executive Secretary. The Executive Secretary will immediately provide the information to the full Board and attempt to obtain feedback and a vote from each Board member through e-mail or other means, as time permits. The total expense for consultants retained under this procedure may not exceed an annual cap of \$5,000. If the Executive Secretary is not available, the Board Chair or Vice-Chairs may act in the Executive Secretary's stead. The Board will be notified regarding identification of and contact information for any consultant hired, the capacity in which the consultant was hired, and the cost for the consultant's services.

6. Meeting and Other Event Scheduling

- a. **Meetings:** The Board meets on a monthly or semi-monthly basis and conducts conference calls of the Executive Committee to plan Board meetings, as its responsibilities require.
- b. **Public input at meetings:** A portion of each meeting will allow members of the public to address the Board for up to three minutes each on any relevant matter.
- c. **Scheduling meetings and events:** The Board publishes its meeting schedule and the schedule of planned conference calls for the year as early as possible in each new year but no later than the third meeting of the year. By the third meeting of the year the Board also establishes a comprehensive annual schedule of events including, but not be limited to: public input events; due dates for its annual legislative report; program plan and budget draft preparation and final filing submission dates; quarterly reports; specific project milestones; and meetings devoted to detailed review of specific programs and evaluations.

7. Interface with the Department of Energy and Environmental Protection and Other Entities Developing Energy Policy or Programs

The Board is an independent entity with specific statutory responsibilities. Its responsibilities overlap with the responsibilities of other entities developing energy related policy or programs. It endeavors to coordinate with and seek input from such entities to the extent practicable and appropriate to better meet its responsibilities. In particular it seeks input from DEEP regarding DEEP's guiding principles on issues such as prioritization of goals, parity, program design, budgetary allocations and other areas fundamental to the Board's operation.

8. Marketing – Process and Rules

[Placeholder for this new section.]

Section II

Processes for Vendor Contracting, Public Involvement, Definitions, and Funding Eligibility Standards for EEB Review and Implementation of Conservation and Load Management Programs “Roadmap”

Date of latest modification: 8/10/11

1. Introduction

The General Assembly established the Energy Conservation Management Board (Energy Efficiency Board, EEB or Board) to advise and assist the electric distribution and gas companies in development and implementation of a comprehensive plan to implement cost-effective energy conservation programs and market transformation initiatives, and to review similar plans of the municipal electric cooperatives. The electric distribution and gas company plans are subject to approval by the Department of Energy and Environmental Protection’s (DEEP). (Conn. Gen. Stat. §§ 16-245m, 16-32f and 7-233y). To fulfill the EEB’s mission of providing input regarding conservation plans, including input from the public, it has developed public intake and deliberative processes. This description of those processes (Roadmap) provides the public, DEEP, legislature and others with a clear delineation of three key aspects of Board operations. To the extent these processes include municipal utility efficiency oversight, that is specifically indicated.

- Processes for public involvement;
- Definitions for Conservation and Load Management (C&LM) activities; and
- C&LM funding eligibility standards regarding the electric distribution and gas company programs.

The legislature intended the EEB to act as a forum for public input and comments on C&LM programs, including proposals for products/technologies and program revisions. The Board believes this enhances its efforts. Individuals or organizations may also petition DEEP to participate in its annual review of C&LM program plans of the electric distribution and gas companies.

In implementing the intent of its governing statutes, the Board will use the processes, definitions, and funding eligibility standards described in the Roadmap to advise the utilities regarding development and implementation of the comprehensive C&LM plans, to encourage and address public involvement in C&LM planning and program

implementation, and to ensure Connecticut has successful cost-effective C&LM programs.

2. Processes for Public Involvement and Opportunities for Public Input: The EEB has five main processes providing opportunities for public input and comment, each described below:

- Public comment at EEB meetings
- Focused topic discussions at EEB meetings
- Public input forums
- Consideration of specific products/technologies or program revisions
- Public Review of Reports and Plans

a. Public Comment at EEB Meetings

- i. **Meeting Access:** EEB meetings are open to the public. The meeting dates, times and agendas are noticed on the EEB website at least 5 days in advance. The EEB maintains a regular meeting schedule with dates for future meetings posted on the web site. Meeting dates are also published on the DEEP public Events Calendar at www.CTEnergyInfo.com, and in the Harford, Fairfield County and New Haven Business Journals. In addition, the EEB Executive Secretary maintains an interested parties e-mail list to notify interested individuals and organizations of upcoming meetings.
- ii. **Public Comment at Meetings:** EEB provides an opportunity for public comment at each of its meetings early in the meeting, following the agenda review and approval of minutes. Each individual or organization is allowed three minutes for public comment. A sign-up sheet is available in the room prior to the beginning of the meeting in which speakers are asked to provide their name and affiliation and identify the topic they wish to address. If unable to attend an EEB meeting, comments may be submitted in writing through the EEB Executive Secretary.
- iii. **Meeting Documents:** All documents distributed to the EEB during Board meetings are available to the public on the EEB website.

b. Focused Topic Discussions at EEB Meetings: The EEB schedules focused topic discussions on specific programs, markets or issues at some of its meetings. Topics are scheduled in advance and identified on the EEB meeting agendas. Board materials are available to the public during the meeting. Individuals and organizations with experience or interest in a given topic may be invited by the Board to present during some discussions. Others may comment during the public comment period.

c. Public Input Forums: Each year, early in the planning process for a future program year, the EEB sponsors a public forum on existing programs and new program concepts. The EEB solicits public input regarding programs to serve all sectors, including residential, low income, commercial and industrial programs. Later in the program planning process, input from the public forum is addressed in a public input document that provides utility and Board responses to the suggestions. Many ideas are incorporated in program plans and budgets.

d. Consideration of Specific Products/Technologies or Program Revisions

- i. **Products Needing Development or Demonstration:** If a new product or technology needs further development or demonstration prior to commercialization and inclusion in a C&LM program, it is considered within the RD&D process. The proposer could respond to an RD&D solicitation, discuss the product with the RD&D administrators, or discuss the product with the RD&D policy working group. Note that DEEP and PURA do not endorse use of C&LM funds as startup funds for vendors so such funding should not be expected as a result of this process.
- ii. **Products Proposed for EEF Funding:** If a product/technology or program revision is being proposed for inclusion in a C&LM program, the EEB encourages the proposer to request utility administrators review and assess its feasibility, appropriateness, potential effectiveness and cost-effectiveness. The EEB believes the fastest and most efficient review process for the vast majority of proposals is through the utilities in their role as program administrators. If the proposer is not satisfied with the utility review and assessment, or if the proposer chooses not to submit the product or program revisions for utility review prior to EEB review, then the EEB will assign the proposal to a committee to review the product or program revision. The EEB committee will be comprised of five members including one business representative, one representative of a state agency that is a consumer representative, one representative of either an environmental organization or residential consumers and two utility representatives. The EEB committee may assign EEB consultants to provide technical assistance during the review. The assigned committee will report its conclusions to the full EEB for its consideration, and the EEB will determine its recommendation within 45 days. Proposers should understand that even under EEB committee review, the EEB will request that utility administrators review the product or program revision concurrent with EEB review.

iii. Participation in Regulatory Oversight Proceedings: Individuals or organizations may also petition DEEP to participate in its annual review of C&LM program plans of the electric distribution and gas companies.

e. Public Review of Reports and Plans

- i. **Annual Report to General Assembly:** The EEB submits an annual report to the legislature in March of the subsequent year. This report is available to the public and posted on the EEB website.
- ii. **Quarterly Reports to EEB:** Electric distribution company reports of program performance and experience are available quarterly and are posted on the EEB website. The EEB reviews the utility quarterly reports at scheduled Board meetings, generally 30 to 45 days following the end of a quarter. The public may comment on the quarterly reports during the public comment period at EEB meetings.
- iii. **Draft Plans:** Draft plans for future program years prepared by the electric distribution companies are available for public review and comment prior to filing with DEEP. The EEB sponsors public forums prior to developing program plans and reviews the draft plans at Board meetings. The public may review draft program plans, participate in public forums, and provide comments during the public comment period at EEB meetings.
- iv. **Municipal Electric Plans:** Municipal electric company plans are reviewed at EEB meetings. The public may review the plan and provide comments during the public comment period at EEB meetings.

3. Definitions for Conservation and Load Management (C&LM) Activities: The definitions below are consistent with Connecticut law related to CL&M plans, programs and budgets, and are intended for use as guidelines for EEB processes

- a. **Conservation Programs:** save energy by reducing the amount of end-use service provided.
- b. **Energy Efficiency Programs:** save energy by increasing the efficiency of energy use in end-use applications. Such savings are generally achieved by substituting more technologically advanced equipment to produce the same or an improved level of end-use service with less electricity or fuel input.
- c. **Demand-Side Management:** DSM includes energy efficiency and conservation, load management and distributed resources at the customer's premise.

- d. **Distributed Resources:** The combined or individual use of distributed generation, energy storage, load management or energy efficiency, located and sized to address distributed loads. For the purposes of C&LM and RD&D funding, the EEB recommends that distributed resources be limited to installations on the customer side of the meter, primarily to address customer loads at their premises, and to address specific customer reliability and power quality needs. C&LM funding may also be used for planning activities and studies of distributed resources. The EEB has resolved that the combined funding for renewable energy as defined in Conn. Gen. Stat. § 16-245n and distributed generation should be limited to no more than 5% of the total C&LM budget. The EEB recommends C&LM funding for non-energy-efficiency distributed resources only on a research, development or demonstration basis.
- e. **Distributed Generation:** The application of small (up to 65 MW) power generation systems at or close to the point of electricity end use. For the purposes of C&LM and RD&D funding, the EEB recommends that , distributed generation be limited to installations on the customer side of the meter, primarily to address customer loads and reliability or power quality needs at their premises. The EEB has resolved that the combined funding for renewable energy as defined in Conn. Gen. Stat. § 16-245n and distributed generation should be limited to no more than 5% of the total C&LM budget.
- f. **Education:** Educational programs for schools and children, through museums, programs and events for the public, and to support energy efficiency programs when providing information, data, analysis and training are important to influence customer or trade ally knowledge and decision-making, are eligible for funding.
- g. **Load Management Programs:** Influence the timing of energy use.
- h. **Market Barriers:** Any characteristic of a market for an energy related product, service or practice that helps to explain the gap between the actual level of investment in or practice of energy efficiency and an increased level that would appear to be cost beneficial. Market barriers can include information and search costs, uncertainty about performance, transaction costs, lack of access to financing, high first costs and split incentives (such as between landlords and tenants).
- i. **Market Driven/Lost Opportunity Investments:** Programs designed to minimize lost opportunities in the market by providing energy efficiency opportunities at the time of a naturally occurring market event such as new construction, expansion, renovation, remodeling or equipment replacement. .
- j. **Market Transformation Initiatives:** Strategic initiatives to induce lasting changes in the structure, function or behavior of the market for end-use devices and systems that result in increases in the adoption of energy efficiency products, services and/or

practices. As the term has been used to fund ratepayer conservation in New England, market transformation means working with manufacturers, customers and distributors to improve the efficiency of electric energy in end use devices.

4. C&LM Funding Eligibility Standards

The funding eligibility standards below describe what the C&LM charge should be utilized to support, consistent with prior EEB resolutions, recommendations and processes, governing legislation and DEEP decisions.

a. Funded activities should include:

- Energy efficiency
- Load management
- Renewable energy (renewable energy and distributed generation combined should be limited to 5% of the C&LM budget; C&LM renewable installations should be implemented as distributed resources, coordinated with the Clean Energy Finance and Investment Authority wherever possible)
- Research, development and demonstration (RD&D) of energy efficiency, load management or distributed resources technologies
- Distributed resources (DR, non-energy-efficiency DR applications are limited to research, development and demonstration)

b. Research, development, and demonstration (RD&D) should include:

- Energy efficiency
- Load management
- Distributed resources

c. Distributed resources (DR) should include:

- Targeted energy efficiency
- Targeted load management
- Energy storage
- Distributed generation (DG)

5. Program Implementation Vendor RFPs and Contracting Procedures

[Placeholder for this new section for clarity and transparency in process.]

Section III

EEB Evaluation Roadmap

Date of latest modification: 8/10/11

1. Summary:

- a. **EEB Evaluation Independence:** The Energy Efficiency Board (EEB) Evaluation Committee, which consists of voting EEB members, represents the EEB in the efficiency program evaluation process. The EEB Evaluation Committee and the EEB Evaluation Consultant (evaluation administrator) are independent from the EEB Technical Consultants and the Program Administrators. The EEB Evaluation Consultant reports directly to the EEB Evaluation Committee. Absent payment through the CEEF, the Public Utilities Regulatory Authority (PURA) requires that the EEB Evaluation Consultant have no financial or business ties to CL&P, UI, Yankee, SCG, CNG, any EEB members, or any other EEB Technical Consultants who plan the efficiency programs.

b. Responsibilities and Authority:

The EEB Evaluation Committee, and specifically the EEB Evaluation Consultant, will execute the following responsibilities: evaluation planning, presentation of the proposed evaluation plan to the PURA after budgetary approval by the Board, study development, contractor selection, project initiation, project management and completion, and finalization of evaluation reports. All RFPs will be issued by the EEB Evaluation Consultant and responses will also be sent to the EEB Evaluation Consultant. The EEB members and the Program Administrators (PAs) may provide initial insights into the scope of work, review proposals that have been submitted, and may submit preferences for contractor selection, but final decisions rest with the EEB Evaluation Consultant, with the advisement of the Evaluation Committee. The Program Administrators review the final work products conducted and provided by third party evaluators and may provide comments on the final Draft report in writing. After completion of the report, the Evaluation Consultant files the evaluation reports with the Board and with the PURA in its most recent uncontested proceeding and the Board will post a copy of each report on its Internet web site. The Board and its members, including electric distribution and gas Program Administrator representatives, may file written comments regarding any evaluation with the PURA or for posting on the Board's Internet web site within 30 days of receipt of the report. The Program Administrators may also file written exceptions with the PURA. In addition, the Program Administrators must file with the PURA a description of how the results and recommendations will be implemented.

The Evaluation Committee may add to, reduce or alter the roles of the Evaluation Consultant and/or the Companies at its discretion at any time so long as those changes comport with the requirements of the Act [PA 11-80 § 33, to be codified at Conn. Gen. Stat. § 16-245m(d)(4)] and the Decision.

The EEB Evaluation Consultant communicates and coordinates with the EEB Evaluation Committee, and then with interested EEB members, the Companies, and the public through scheduled Committee meetings and retention of documents as described herein. These communications continue throughout the course of all evaluation activities. The EEB Evaluation Consultant schedules and coordinates all stages of the evaluation process to address the research and design concerns of the EEB Evaluation Committee and, as appropriate, the Companies to assure the highest quality of studies and the best allocation of ratepayer dollars among the studies.

c. Transparency: The EEB revised program evaluation roadmap is independent and transparent, with the EE Evaluation Consultant communicating progress through the scheduled events of the EEB Evaluation Committee. Through the EEB Executive Secretary, the EEB Evaluation Consultant posts all EEB Evaluation Committee meeting dates and conference calls in a way that allows all interested EEB members and members of the public to attend events, participate in calls, and provide input as appropriate.

2. Evaluation Process: The EEB Evaluation Committee and the EEB Evaluation Consultant lead the conduct and performance of the evaluation process. While the Companies no longer hold a primary role in evaluation, their role is still vital to the success of the programs. Program administrators are in a strong position to identify aspects of their programs (savings, market, process) that would benefit from evaluation activities. The Program administrators have intimate knowledge of program procedures and program data collection that are necessary to evaluation. Moreover, the Program Administrators have a strong interest in ensuring program improvements.

3. Evaluation Planning

With consultation and input from the EEB Technical Consultants and the Program Administrators, the EEB Evaluation Consultant determines which evaluations might be done, sets priorities, and establishes the evaluation budget in line with those priorities. Program and measure evaluation, measurement and verification shall be conducted on an ongoing basis, with emphasis on impact and process evaluations, programs or measures that have not been studied, and those that account for a relatively high percentage of program spending. These plans and budget are approved by the EEB Evaluation Committee. Voting members of the Board determine the budget for evaluation, which will be included in the Annual Plan filed with the PURA. The electric

distribution and gas Program Administrator representatives and the representative of a municipal electric energy cooperative may not vote on Board plans, budgets, recommendations, actions or decisions regarding such factors or on program evaluations and their implementation. The Evaluation Consultant:

- Provides Evaluation Committee with a package of programs evaluations, priorities and costs;
- When the evaluation plan is approved by the EEB Evaluation Committee, establishes resulting budget to submit to the full EEB for vote;
- Writes Evaluation Report to be filed at the time of the Companies' Annual Plan;
- Revises the plan periodically to reflect changes in opportunity, circumstances, remaining budget or other considerations.

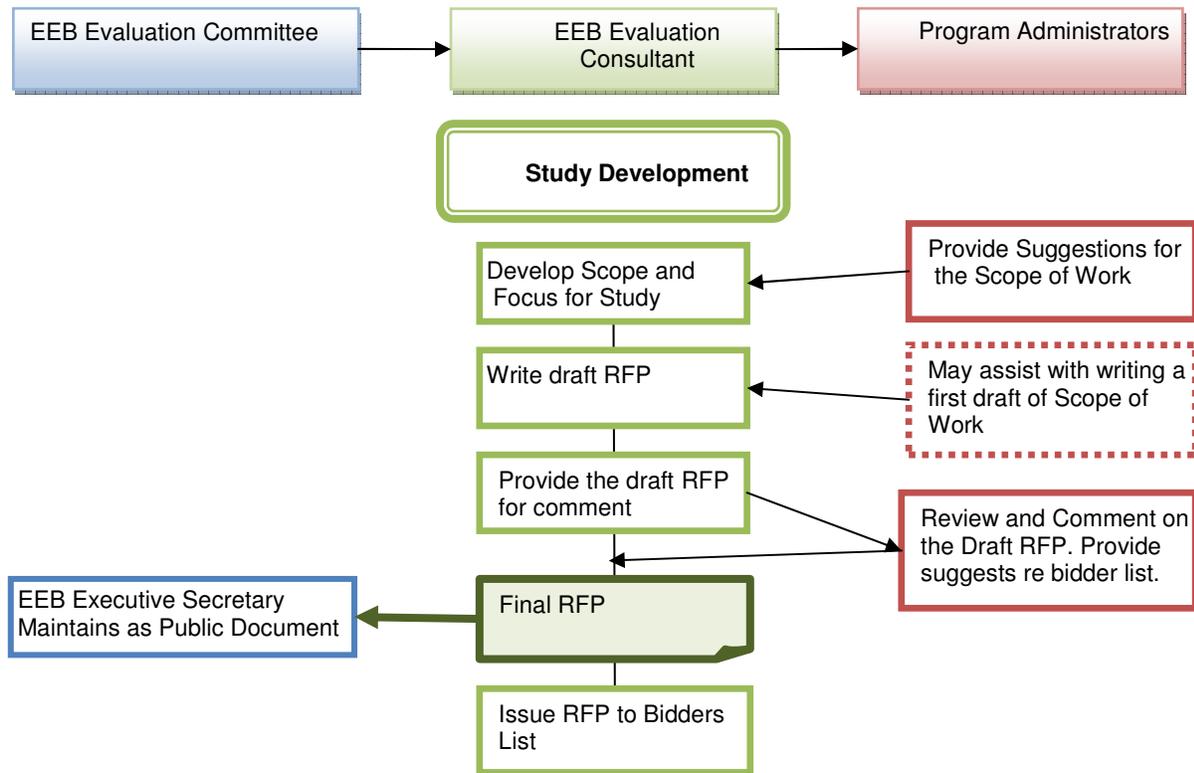
The Companies, separately and together, provide important programmatic information that helps ensure that needed information on evaluation issues, program structure, and ex ante estimates are available to the Evaluation Consultant in a timely manner.

For evaluation planning, the Companies and the EEB Technical Consultants provide the EEB Evaluation Consultant with:

- Lists of studies each entity would like to be included in the evaluation plan;
- Suggested priorities for those studies that consider both the need for the information and availability of funds;
- Budgets that are sufficient to support the final plan as determined by the EEB Evaluation Committee and approved by the EEB.

4. **Study Development:** In the study development phase, the EEB Evaluation Consultant, the EEB Technical Consultants and the Companies develop the Scope of Work for the particular study to be undertaken. The Program Administrators and EEB Technical Consultants provide the EEB Evaluation Consultant with suggested issues to be included in the scope and focus of the RFP. The Evaluation Consultant finalizes the RFP after review and written comment by the Companies and Technical Consultants. After the initial scoping process, the Evaluation Consultant requests suggestions for bidders to be included in the issuance. The Companies may also suggest that inclusion of some contractors may be inadvisable, providing reasons for those beliefs. The RFPs explicitly identify the EEB Evaluation Committee as the entity requesting proposals and the EEB evaluation consultant, who works on behalf of the EEB, as the sole contact for additional information and for receipt of the proposals. See Figure 1.

Figure 1: Study Development Process

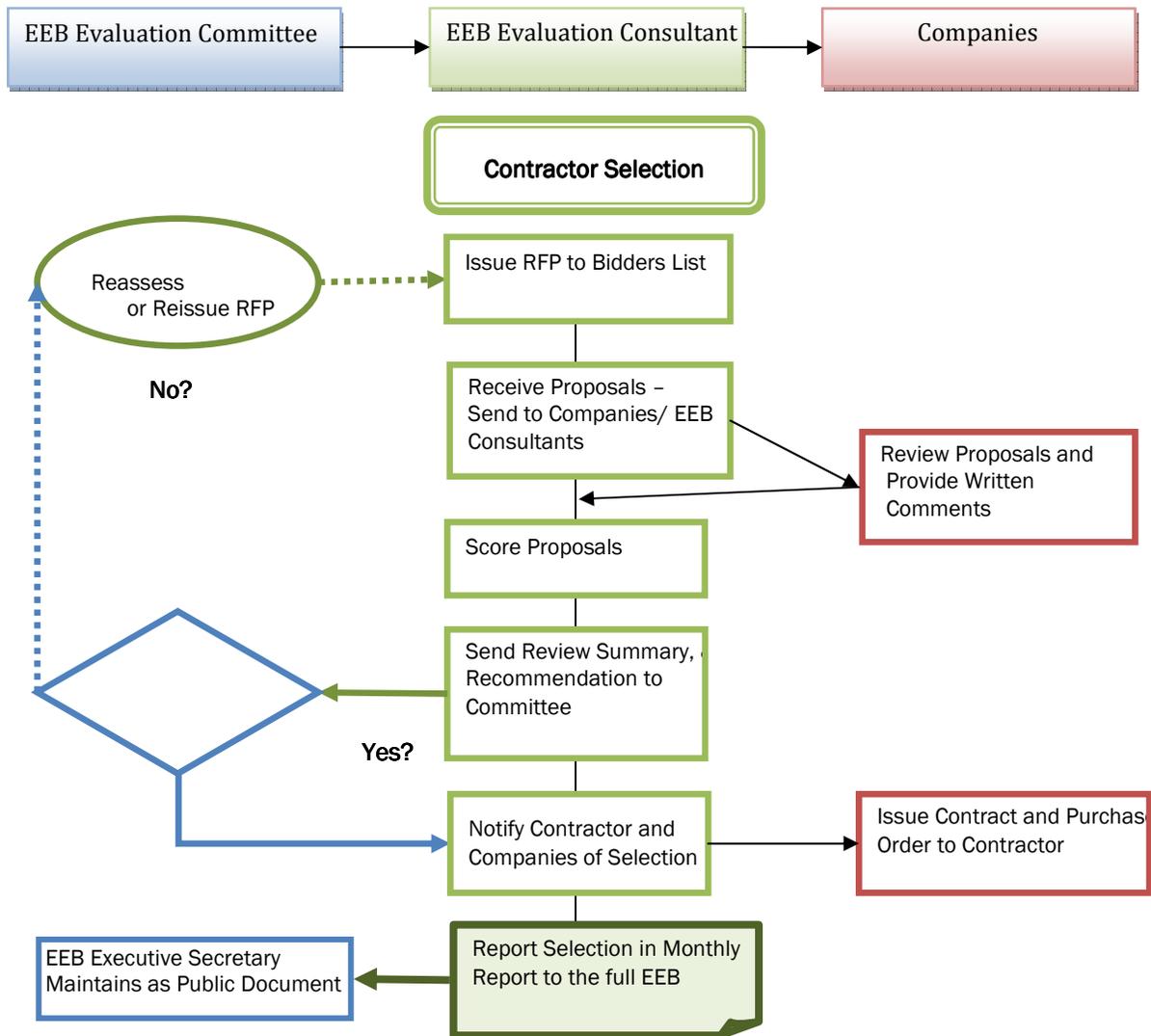


5. Contractor Selection Process

It is especially important the selection of 3rd party contractors be transparent. The EEB process for selection of an evaluation contractor is:

- The EEB Evaluation Consultant develops the scope of work with input and assistance from appropriate Program Administrator staff and EEB Technical Consultants. The EEB Evaluation Consultant develops the RFP and includes information for and instructions to contractors on procedures for conducting the evaluation. The Companies provide their Terms and Conditions documents for inclusion in the RFP.
- The EEB Evaluation Committee releases the RFP.
- Contractor proposals are submitted directly to the EEB Evaluation Consultant. The Evaluation Consultant and EEB Executive Secretary then provide proposals to EEB Technical Consultants and a staff person or persons from each appropriate Program Administrator who may review the proposals. Any reviews will be provided to the EEB Evaluation Consultant in writing.

Figure 2: Contractor Selection Process



- The EEB Evaluation Consultant then scores the proposals based primarily on the proposed work plan and approach, the contractors’ experience and qualifications, and the proposed price. The top 2 or 3 finalist proposals are identified.
- The EEB Evaluation Consultant sends a summary of the finalist proposals, proposal analysis, and the EEB Consultant recommendations to the EEB Evaluation Committee members.
- The EEB Evaluation Committee reviews the summary and selects the evaluation contractor.

- A public summary of the basis for selecting the winning contractor is drafted by the EEB Evaluation Consultant and approved by the EEB Evaluation Committee. Each Program Administrator's purchasing agent retains this summary as the basis for the bid award.
- The EEB Evaluation Committee notifies the winning contractor and the other proposers.
- The Program Administrators then issue contracts and execute Purchase Orders.

EEB Evaluation Committee reports to the full EEB at the regularly scheduled EEB meetings. The report shall include information on the evaluation contractors selected since the previous EEB meeting. Figure 2 provides a schematic describing the Study Development and Contractor Selection Processes.

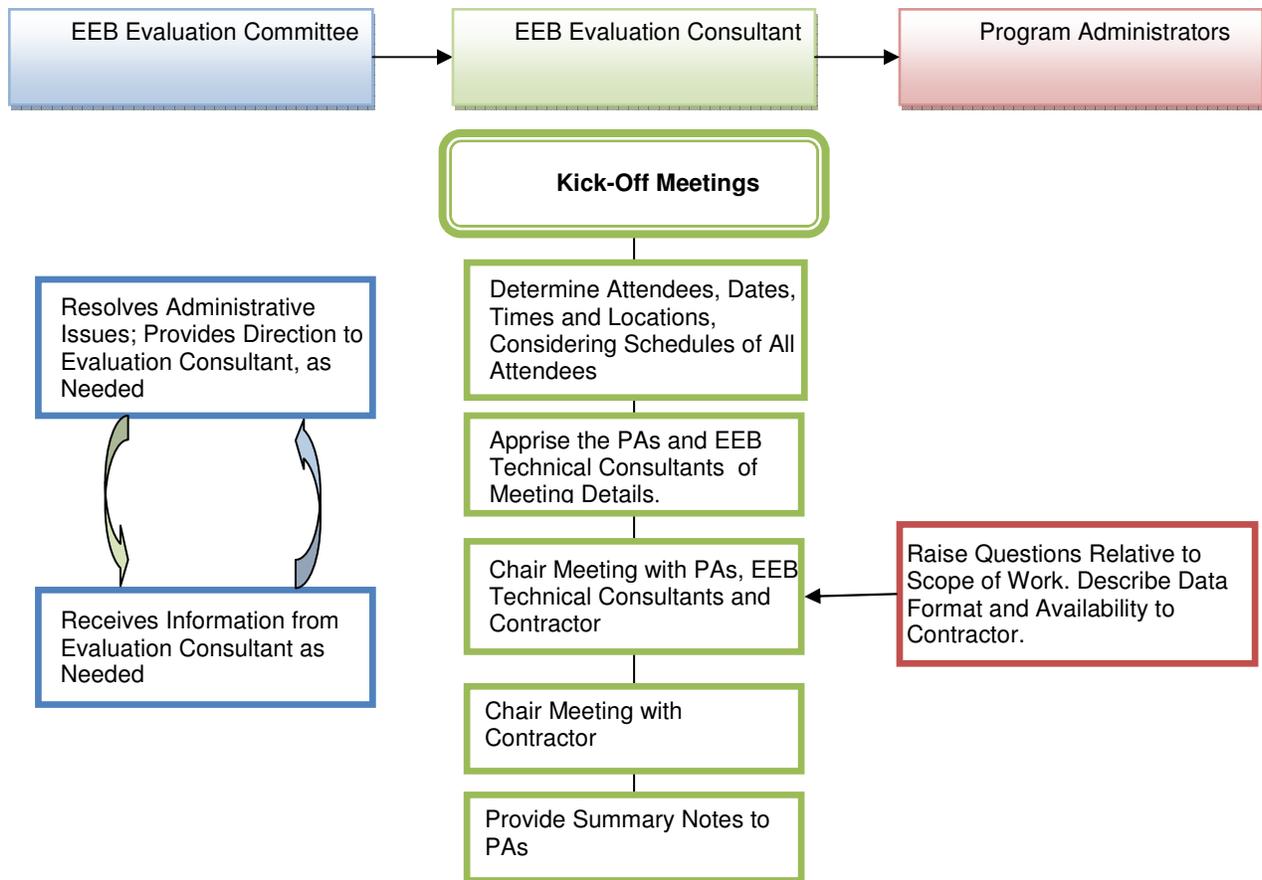
6. Project Initiation

a. Kick-off Meetings

Projects will be initiated through two kick-off meetings. In one meeting, the EEB Evaluation Consultant, the Program Administrators and the selected evaluation Contractor meet to discuss the proposed approach and establish data availability and processes for acquiring data. The EEB Evaluation Consultant organizes date, time, location and needed personnel for the meeting, apprising the Program Administrators of the final schedule. Representatives of the Program Administrators attend this first kick-off meeting, typically by phone, since meetings will be held either in the presence of the Evaluation Consultant or by telephone. This requirement is set in order to ensure the selected Contractor understands the project management structure and need for the study to be independent of those who administer the programs studied. The Program Administrators may raise questions relative to the scope of work and will describe data availability, format and transfer to the Contractor.

The other meeting will take place between the EEB Evaluation Consultant and the Contractor. In this meeting, direction on content and provision of the Final Workplan will be developed. Evaluation work plans must be developed to assure use of statistically valid monitoring and data collection techniques appropriate for the programs or measures being evaluated. All evaluations must contain a description of any problems encountered in the process of the evaluation, including, but not limited to, data collection issues, and recommendations regarding addressing those problems in preparation for future evaluations. The Contractor will also be apprised of all reporting relationships and procedural requirements. Following this meeting, the EEB Evaluation Consultant will supply the EEB Evaluation Committee and the Program Administrators with notes summarizing the meeting as provided by the Contractor. See Figure 3.

Figure 3: Kick-Off Meeting Process



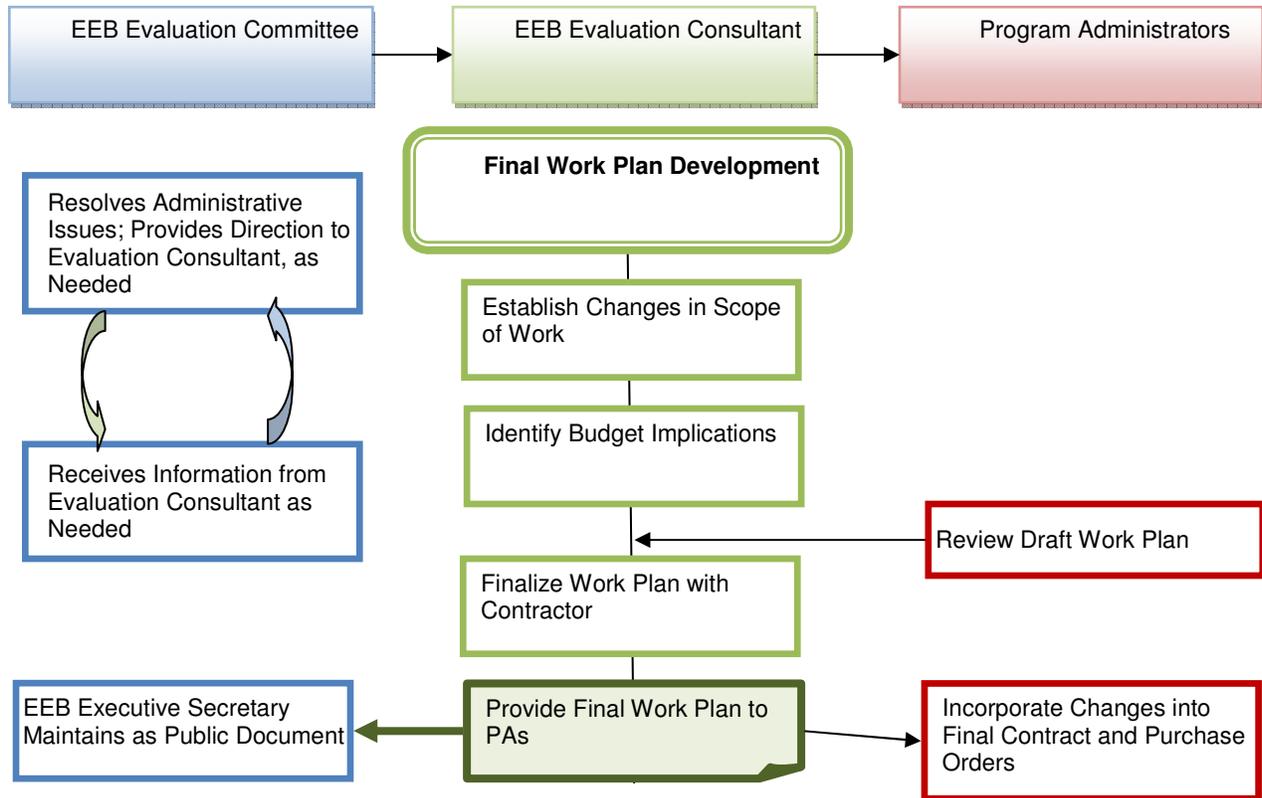
b. Development of the Final Work Plan

The kick-off meeting may identify scope changes to improve accuracy, align the plan with data availability, or reduce costs. These scope changes may impact the budget as well as changing the workplan.

The Program Administrators will review potential changes to the work plan and provide comments in writing. The Evaluation Consultant will consider these comments and then finalize the workplan with the selected evaluation Contractor. The final work plan and budget will be provided to the Program Administrators for incorporation into the project Purchase Orders (or revised Purchase Orders). The Final Workplan will take precedence over the proposed work plan or any draft workplan in guiding the conduct of the study.

See Figure 4.

Figure 4: Final Workplan Development



7. Project Management and Completion

a. Project Management

Once the evaluation Contractor has been selected and the evaluation has begun, the relationship between (1) the evaluation Contractor and Energy Efficiency Board Evaluation Consultant and (2) the Program Administrators, all Energy Efficiency Board members, and the EEB Technical Consultants will be treated in a similar fashion to a contested proceeding. There shall be no informal communications regarding the design or outcomes of the evaluation between the Program Administrators, the Energy Efficiency Board and the Evaluation Consultant or Evaluation Contractor. The EEB Evaluation Consultant may continue to consult with the EEB Evaluation Committee for administrative purposes, including issues regarding data requests. EEB Board members, including the Evaluation Committee, shall not communicate directly with the Evaluation Contractor conducting an active evaluation without the Evaluation Consultant being present. Input from the Program

Administrators/Energy Efficiency Board shall be limited to responding to the Evaluation Consultant's request for data or technical assistance. Any communications shall be in writing and include a copy to the EEB Evaluation Consultant.

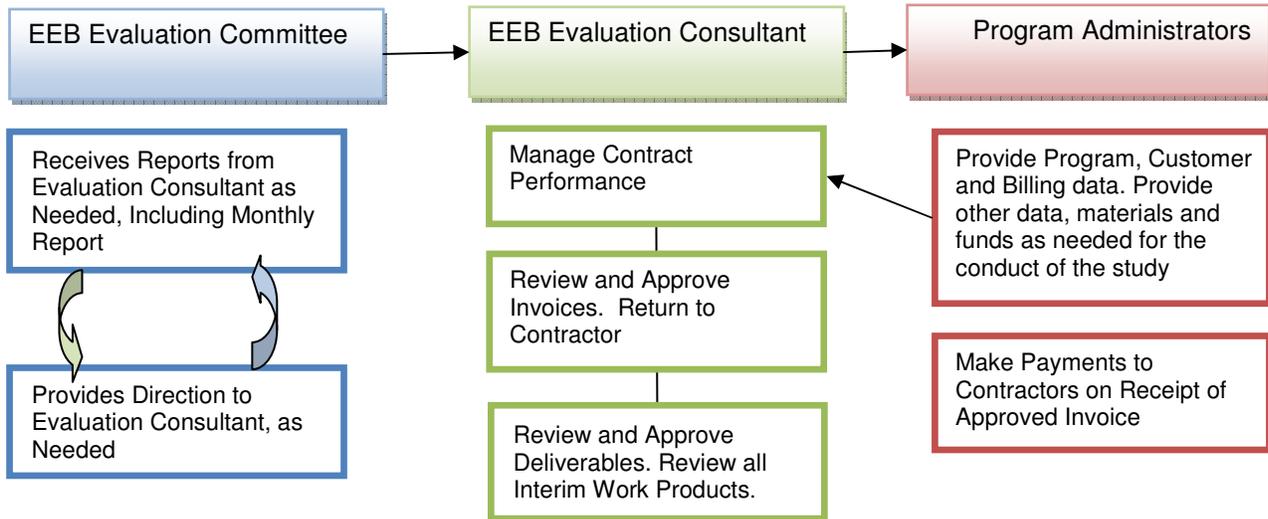
The EEB Evaluation Consultant leads the project management process (Figure 5) and is responsible for determining what information needs to be developed. In particular the Consultant will:

- Work with the Contractor to resolve issues and expedite solutions.
- Review and approve all deliverables and milestones.
- Review all interim work products and any issues of importance that may impact the results or cost of the evaluation. Provide Final Draft report to the Program Administrators for comment.
- Retain all communications from the Contractor and from Program Administrator representatives.
- Assess the EEB Technical Consultants and Program Administrators' written comments and provide any changes needed as a result of that review to the Contractor.
- Review and approve Contractor invoices for payment by the Program Administrators from the CEEF.
- Provide the full EEB reports on evaluation schedules and internal project deadlines through monthly reports to the Board.

The Program Administrators act as CEEF contract administrators and conduits for program information. Specifically, the Program Administrators:

- Initiate administrative actions necessary to support contract maintenance and payment.
- Issue payments to the independent evaluation contractors on approval of the EEB Evaluation Consultant.
- Provide required program, billing, customer data and any other information needed for the completion of the study.
- Provide materials, including stationary, envelopes, incentive checks and more as needed.

Figure 5: Project Management



8. Project Completion

The Program Administrators and Energy Efficiency Board may no longer be permitted to comment on internal draft evaluation reports. When the Draft report is ready for the review, the EEB Evaluation Consultant provides it to the EEB Executive Secretary who then notices the draft and provides it to the EEB Technical Consults and those Program Administrator representatives the PAs have designated. All Other Persons are invited to provide comments in writing.) After the review comments are considered, the EEB Evaluation Consultant will do one or more of the following:

- Finalize the report with no additional changes
- Provide written direction to the Contractor on how to incorporate those changes that are accepted.
- Require a new Draft

The Evaluation Consultant will consider the Program Administrator and EEB Technical Consultant comments and work with the Contractor to finalize the evaluation report. The Evaluation Consultant will then summarize the final report and submit that summary with the final report to the EEB Evaluation Committee.

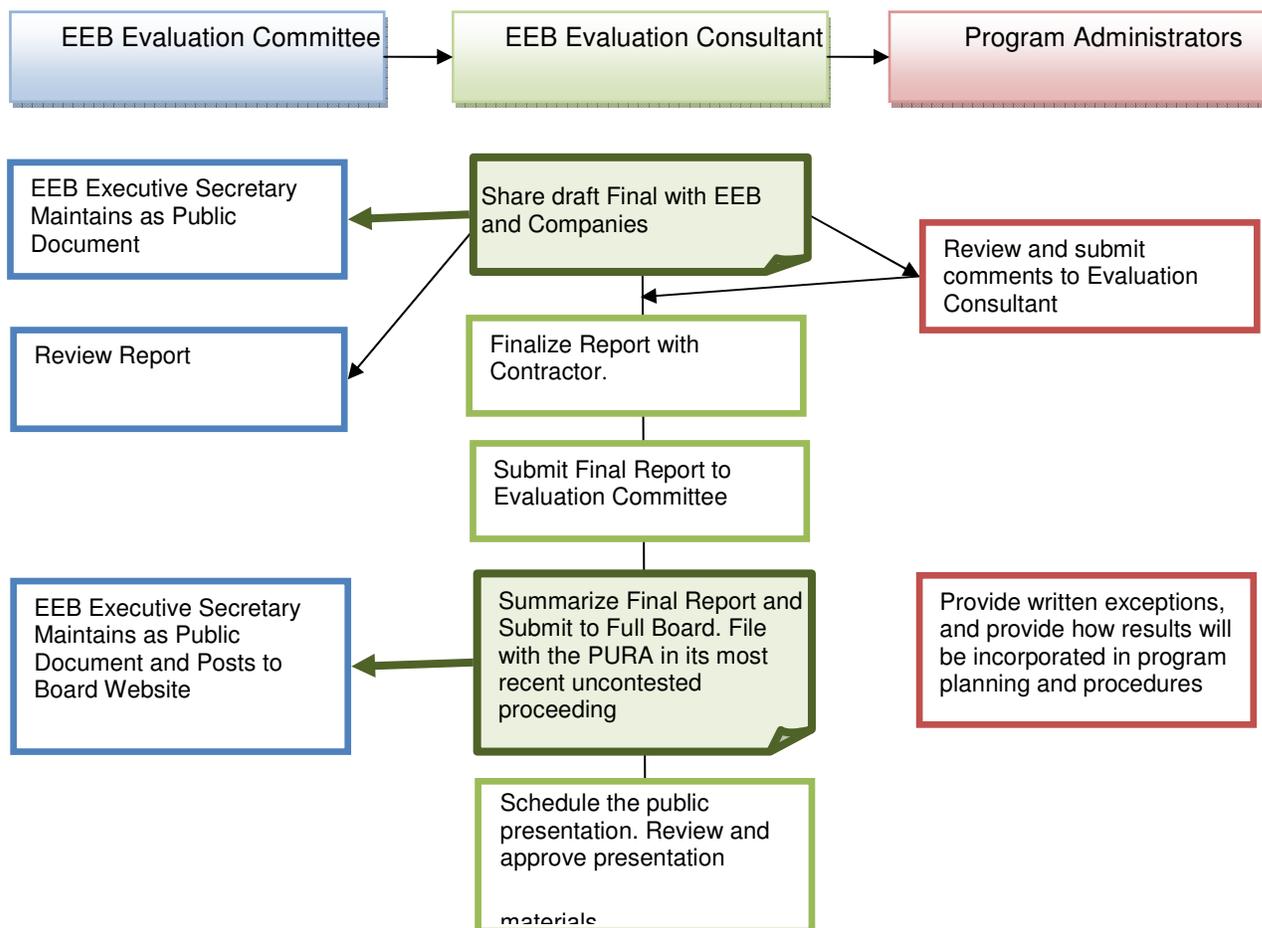
Records of all communications during the evaluation, the draft report and written comments will be kept on file and maintained after the evaluation has been completed. This information shall be available to the public without protective status. The EEB Evaluation Committee is responsible for maintaining all evaluation products, both

interim and final. Neither the third party contractor nor the Program Administrators may release preliminary or final data without prior approval from the EEB Evaluation Committee or its designee.

When the final report is ready, the Evaluation Consultant, through the EEB Executive Secretary, will file the evaluation report with the Board and with the PURA in its most recent uncontested proceeding. The Board shall post a copy of each report on its Internet web site.

The Board and its members, including electric distribution and gas Program Administrator representatives, may file written comments regarding any evaluation with the PURA or for posting on the Board's Internet web site. The Program Administrators will be required to indicate how they intend to implement each of the recommendations and incorporate the results into the PSD. The Program Administrators and the members of the EEB may also provide written exceptions to the report. Within fourteen days of the filing of any evaluation report, the PURA, members of the Board or other interested persons may request in writing, and the PURA shall conduct, a transcribed technical meeting to review the methodology, results and recommendations of any evaluation. Participants in any such transcribed technical meeting shall include the Evaluation Consultant, the evaluation contractor and the Office of Consumer Counsel at its discretion. See Figure 6.

Figure 6: Project Completion



9. Regional Studies

The EEB Evaluation Consultant shall represent the EEB in all regional evaluation studies, either with the EM&V Forum or with individual states and groups of states. The EEB Evaluation consultant will assume the leadership role for the EEB in all discussions and negotiations involving the regional parties and bring any substantial issues before the Evaluation Committee. No other entity will hold itself out as representing Connecticut’s interests. To the extent applicable and for all regional studies, the EEB Evaluation Consultant and the Program Administrators shall exercise responsibilities in an equivalent fashion as those identified in this document.

For evaluations where Connecticut is the minority participant in the study, the EEB Evaluation Consultant will represent the EEB’s interests and contribute to all processes (including scoring and selection) as appropriate based on the level of participation and

any processes governing the study outlined by the participating parties. For some of these smaller Regional Studies, the EEB Evaluation Consultant may delegate responsibility for monitoring the study to the Program Administrators, if appropriate and if they wish to accept that delegation.

10. Communications Protocol For Evaluation

The purpose of this document is to provide communication procedures for Connecticut Energy Efficiency Fund evaluations in accordance with the provisions of Public Act 11-80 § 33, to be codified at Conn. Gen. Stat. § 16-245m(d)(4).

a. Confidential Customer Data

Processes for protection of confidential customer information are important since substantial quantities of this information are typically exchanged during the course of evaluation studies. Confidential customer data is defined as any personally identifiable customer information, including but not limited to name, account number, telephone number, email address, and service or billing address. The purpose of these procedures is to identify any correspondence that contains confidential customer data. If correspondence that has been identified as containing confidential customer data is requested for public release through a Public Utilities Regulatory Authority (PURA) process, a request from the general public, or any other request, the EEB Evaluation Consultant will submit the document(s) to the PURA for a determination regarding the need for a protective order, redaction, or other methodology to protect the privacy of customers while assuring transparency of the evaluation process.

The following procedures will be employed when dealing with confidential customer data during the evaluation process. The Evaluation Consultant, program administrators, and evaluation contractors will all observe the following for communications between each other:

- All documents that contain confidential customer information must be clearly labeled as such. It is unacceptable for these documents to contain statements that they “may” contain confidential information. Documents containing confidential customer data must include the word “confidential” or “contains confidential customer information” on every page.
- Email that contains confidential customer information in the body or attachments must use the word “confidential” in the subject line. In addition, any attachments that contain confidential customer information must include the word “Confidential” on every page.
- When responding to an email that contains confidential customer information and for which the confidential information is not required for the response, all

confidential customer information must be removed. The confidential label must then be removed from the subject line.

- If confidential customer information is transmitted by the one of the program administrators without the labeling described above, that program administrator is solely responsible in the event that information is re-transmitted or otherwise made available to other parties by one of the recipients.

b. Communications Prior To Study Inception

- i. When an Evaluation Contractor has not yet been selected for a given evaluation, there are no restrictions on communications between the Evaluation Consultant, members of the Board, the Board Technical Consultants and Program Administrators (collectively, “Other Persons”). As provided in the Evaluation Roadmap, anyone in these organizations may offer suggestions, information and opinions concerning the focus of studies, issues and methods that might be included in a Request for Proposal or Request for Qualifications, and on the quality of Contractor submissions in response to RFPs. These persons may provide recommendations on which Contractor will be selected, although they have no vote in the final Contractor selection.

During the development of the Annual Evaluation Plan, these Persons may suggest studies to be included in the Plan, provide rankings of study priority and outline important issues to consider.

Communications prior to study inception will generally be in written form and will be retained. Should meetings or conference calls be needed, either the EEB Executive Secretary will be part of the call and will take minutes, or the call will be recorded.

- ii. After the Contractor has been selected, the Other Persons may attend the open portion of Kick-off meetings to better understand the methods that will be employed, ask questions, make suggestions, and provide information on data availability and procedures to access that data.

c. Communications During The Study

There shall be no informal communications regarding the design or outcomes of an active evaluation between the Program Administrator staff, Energy Efficiency Board members and the Evaluation Consultant and Contractor. The EEB Evaluation Consultant may continue to consult with the EEB Evaluation Committee for administrative purposes, including issues regarding data requests. EEB Board members, including members of the evaluation committee, shall not communicate directly with an Evaluation Contractor conducting an active evaluation without the

Evaluation Consultant being present. Any communications between the Program Administrators and an Evaluation Contractor conducting an active evaluation shall be in writing and include a copy to the EEB Evaluation Consultant and shall be limited to data and technical assistance requests and responses and other information requested by the EEB Evaluation Consultant. Records of all communications during the evaluation, reviews of the draft report and written comments on the final report shall be kept on file and maintained after the evaluation has been completed. These records, with the exception of documents or emails containing confidential information, shall be made available to members of the public upon request.

To meet these requirements:

- i. The EEB Evaluation Consultant will initiate requests for technical assistance, data and administrative action whenever needed. The requests will most frequently be made in writing; however some telephone communication is likely to be needed in order to clarify needs and reduce delays.
- ii. When these requests are made, the Other Person can respond with the materials, data, and/or other action required. The Other Person may also respond with any clarifying questions. Clarifying questions may not include questions regarding the need for the materials, data, and/or action, except to suggest that there may be a superior solution, which the EEB Evaluation Consultant will consider.
- iii. Other Persons will not initiate these discussions.

d. Communications With Contractors

Determining appropriate Communications protocols between the EEB Evaluation Consultant, the Contractor that performs the evaluation study, and Other Persons can be difficult. While the Act makes clear that Other Persons generally should not be in direct communication with Contractors, there are times when such communications are important and solutions involving intermediaries inefficient. A careful balance follows:

- i. Under nearly all circumstances, Other Persons may not communicate directly with the Contractor, either by phone, in writing, or in person. Board members, including Program Administrators' representatives, may not communicate with an evaluation contractor about an ongoing evaluation except with the express permission of the EEB Evaluation Consultant, which may only be granted if the EEB Evaluation Consultant believes the communication will not compromise the independence of the evaluation.

- ii. Any allowed communications that can be conducted in writing will be conducted in writing. Those written communications will be sent to the EEB Evaluation Consultant for transmission to the Contractor. Responses will also be transmitted through the EEB Evaluation Consultant.

Exceptions:

- i. As described in Section B (2), the Kick-off meeting is an exception to the written comment requirement.
- ii. Communications concerning data collection. When discussions must be made by phone, most often concerning secure data transfer, either the EEB Evaluation Consultant or the EEB Executive Secretary will also be on the phone. In cases where time is of the essence and neither the EEB Evaluation Consultant nor the EEB Executive Secretary can be available, the Contractor will record the call and provide that recording to the EEB Evaluation Consultant.
- iii. Direct communications concerning data transfer to be held between Program Administrator IT personnel and their IT counterparts for the Contractor so long as no other Program Administrator staff is participating in the meeting in any way, including as an inactive participant.
- iv. Contract issues that extend beyond the study start date. Utility purchasing agents may communicate with the Contractor for the purpose of resolving contract issues that do not in any way affect the study or outcomes.

Contractors will be fully apprised of these requirements and must agree to adhere to them.

e. Site Reports

Site Reports may become available (depending on the nature of study) prior to completion of the Draft report. Site Reports provide detailed information on what the Contractor's team found at each of the customer premises inspected during the study. Findings may include things such as differences between tracking system equipment and that found in the facility, logger locations, conditions of operations and more. The site reports reflect the Contractors' collection of data. Because the site reports may contain information that would help the Program Administrators better serve their participants or prevent ongoing problems, it is important that the site reports be provided to the Program Administrators as soon as they are generated. Provision of site reports and response to questions concerning information in a site report will be completed using the protocols described in the "Communications with Contractors" section. These reports will contain confidential data and will be treated as such.

- i. The EEB Evaluation Consultant will provide site reports to the Program Administrators (each Program Administrator receiving the reports for their customers) when all site reports are completed.
- ii. If the Program Administrators have questions concerning a site report, they will submit those questions in writing to the EEB Evaluation Consultant. The EEB Evaluation Consultant will review the questions submitted and, if appropriate, provide the questions to the Contractor.

f. Communications Concerning Study Results/Review of Draft Materials

The Decision in 10-10-03 provides, “The Companies and Energy Efficiency Board will no longer be permitted to comment on internal draft evaluation reports. When the Evaluation group is ready, the Evaluation Committee will issue the report to the Companies, EEB members and the Program Technical Consultants for written comment that shall become part of EEB’s public record. At that time, the EDCs and the Energy Efficiency Board may make public written comments. The Evaluation group will then make modifications at their discretion then issue either a final report or another draft report.”

Records of all written/email communications during the evaluation, the draft report and written comments on the planning and draft reports are kept on electronic file and maintained after the evaluation has been completed. This information is available to the public upon request.

As study results become available, it is especially important to maintain careful communications. For this reason, at this stage the EEB Executive Secretary becomes more closely involved and maintains redundant documentation of materials and reviews.

- i. When the Draft report is ready for the review, the EEB Evaluation Consultant provides it to the EEB Executive Secretary who then notices the draft and provides it to the appropriate EEB Technical Consultants and those Program Administrator representatives the Program Administrators have designated. All Other Persons are invited to provide comments in writing.
- ii. Written comments are returned to the EEB Executive Secretary and to the EEB Evaluation Consultant. The Evaluation Consultant will assess the comments. If clarifying questions arise, those questions will be submitted to the originating reviewer with copy to the EEB Executive Secretary. If a phone meeting is prudent, both the EEB Executive Secretary and the EEB Evaluation Consultant will attend. If both cannot be available, the meeting will be recorded and the recording preserved.

- iii. After the review comments are considered, the EEB Evaluation Consultant will do one or more of the following:
 - Finalize the report with no additional changes
 - Provide written direction to the Contractor on how to incorporate those changes that are accepted.
 - Require a new Draft
- iv. When the final report is ready, the EEB Evaluation Consultant, through the EEB Executive Secretary, will file the evaluation report with the Board and with the PURA in its most recent uncontested proceeding. The Board shall post a copy of each report on its Internet web site.

The Board and its members, including Program Administrator representatives, may file written comments regarding any evaluation with the PURA or for posting on the Board's Internet web site.