



**Energy Efficiency Board
Monthly Meeting**

Wednesday, August 14, 2013, 1:00 – 3:30 PM

Department of Energy and Environmental Protection – Public Utilities Regulatory Authority
10 Franklin Square, New Britain, Connecticut

MINUTES¹

EEB Voting Members in Attendance: Jamie Howland (Chair), Shirley Bergert, Neil Beup, Eric Brown, Diane Duva (DEEP), Amanda Fargo-Johnson, Joel Gordes, Taren O'Connor, Amy Thompson, Michael Wertheimer

Utility Representatives: Ron Araujo, Michael Cassella, Pat McDonnell

Not in Attendance: Joe Crocco, Dale Williams

Other Attendees: Tim Cole (phone), Glenn Reed, Jeff Schlegel, Les Tumidaj [Consultants]; Amy McLean-Salls, Tyra Peluso (phone), Pam Penna, Carmen Ramos, Tilak Subrahmanian [Utilities]; Kate Boucher [DEEP]; Kevin Porter [CHIF]; Bill Dornbos [ENE]; Bill Leahy [ISE]; Aaron Alibrio [Johnson Controls]; Natalie Treat, Serafina Zeringo [NEEP]; Lara Ettenson [NRDC]; Ricky Gratz, Irene Scher, Stacey Sivak [Opower]

The officially noticed regular monthly meeting of the Energy Efficiency Board commenced at 1:05 pm with Chairman Jamie Howland presiding.

Before presenting the agenda, Mr. Howland and Diane Duva first introduced new Board member Amanda Fargo-Johnson from the Connecticut Farm Energy Program who has been appointed by Commissioner Esty pursuant to PA 13-298 as a representative of a statewide farm organization. Ms. Fargo-Johnson advised the Board that her organization serves as a one-stop shop for agricultural producers, assisting them with education and outreach regarding state and federal energy efficiency and renewable energy programs. She has worked for the Eastern CT Resource Conservation & Development Council for over eight years.

Mr. Howland then expressed the Board's gratitude for his many years of service to Rick Rodrigue, who has been promoted to a supervisory position in DEEP's Bureau of Air Management. Mr. Rodrigue was presented with a proclamation in recognition of his contributions.

¹ Meeting Materials Available in Box.net Folder <https://app.box.com/s/45uziox09cqepoziaa17>

1. Process

- A. Agenda – Review
- B. Minutes – Approve minutes of May 8 and July 11, 2013 board meetings and June 26, 2013 board retreat –
 - Shirley Bergert moved approval of each set of minutes as presented.² Ms. Duva seconded the motions. Eric Brown and Ms. Fargo-Johnson abstained on the vote on the May meeting minutes. Ms. Fargo-Johnson abstained on the vote on the June Retreat minutes. Neil Beup and Ms. Fargo-Johnson abstained on the vote on the July meeting minutes.
- C. Public Comments – There were no comments from the public.
- D. Consultant Committee –
 - Mr. Howland reported that he is working with Tim Cole on a tracking spreadsheet which will be presented to the Board at its next monthly meeting.
- E. Board Operations Committee –
 - Ms. Bergert reported that the Committee had met on Monday, August 12. Two issues are before the Committee: 1) The need to revise the by-laws to incorporate changes in PA 13-298; and 2) The need to develop an effective consultant reporting structure and tracking system that align with the evolving responsibilities of the Board in the changing policy environment. Joel Gordes expressed some concern about the effect of increased reporting expectations on the Executive Secretary, who is charged with processing consultant invoices as part of his responsibilities. Mr. Howland stated that the procedures under development should help alleviate this issue.
- F. Scheduling and Calendar –
 - Mr. Howland proposed to defer the question whether an August 28 special meeting would be needed until the Board had a chance to discuss issues arising from the expected imminent release by DEEP of its draft determination on the 2013-15 C&LM Plan.

2. Program Update/Highlights - Companies

- A. Quarterly Reports – Ron Araujo referred the Board to the customary quarterly reports included in the packet.³ He also raised the question how the introduction of regular dashboard reports will affect quarterly reporting.
- B. Dashboard Update – Mr. Araujo and Pat McDonnell provided a joint review of the performance information as of June 30, 2013 available on the ctenergydashboard.com website.
 - Mr. McDonnell noted on the Residential side nearly all of the budget has been expended as of July. The companies are awaiting DEEP/PURA action to provide further funding. They are concerned about the impact on vendor network operations.
 - Mr. Araujo noted that the residential programs performing well, especially HES-IE. In Retail Products LED sales are strong and they are also seeing increased activity in Top Ten USA program. Residential New Construction is lagging on the completion side. There is not a lot of new activity, however they expect to see more on the completion side later in the year.

² 130508_EEB_Meeting_Minutes_F; 130626 EEB_Retreat_Minutes_F; 130710_EEB_Meeting_Minutes_F

³ CL&P CLM QTR Report 2013 Q2; UI CLM 2nd qtr 2013; YGS_ CLM QTR Report Q2 2013

- Regarding C&I, Mr. Araujo pointed out that in the Operations and Maintenance savings are currently coming mostly from Retro-Commissioning. Only one or two projects have been completed YTD. However, 32 RCx projects are in the pipeline and it is anticipated they will be completed by year's end. In the Energy Opportunities program, they are seeing significant numbers of equipment replacements and retrofits. There is again much retro-commissioning activity, which is the major driver on the C&I side. 400 projects have been completed YTD, 17% involving multiple measures. The PRIME and Small Business programs have been holding steady. However, Small Business is starting to pick up. In terms of reporting, he noted that there is some delay between when funds are locked in for committed projects and when savings are realized.
- Mr. McDonnell reported that Residential New Construction is flat. The company is working with CHFA to help with outreach and conducting training sessions with the AIA. He noted that funds for the HES-IE are now fully expended. HES results are improving. There has been a big uptick in insulation activity, which is not yet however reflected in savings. Earth Day programming at the Smart Living Center was a big success. The company is awaiting DEEP's decision in order to address the issue of the extended SLC lease, which runs out March 2014.
- Regarding the gas companies' performance, Mr. Araujo noted that for Yankee Gas residential programs are forecasted to be on track at year's end. C&I savings are slightly ahead of plan, though expenditures are slightly behind. Mr. McDonnell noted that CNG is on target for mid-year. The forecast shows the programs being slightly behind target on spending, ahead on savings ahead. Mr. Araujo pointed out that RNC is also behind on the natural gas side. Although several projects are in the pipeline, the program may be behind at year's end.
- Eric Brown offered his compliments on dashboard. He expressed interest in measuring specifically what's going on in the private sector and wondered whether public sector and private sector participation in the programs could be broken out. Mr. Araujo confirmed that most programs work cross-sector. Mr. McDonnell commented that the companies could break this information out and provide it as a note rather than building it into the dashboard. Mr. Howland also expressed the view that a high level break out would be helpful showing business, state, municipalities, etc. to the degree possible.
- Mr. Araujo referred again to the quarterly reports for updates on other programs, such as the report on the RD&D program. The Clean Energy Communities program has added 16 new communities and the list is now at around 60 as of the end of the quarter.
- Mr. McDonnell proposed that a Board Meeting should be scheduled at the Smart Living Center or the Discovery Center. He also recommended that the Education and Outreach report presented to the Residential Committee be offered as next month's program update to the Board.
- Mr. Schlegel suggested if members had thoughts about the level of detail included in the quarterly reports, they should let the consultants know who would then work with the companies.
- Mr. Araujo finally noted that dashboard data updating usually happens after the 15th of the month, generally 2 days after.

3. Programs and Planning

A. 2013 Progress Reports – Companies

- Referring to the reports in the packets,⁴ Mr. Araujo highlighted for CL&P that as of the end of July spending is now at 77% of budget. Projections and commitments point toward over \$100 M by end of year, compared to the base budget of \$81 M. He noted that there is approximately \$5.3 M in carry over funds to be factored in, which includes higher than anticipated RGGI funds. In response to a question from Mr. Schlegel he indicated that this assumes only collections through end of year that were anticipated in the budget, not additional RGGI funds that the Commissioner might provide. Currently, overall the programs are running ahead on revenue relative to budget. Yankee Gas funds are about half spent and it is expected the full base budget will be expended. An uptick in HVAC is also expected.
- Mr. McDonnell reported that UI's programs are running very tight, while waiting for DEEP's decision on the Plan. They are still spending on oil measures, with fingers crossed that the regulators will approve more funding. The gas companies are on track to end the year as budgeted.
- Mr. McDonnell and Mr. Araujo highlighted the issues arising from timing concerns about the final decision and PURA approval, noting that while the authorized 15% forward spending will help in 2013, it may create problems for the budgets in 2014.

B. 2013-2015 Multi-Year Plan

- DEEP Draft Decision on 2013-2015 Plan, Board Review
 - Ms. Duva introduced a discussion of the next phases of the review process by indicating that DEEP recognizes that the decision will be key in providing guidance to the companies. Flexibility is warranted, especially given the lateness of the decision. She stated that the expectation is that the draft decision will be released within two weeks. DEEP will be inviting public comment, though possibly only written comments. The intent is to be able to release the final decision by September 30. Mr. McDonnell commented that because PURA has 60 days to act, it will be nearly the end of the year before the process is completed. Mr. Araujo noted that once the decision is known the companies will have to provide revised budgets and goals for the remainder of 2013. In terms of the timetable this must also be factored in. To any programmatic requirements the companies may not be able to respond immediately.
 - Concerning the process, Michael Wertheimer expressed concern about statutory requirements. Short cutting may not be permitted. Ms. Duva responded that DEEP is looking closely at what statutes require, whether an abbreviated public input period might be permitted. Mr. Wertheimer commented that he would not want to shorten it from 30 days, especially if a public hearing would not be held. Mr. Araujo inquired whether the PURA process could be started earlier. Mr. Wertheimer pointed out that the 60 days set for PURA to act is a maximum and that part of the process could be done shorter.

⁴ NU EEB July 2013 Projection

- Mr. Schlegel highlighted pertinent aspects of how the three-year plan process works. 1) The decision will lead to some compliance activity involving revising budget and goals for 2013. 2) There would normally be a Plan update plan process which might involve program design changes. 3) A process to address carryover issues will need to occur. He suggested reducing these three steps to two, by including the carryover reconciliation process with the compliance review.
- Mr. Howland commented that in the future, when the need for program design changes is apparent the Board should not bind itself to an end-of-year trigger date.
- Discussion of potential RGGI funding –
 - Mr. Howland reminded the Board that the Commissioner has some discretion that could be used to carry the programs that are running short of funds through to the end of the year potentially. He noted that this points to the need to hold the tentatively scheduled August 28 meeting.
 - Ms. Thompson suggested a letter to the Commissioner be drafted now requesting an allocation of RGGI dollars. Mr. Schlegel indicated that such concepts have been communicated to DEEP and such a request could be made. A decision on a request could be forthcoming sooner, than the DEEP/PURA Plan review process may be completed. He asked the companies if they provide estimates of what they need to avoid program stop-starts. Mr. Howland requested the companies to prepare a scenario based on a decision released next week and showing what a RGGI allocation would do to help. Mr. Schlegel agreed to draft a letter in line with the Board’s direction.
 - Ms. Bergert advised that the letter should provide formal notice of what the present outlook is. Mr. Howland underscored that effectively there will be no CAM collections this year, for instance, no matter what the decision says. The letter should convey that there is an estimated need for \$8 M for the final quarter and point to RGGI funds as a solution to the problem. Ms. Duva noted that the estimates to support the letter should assume September 30 as the final decision date. Mr. Howland asked Mr. Schlegel to have a draft ready by Monday which could then be circulated for an electronic vote that would close by Wednesday, August 21.
- Customer Engagement – Mr. Schlegel reported that based on information gathered through the 2012 RFI now UI is now working on an RFP. Mr. McDonnell commented that internally at UI the project is now in a holding pattern. Mr. Schlegel noted that there are questions to be addressed such as about what kind of program UI will go forward with and what is the scale and scope of the proposed project? He noted that a longer term system is contemplated involving a 5-year vendor contract extending beyond the three year plan. Mr. Araujo reported that CL&P has a similar program in development. Ms. O’Connor inquired how the process will go forward from here and expressed the view that the Board needs to be able to comment fully. Mr. Schlegel suggested that this should be taken up at the September meeting. He noted that he is also working with the companies to ensure that they inform RFI respondents that they will be notified about RFPs that emerge. Mr. Howland indicated that we is glad to see the companies working on this effort, but stressed that it is important full scrutiny be given so EEF is only paying for the part of a system that helps advance energy efficiency. He noted that on the 26th a

meeting will be held by DEEP, the companies, and the consultants to discuss this. Members are invited to participate.

- Financing Update: 2013-2015 Plan, Legislation, and CEFIA Product Offerings – Mr. Schlegel informed the Board that work is underway with DEEP, CEFIA, and CHIF to develop a comprehensive a matrix including all financing offerings. Completion is being deferred until the draft decision appears. Ms. Duva noted that DEEP would like to see a regular monthly report from the companies, CEFIA, and CHIF on financing activities, both residential and C&I.
 - Revised Budget and Plan Tables – Mr. Schlegel suggested this discussion should be deferred until the draft decision is released.
- C. Regional Avoided Costs Study Results –
- Mr. Schlegel reported that the report has been completed and released. A meeting will be held at DEEP to review the results. A presentation by Synapse, which conducted the study is expected. The meeting will held on the 26th. Further discussion can wait until the Board’s August 28 meeting.

4. Committee Reports

- A. Commercial & Industrial – Les Tumidaj reported:
- The Committee had received a latest update from CEFIA on CPACE. There was discussion on enhancing communications between the Committee and CEFIA.
 - Bill Leahy had provided an update on the Institute for Sustainable Energy’s activities and proposed workplan. The Committee will review the proposal and make recommendations.
 - UI reported that the Business Sustainability Challenge program has been enhanced. A fuller presentation will be provided at the Committee’s next meeting.
 - Regarding customer engagement, the Committee has identified a need for more focused analytical tools.
 - Work on the market survey being undertaken in collaboration with the Evaluation Committee is proceeding. The goal is to complete it in the fall.
- B. Evaluation –
- Ms. Thompson directed the Board’s attention to the 17 activities highlighted in the Gantt chart in the packet.⁵
 - Regarding the Weatherization Baseline study, a draft final report will be released soon. The SERA team has reviewed a preliminary draft from the contractor and provided feedback.
 - The Ground Source Heat Pump study results are also expected soon.
 - Work is underway on the HES and HES-IE evaluations. A report is scheduled for April 2014. She noted that Mr. Schlegel has requested preliminary data to inform the March 1 plan update filing. Ms. Duva noted that DEEP is looking at running a concurrent proceeding to collect input on improving these programs with opportunities for public comments.

⁵ CT_ProjAugGANTT_SERA_080813_v14

- Regarding the evaluation planning process, Ms. Thompson reported that the SERA team has prepared list of 34 high priority projects. It now has rough high and low budgets for these projects which will span over three years. In two weeks there will be a conference call to review the list again.

C. Residential –

- Ms. Bergert reported that the Committee had received an update on financing from CEFIA.
- Regarding Retail Products, she noted that market transformation is evident around LEDs are now affordable and dimmable. The need now is to find a comparable price point for more efficient appliances and likewise to improve HVAC upstream efforts.
- A potential relationship with the Department of Public Health to include radon testing in HES audits is being explored.
- The Committee is discussing how to support further growth in the Home Performance industry.
- Mr. Howland noted that 28% of insulation rebates offered through the HES program are now being redeemed.

D. Marketing –

- Mr. Howland reported that the Committee had met last Wednesday. A report reviewed by the Committee is included in the packet.⁶

5. **Other** – No other business came before the board.

6. **Adjourn** – With no other business to conduct, the Board adjourned at 3:32 pm.

Respectfully submitted,

Timothy Cole, Executive Secretary

⁶ Marketing Highlights July 2013