



Energy Efficiency Board Monthly Meeting

Wednesday, December 12, 2018, 1:00 – 3:30 PM
10 Franklin Square, New Britain, CT (Hearing Room 2)

MINUTES¹

In Attendance

Voting Board Members: Bill Dornbos (EEB Chair), Amanda Fargo-Johnson (EEB Vice-Chair), Taren O'Connor, Mike Wertheimer, Diane Duva, Neil Beup, Adrienne Houel (phone), Eric Brown (phone), Bruce McDermott (phone), Jack Traver (phone)

Utility Board Members: Ron Araujo, Chris Plecs, Jane Lano, Will Riddle

Board Members Not in Attendance: Justin Connell

Board Consultants: Jeff Schlegel, Glenn Reed, George Lawrence, Phil Mosenthal, Craig Diamond, Lisa Skumatz (phone)

Others: Mary Sotos, Julia Dumaine, Donna Wells, Steve Bruno, Guy West, Bernie Pelletier, Mark Scully, Leticia Colon, Anthony Clark

Process

Minutes

The Board considered whether to approve the minutes from the November 14, 2018 Board meeting. Ms. Duva moved to approve. Mr. McDermott 2nd. All present voted to approve, except Mr. Dornbos and Ms. O'Connor who abstained. Mr. Beup, Mr. Brown, and Mr. Traver were not present at the time of the vote.

Public Comments

Ms. Lano announced that she would be the new Board representative for UI (replacing Pat McDonnell), and that Will Riddle would be the new Board representative for SCG and CNG (replacing Roddy Diotallevi).

2019 EEB meeting schedule

Mr. Diamond confirmed that the January 2019 Board meeting would take place on January 16, one week later than usual. He also noted that the Board Committees would be meeting one week later in January as well.

2019 Consultant Work Plans

Mr. Schlegel provided a presentation on the 2019 Consultant Work Plans, and noted that the Board would be voting on the Work Plans at the January meeting. He announced that he would be stepping down as the Board's lead consultant in May 2019.

¹ Meeting materials available in Box.com: <https://app.box.com/s/c2i2h73dcmurmthja465j1gwguymga5w>

Discussion on EEB voting rules

Mr. Dornbos said he would like to form a committee to identify potential changes in the voting rules and other parts of the Roadmap. Mr. Dornbos, Ms. Fargo-Johnson, Mr. Wertheimer, Mr. Plecs, and Ms. O'Connor volunteered to be on that Committee.

Programs and Planning

DEEP Draft Response to 2019-2021 C&LM Plan

Ms. Duva provided a presentation, which was the same presentation provided to the Residential Committee that morning. In regard to the proposed heat pump pilots in the draft Plan, Ms. Duva said that the Comprehensive Energy Strategy noted the need for a particular sequence of technologies to achieve strategic electrification. She also said that it was important to prioritize building envelope retrofits and making existing equipment more efficient, and that heat pumps and fuel switching should be deployed once those priorities were implemented. She also said that it was important to identify a sustainable funding source for heat pumps. Mr. Beup asked if the C&LM Plan was spread too thin regarding what it was trying to achieve. As an example of that, he said that 10 years ago there was no Comprehensive Energy Strategy, and no Governor's Council on Climate Change, and that the existence of those entities now made it important to re-examine what the role of the C&LM Plan should be. Mr. Beup also asked about the multiple goals and issues with strategic electrification, and noted that some of those goals might be in conflict with each other. Ms. Duva suggested that the Board could review current statutes and requirements and how they guide/inform the C&LM Plan. Mr. Schlegel provided a presentation on heat pumps. Mr. Araujo noted that the Companies could learn important information on how heat pumps could save electricity for cooling and displace the use of oil or propane for heating. Mr. Schlegel noted that without a heat incentive, the pilot would not end up being used for heating. Ms. O'Connor said that the OCC remained opposed to the heat pump pilot. She noted that the pilot would likely lead to an expansion of the program at a later time. Mr. Beup said that some in the business community were concerned that driving customers away from oil and propane in the winter could drive up electric rates in the winter. Ms. Sotos said the concern raised by Mr. Beup should be looked at in the future, under a scenario that heat pumps are used in large volumes. Mr. Wertheimer said he agreed with Ms. O'Connor's comments. Ms. Houel said that she had had a heat pump in her home for several years, and that the heat pump had reduced her fuel consumption. She said that the average homeowner is interested in reducing overall energy use, and that they don't care much about the issues the Board is concerned about (regarding only electric ratepayers getting a benefit). Ms. Houel said she strongly supported the pilot as proposed.

VOTE: SBEA re-capitalization agreements

Mr. Bruno provided a presentation providing background on the SBEA re-capitalization arrangement. Mr. Schlegel said the Board was being asked to approve the proposed financing solution and the agreement with Amalgamated Bank. He said the Consultants were recommending the Board approve the proposed solution and agreement. He said that Slide 8 of Mr. Bruno's presentation contained the proposed motion for the Board. Mr.

Beup said the proposed solution and agreement were consistent with previous goals and discussions. Ms. O'Connor asked for regular updates to the C&I Committee or the Board. Mr. Clark suggested a quarterly update to the Board might make sense. **Mr. Beup moved to approve the motion on slide 8 of the presentation. Ms. Fargo-Johnson 2nd. Vote: all Board members voted to approve, except for Mr. Traver who was not present for the vote. Motion approved.**

Discussion on Cost-Effectiveness Testing and Non-Energy Benefits

- *Summary of Nov. 15 public meeting on cost-effectiveness testing.* Ms. Duva provided a presentation. She said the same presentation was given at the November 15 public meeting at DEEP. Ms. Duva then summarized the public comments that were received at the Nov. 15 meeting. She said that at the meeting there was discussion about DEEP's statutory basis for addressing cost-effectiveness, and what non-energy benefits should be included. She said that the OCC and Eric Brown provided comments at the Nov. 15 meeting. Mr. Brown said he was concerned about DEEP's statutory role in cost-effectiveness. He said he was concerned that DEEP was not the appropriate entity to lead cost-effectiveness and make a decision on it. He suggested that it would be better to have the legislature decide; he said that is the approach Massachusetts took on cost-effectiveness. Ms. O'Connor said she generally agreed with Mr. Brown's comments. She said that other policies, such as those related to health & safety and economic development, should not drive cost-effectiveness. She suggested that DEEP should make available a clear summary of its proposal. Mr. Duva said that DEEP would do that in March.
- *Board Discussion.* Mr. Schlegel provided a presentation on cost-effectiveness. He noted that the Board would discuss cost-effectiveness again at the January meeting, and then the Board could decide if it wants to provide comments to DEEP. Ms. Sotos said that DEEP had decided to use the National Standard Practice Manual, which says to consider all relevant public policy goals of the state. She said it was reasonable to ask how/if those policy goals should be considered. Mr. Beup said that the Board should consider to what extent rate-payer funds should be spent on achieving goals other than energy efficiency goals that benefit rate-payers. Ms. Duva said that it was DEEP's responsibility, not the Board's responsibility, to consider all the relevant statutes. Ms. Duva clarified that currently DEEP was not proposing any new non-energy benefits. She said in future years they would like to convene a public conversation about whether health & safety and arrearages for low-income customers should be included as non-energy benefits. She said DEEP was not recommending consideration of other non-energy benefits such as economic development, comfort, etc. Ms. Sotos further clarified that DEEP's approach was still in progress and no final decisions have been made.

VOTE: 2019-2021 Evaluation Plan

Ms. O'Connor said she supported the proposed 2019-2021 Evaluation Plan. She said the proposed projects were very good. Ms. O'Connor moved to approve. Ms. Duva 2nd. All Board members voted to approve the Plan, except for Mr. Traver who was not present for the vote. **2019-2021 Evaluation Plan approved.**

Other

It was agreed that UIL would begin working on an agreement with Amalgamated Bank.

Mr. Wertheimer said that too much time at the Board meetings was being taken up by DEEP presenting or providing input, and not enough time was available for other Board members to discuss issues that come before the Board. He said this was negatively impacting the effectiveness of the Board. He requested that the Board address this problem. Ms. Duva noted that the Board has requested that DEEPO provide the presentations that were provided at today's Board meeting.

Closing Public Comments

Leticia Colon, Efficiency For All - Ms. Colon provided several comments in support of the heat pump pilots as proposed by the Companies. Ms. Colon submitted written comments following the meeting. Bernie Pelletier, People's Action for Clean Energy – Mr. Pelletier said that Connecticut was behind New York, Maine, and Vermont in regard to heat pumps. He requested that the heat pump pilots be kept in the Plan as proposed. Mr. Pelletier submitted written comments following the meeting.

The meeting adjourned at 3:45 pm.