

January 29, 2021

DEPARTMENT OF ENERGY AND ENVIRONMENTAL PROTECTION

DETERMINATION: TENTATIVE APPROVAL WITH CONDITIONS OF THE 2021 PLAN UPDATE TO THE 2019-2021 CONSERVATION AND LOAD MANAGEMENT PLAN, AND APPROVAL OF THE 2020 PMI ADJUSTMENT PRO-RATION MODIFIED APPROACH

The Connecticut Department of Energy and Environmental Protection (DEEP) hereby issues the following tentative determination approving, with conditions, the 2021 Plan Update to the 2019-2021 Conservation and Load Management Plan (2021 Plan Update) based on input received from the Energy Efficiency Board (EEB), feedback received during a technical meeting held on November 17, 2020 with stakeholders, and subsequent written comments. DEEP will release a final determination following an opportunity for public comment on this tentative determination. DEEP thanks the EEB, the energy efficiency vendor community, Eversource Energy, The United Illuminating Company (UI), the Southern Connecticut Gas Company, the Connecticut Natural Gas Corporation, (collectively the Utilities), and the rest of the stakeholder community for the thoughtful consideration evident in their feedback regarding the 2021 Plan Update. DEEP also hereby issues a final determination with respect to the 2021 Plan budget, and the adjusted structure to the 2020 performance management incentive (PMI), as further set forth below.

I. History

Pursuant to Conn. Gen. Stat. § 16-245m, the Utilities, in consultation with the EEB, develop and submit to DEEP a combined electric and gas Conservation and Load Management Plan (C&LM Plan) to implement cost-effective energy conservation programs, demand management, and market transformation initiatives for the state of Connecticut. The C&LM Plan is a three-year plan that is supplemented by an annual update. DEEP may approve, modify or reject the three-year C&LM Plan and the detailed budget submitted with the Plan, including any annual updates submitted by the Utilities.

As part of its review of the 2021 Plan Update, DEEP considered stakeholder input received through public input sessions held by the EEB on April 8, 2020 and May 13, 2020.¹

¹ All submitted written comments can be accessed at Box.com. See Written Comments, April 4, 2020 EEB Public Input Session, available at <https://app.box.com/s/83wt01sxc24dvvf8j8l2qvg2vomrnx2e>; Written Comments, May 13, 2020 EEB Public Input Session, available at <https://app.box.com/s/evks2dgop4kukifysjcn7mrkhotblh9p>.

These public sessions provided an avenue for stakeholders to engage in the development of the 2021 Plan Update. A summary of each comment submitted, as well as both the EEB and the Utilities' responses to those comments, are included in Appendix B of the 2021 Plan Update. DEEP also reviewed the Utilities' presentations of sections of the 2021 Plan Update to the EEB over several months. The final draft of the 2021 Plan Update was approved by the EEB on October 14, 2020 before it was submitted to DEEP for approval.

On October 20, 2020, the Utilities filed their request for a modified approach to the recovery of their 2020 performance management incentive (2020 PMI Adjustment) due to the impacts of COVID-19 for the 2020 Plan year.² This modified approach was developed in consultation with EEB consultants. The approved temporary increase in incentives to help customers and contractors recover from the impacts of COVID-19, as further described below, decreased the amount of savings achievable from energy efficiency programs under the 2020 budget. The Utilities requested a reduction in the savings goals to reflect this decrease in projected savings. In addition, certain secondary metrics such as the Home Energy Solutions-Income Eligible (HES-IE) Penalty Metric, Electric and Natural Gas Comprehensive Metrics and the HES-IE Annual CCF Goal were reduced to reflect the closure of on-site activity for three months during the early part of the pandemic. The 2020 PMI Adjustment was approved by the EEB on October 14, 2020.

On October 21, 2020, DEEP convened a Technical Meeting and Public Comment Session to review the impacts of COVID-19 on the 2020 C&LM budget. DEEP sought input from stakeholders regarding the 2020 spending and projections, the portion of C&LM funds that should be carried over to the following plan year, and whether any of the temporary incentives should be extended. DEEP received feedback from a variety of stakeholders regarding these topics both during the October 21, 2020 meeting and in subsequent written comments.³

On November 1, 2020, the Utilities filed the 2021 Plan Update. In the 2021 Plan Update, the Utilities proposed to extend the residential program's temporary incentive levels approved in DEEP's May 18, 2020 Determination, as well as the Commercial and Industrial (C&I) temporary incentive levels approved in DEEP's May 22, 2020 Determination.⁴ For residential programs, the Utilities proposed to extend the increased incentive levels for insulation through March 31, 2021, and the incentives for heat pumps and windows through December 31, 2021. Furthermore, they proposed to continue the waiver of the HES co-payment through March 31, 2021, and an increase of the co-payment to \$50 on April 1, 2021. Likewise, the Utilities also proposed to extend the temporary increased incentive levels in the C&I programs through June 30, 2021.⁵

² October 2020 PMI Adjustment *available at* <http://www.dpuc.state.ct.us/DEEPEnergy.nsf/c6c6d525f7cdd1168525797d0047c5bf/8525797c00471adb852586070056f9c5?OpenDocument>

³ *See* November 2020 Determination Re: Budget *available at* <http://www.dpuc.state.ct.us/DEEPEnergy.nsf/c6c6d525f7cdd1168525797d0047c5bf/213a10a7a78c168f8525862200724f65?OpenDocument>

⁴ *See* 2021 Plan Update to the 2019-2021 Conservation and Load Management Plan, *available at* <https://portal.ct.gov/-/media/DEEP/energy/ConserLoadMgmt/FINAL-2021-Plan-Update-Filed-10302020.pdf>.

⁵ *See* Appendix A for a summary of temporary incentive levels being offered in the residential and C&I energy efficiency programs. The incentive levels were also summarized by the Utilities in their presentation at DEEP's technical meeting on October 21, 2020. *See* Utilities' Presentation, October 21, 2020 Technical Meeting, *available*

According to the Utilities, these extensions would be achievable with a carry-over of 5% of the 2020 budget.⁶

On November 16, 2020, DEEP approved the extension of the temporary incentive levels as described in the Utilities' 2021 Plan Update.⁷ These temporary incentives were approved with the condition that the Utilities submit a plan to DEEP by December 15, 2020, detailing the ways in which they planned to leverage the temporary incentives to reach customers struggling to pay their utility bills, as evidenced by their participation in payment plans or account arrearages.⁸ Upon their expiration, the temporary incentives will be replaced by the incentives that were approved by DEEP in its February 2020 Determination approving the 2020 Plan.⁹ DEEP reminded all parties that those incentives also represented an increase over the pre-existing incentives, and therefore should provide significant opportunity for expanded adoption of measures such as insulation and heat pumps.¹⁰

After approving the extension of the temporary incentives, on November 17, 2020, DEEP hosted a Technical Meeting regarding the other components of the 2021 Plan Update.¹¹ The Utilities provided an overview of the 2021 Plan Update, including demand response programs, heat pumps, the Home Energy Solutions program (HES), workforce development, municipal engagement, and C&I programs. DEEP provided an opportunity during the meeting for public comment and questions. On November 24, 2020, DEEP issued a Notice of Request for Written Comments and Request for Supplemental Information.¹² The Utilities were required to provide supplemental information on demand response, heat pumps, the HES program, the proposed Municipal & Community Partnership and potential Communities Request for Proposals (RFP),

at

[http://www.dpuc.state.ct.us/DEEPEnergy.nsf/c6c6d525f7cdd1168525797d0047c5bf/8525797c00471adb8525860a006d8505/\\$FILE/2020%20Budget%20Update%20-%20Technical%20Meeting%20-%20October%2021%20with%20Additional%20Information.pdf](http://www.dpuc.state.ct.us/DEEPEnergy.nsf/c6c6d525f7cdd1168525797d0047c5bf/8525797c00471adb8525860a006d8505/$FILE/2020%20Budget%20Update%20-%20Technical%20Meeting%20-%20October%2021%20with%20Additional%20Information.pdf)

⁶ On October 14, 2020, the EEB approved the Utilities proposal to extend the temporary incentive levels in the residential and C&I programs, as well as a carry-over of 5% of the 2020 C&LM budget to the 2021-2022 plan year available at

https://www.energizect.com/sites/default/files/EEB%20Meeting%20October%2014%202020%20Minutes%20FINAL_0.pdf.

⁷ See November 16, 2020 Determination

⁸ *Id.* See Utilities December 15 filing available at

<http://www.dpuc.state.ct.us/DEEPEnergy.nsf/c6c6d525f7cdd1168525797d0047c5bf/8525797c00471adb8525863f00717770?OpenDocument>

⁹ See February 2020 Determination available at

<http://www.dpuc.state.ct.us/DEEPEnergy.nsf/c6c6d525f7cdd1168525797d0047c5bf/16d2e80a4a780ab78525850b0057ec6a?OpenDocument>

¹⁰ See Feb. 20 Determination [insert page number]

¹¹ See Notice of Technical Meeting available at

<http://www.dpuc.state.ct.us/DEEPEnergy.nsf/c6c6d525f7cdd1168525797d0047c5bf/0b547a0aae17541c8525861e0059cd03?OpenDocument>

¹² See Notice of Request for Written comments available at

<http://www.dpuc.state.ct.us/DEEPEnergy.nsf/c6c6d525f7cdd1168525797d0047c5bf/3f3562dfcb859e9e8525862f005c43d8?OpenDocument>

workforce development and the status of the Home Energy Score working group.¹³ On December 2, 2020 the Utilities filed their responses to the November 24, 2020 Notice.¹⁴

II. Approval and Compliance Conditions

A. General Approvals

Contingent on the conditions discussed below, DEEP hereby approves the 2021 Plan Update to the 2019-2021 C&LM Plan, dated November 1, 2020, including all appendices, as well as the associated Connecticut 2021 Program Savings Document, 16th Edition dated November 1, 2020. As a threshold matter, DEEP approves the following changes and updates to the programs as discussed in the 2021 Plan Update:

1. **Environmental Justice (Section 2.2).**

The Utilities plan to improve programmatic focus on environmental justice and ensuring that overburdened and underserved communities have equitable access to Connecticut's energy efficiency and demand management programs. As further set forth below, 2021 Compliance Condition No. 1 requires the addition of secondary metrics reflecting equity by March 1, 2021.

2. **Building Code & Appliance Standard Savings Attribution (Section 2.3).**

DEEP approves the Utilities' proposal to develop a strategy to measure and attribute savings realized by the Utilities from improving compliance with building codes and the adoption of more stringent codes. DEEP notes that any resulting plan related to this proposal will require EEB review and DEEP approval.

3. **Home Energy Solutions, Potential Bundles (Section 2.4.1).**

DEEP approves the additional HVAC bundling approach outlined for HES that includes bundling HVAC equipment with Wi-Fi thermostats, duct sealing and Active Demand Reduction program recruitment. DEEP also approves the Utilities' proposal to work with the EEB to establish a Weatherization Barrier Working Group to review potential funding opportunities. Compliance Condition No. 2 requires the Utilities to provide information on the HES vendor scorecard for review and comment. Compliance Condition No. 3 requires the Utilities to propose a pilot where ex-post energy savings drive program and financial performance. Compliance Condition No. 4 addresses furthering the adoption of the Home Energy Score.

4. **HES Income Eligible Program, Increased Non-Energy Impacts (Section 2.4.2).**

In 2021, non-energy impacts (NEIs) are included in the screening of Home Energy Solutions Income Eligible program (HES-IE) projects, as ordered by 2020 Compliance Condition No.2. This results in the ability to pay for a greater percentage of add-on measure costs in the HES-IE program. Compliance Condition No. 6 requires further work on enabling renter participation.

5. **Heat Pumps (Section 2.4.3)**

The Utilities plan to increase promotion of heat pumps throughout the 2021 program year. In 2020, in response to 2020 Compliance Condition Nos. 7 and 17, the Utilities increased their single-family HES rebate for customers who convert from electric

¹³ See supplemental Information submitted by the utilities available at <http://www.dpuc.state.ct.us/DEEPEnergy.nsf/c6c6d525f7cdd1168525797d0047c5bf/8525797c00471adb8525863300712131?OpenDocument>

¹⁴ *Id.*

resistance heat to a qualifying heat pump. Furthermore, the Utilities developed a plan and began offering increased incentives to multifamily building property owners who are converting from electric resistance to heat pumps. 2021 Compliance Condition Nos. 8 and 9 require the Utilities to report on participation in these programs and, if necessary, develop proposals to increase participation.

6. Retail Lighting and Products (Section 2.4.4)

DEEP approves the inclusion of additional products in the ENERGY STAR Retail Products Platform once a utility analysis is performed that supports inclusion pursuant to approved cost benefit testing. DEEP also approves the proposed changes to the LED lighting incentives.

7. Multifamily Initiative (Section 2.4.5)

DEEP has been informed that the U.S. Department of Energy Enabling Envelope Technologies for Energy Efficiency (EETEE) grant proposal has not been funded. DEEP encourages the Utilities to continue to identify opportunities to apply for federal grants and to include Connecticut-based partners where applicable.

8. Passive House Training (Residential New Construction) (Section 2.4.6).

DEEP approves the training being proposed for the residential new construction community, which will include lunch-and-learns, building science workshops and passive house accreditations.

9. C&I New Construction(Section 2.5.1)

DEEP approves the 2021 redesign of the Energy Conscious Blueprint program to a transformative four-pathway offering to drive the new construction marketplace toward zero-energy buildings with low energy-use intensity (EUI) ratings.

10. Virtual Commissioning Pilot (UI only) (Section 2.5.2)

DEEP approves UI's plan to launch a virtual commissioning pilot for small and medium-sized businesses. This pilot will utilize Advanced Metering Infrastructure ("AMI") technologies to help customers save energy despite any on-site restrictions to energy efficiency program implementation. Virtual commissioning will help small and medium-sized business make operations and maintenance (O&M) improvements to their equipment and procedures.

11. Small Business Advantage and Business Energy Advantage (Section 2.5.3)

DEEP approves the continuation of virtual pre-assessments (VPAs) through the Small Business Energy Advantage (SBEA) and Business Energy Advantage (BEA) programs. The VPA helps identify "easy" energy-saving opportunities that can be made once a vendor can physically go on-site and perform the upgrades. DEEP also approves the launch of the Microbusiness Energy Advantage pilot to better address the efficiency needs of Connecticut's smallest businesses.

12. Small Manufacturer Initiative (Section 2.5.4)

DEEP approves the small manufacturer initiative that focuses on marketing all of the industrial energy efficiency program offerings together in a coherent package and makes it easy for small manufacturers to navigate and capitalize on a wide variety of C&I incentives including Energy Utilization Assessments (EUAs) and the Process Reengineering for Increased Manufacturing Efficiency (PRIME) initiative.

13. New Market Segment-Agriculture (Section 2.5.5)

DEEP approves the addition of Agriculture as a new target customer segment to help better understand the needs of this segment.

14. HVAC Modernization Pilot (Section 2.5.6)

DEEP approves the continuation of the HVAC Modernization Pilot and looks forward to the review of the planned 2021 recommendations in consideration of making this a permanent program.

15. C&I Heat Pump Pilot (Section 2.5.7)

DEEP approves the introduction of a C&I heat pump pilot in 2021.

16. Upstream Incentives (Section 2.5.8)

DEEP approves moving the commercial refrigeration incentives upstream to help increase adoption of these measures.

17. Delivered Fuel Savings (Section 2.5.9)

DEEP recognizes the increased focus on delivered fuel savings for the C&I energy efficiency portfolio in response to DEEP's 2020 Compliance Condition No.24. DEEP is allowing the Utilities to calculate energy savings using a base building or baseline that reflects a fuel type that would have been chosen, absent incentives, regardless if it is a different fuel type than that chosen after incentives. DEEP invites comments from the evaluation administrator to ensure that the baseline is appropriate.

18. Active Demand Reduction Strategies (Section 2.6)

DEEP approves the additions and updates to the Active Demand Response Programs for both the residential and C&I markets. The 2021 Compliance Condition No. 11 requires additional reporting requirements. In addition, 2021 Compliance Condition No. 11 directs the Utilities to develop reporting that compares the cost-effectiveness of the various segments of Active Demand Response and to recommend any potential changes going forward.

19. Educate the Workforce and the Public (Section 2.7)

DEEP approves the planned workforce development strategy and planned trainings to help promote clean energy workforce development. DEEP also approves the work being done to provide for a mobile education exhibit for communities and K-12 schools and the focus on community engagement. DEEP, in Compliance Condition No. 12, will be providing further feedback on community engagement to ensure the engagement is aligned with C&LM Plan goals.

20. Customer Engagement Initiative (Section 2.8)

DEEP recognizes the steps that the Utilities have taken to engage its diverse customers, including the development of outreach materials in Spanish and working on adding other languages. DEEP requires the Utilities to further refine and target customers who are not typically engaged through mainstream communications channels and to add Polish as an additional language. DEEP approves the Eversource Customer Engagement plan.

21. Appendix A (2021 Statewide Marketing Plan)

DEEP approves the 2021 Statewide Marketing Plan.

22. Appendix D (Budgets and Savings Summary)

DEEP approves the Budget and Savings Tables of the 2021 Plan Update. DEEP recognizes these will be updated due to the over-recovery of funds in the 2020 budget and the application of the November 16, 2020 DEEP Determination impacting the percentage of unspent 2020 funds carried over into 2021. Any carryover funds shall be added to the programs and, if applicable, used for incentives (Table Cs) and all savings forecasts shall be pro-rated by the incentive amount. The new tables shall be filed with DEEP by March 1. DEEP approves the 1.5 million annual MMBTU estimated savings due to temporary changes made to mitigate the impacts of COVID-19. DEEP expects the three-year plan for this goal will exceed the goal of 1.6 million MMBTU.

23. 2020 PMI Adjustment Request

DEEP Approves the 2020 PMI Adjustment Pro-Ration Modified Approach due to COVID-19 for the 2020 Plan Update. This approval is for the changes to the PMI structure for 2020, it does not include approval of the actual results. DEEP is adding a requirement for the Utilities to share draft PMI results with DEEP for review and approval prior to the March 1, 2021 filing.

B. Compliance Conditions

DEEP believes further refinement of the 2021 Plan Update is necessary to ensure the effective implementation of the Utilities' proposed modifications and new measures and to meet program goals. During the plan year, DEEP expects the Utilities to submit additional information to DEEP as requested in the following Compliance Conditions. Separate from the 2021 Plan Update, these Compliance Conditions also reflect additional work that still needs to be completed regarding the 2020 Compliance Conditions from the 2020 Plan Update, some of which were postponed due to COVID-19. They also address certain high-priority topics for DEEP, including improving weatherization efforts and further integrating energy efficiency and demand response into efforts to decarbonize electricity. Finally, the Compliance Conditions recognize other dockets, proceedings and determinations that may require proposals to be reflected in C&LM programs.

1. The Utilities and the EEB have been working to develop secondary metrics to reflect the ongoing work to examine equity within the C&LM Plan. The Utilities shall finalize those 2021 Plan secondary metrics, subject to DEEP approval, by March 1, 2021. Additionally, the Utilities shall coordinate with the EEB and DEEP to ensure that recommended metrics received through their public processes including the Equitable Energy Efficiency (E3) Proceeding are considered.
2. The Utilities shall provide a proposed HES vendor scorecard for DEEP review and approval no later than April 1, 2021. Vendors and other stakeholders will have an opportunity to comment on the proposal. Any requested revisions should be completed by July 1, 2021. The information provided to DEEP shall include a summary of any recent feedback related to performance improvement given to individual vendors.
3. DEEP is considering a stakeholder proceeding to explore best practices for implementing pay for performance. The Utilities are directed to propose a pilot where ex-post, calculated energy savings drive program and vendor/contractor performance. The pilot should allow third parties to participate by developing data sharing capabilities. These programs are sometimes referred to as pay for performance programs. Incentives may be given up-front, but the profit/revenue to the company installing the measures only comes if those measures perform as estimated. DEEP is particularly interested in pilots with companies that support the decarbonization of home heating fuels through the deployment of technologies such as heat pumps. The Utilities shall also consider how to leverage private finance or propose partnerships with companies that leverage private finance to deliver deep decarbonization while overcoming barriers to weatherization. Innovation and leveraging funds beyond the C&LM Plan are necessary to expand access to energy efficiency. A straw proposal shall be submitted to DEEP by April 1, 2021 with a target of receiving final approval from DEEP by July 1, 2021. This pilot is intended to supplement the existing HES, HES-IE and multifamily efficiency programs to help

achieve the goal of weatherizing 80 percent of homes pursuant to C.G.S. Section 16-245m(d)(1).

4. The Utilities are directed to establish a working group on the Home Energy Score, as follows: (1) The Utilities shall submit a report to DEEP that identifies barriers to increased participation and opting-in to a Home Energy Score in the Home Energy Solutions program, and recommend solutions that will help increase participation. This report should also include recommended metrics for measuring the success of Home Energy Score program. (2) As a component of the report required by (1) the Utilities shall submit recommendations on how to streamline rescoring homes after completing add-on measures by June 1, 2021. (3) The report shall also include a plan for updating the Android tool such that when a contractor submits data to the Home Energy Scoring tool, the Android must use the “initial” assessment type until the Score is successfully generated, i.e. the Android must validate that the score is successfully generated. Once successful, any subsequent Scores for a given address must use the “corrected” assessment type. (3) Metrics related to re-scoring shall be incorporated into the required report. In addition, all qualifying customers must be offered the score, and customers must decline in writing. The Utilities shall also submit to DEEP, the language given to customers regarding the privacy terms and conditions of the Home Energy Score by March 1, 2021.
5. The Utilities, in consultation with the EEB, shall develop a proposal for savings attribution for building benchmarking that would align with the concepts in S.B. 177, *An Act Concerning Energy Consumption Data and Labeling* from the 2020 session regarding building benchmarking. The proposal shall include a program to voluntarily encourage large building owners to benchmark their buildings and address associated data access and aggregation issues. This proposal shall be developed for inclusion in the next three-year plan.
6. The Utilities shall develop a proposal regarding data collection on rental units within HES and HES-IE that do not proceed due to lack of landlord approval by April 1, 2021. Consistent with comments received through the E3 Proceeding, the Utilities are directed to offer a roundtable with landlords on overcoming obstacles to weatherization, including HES and HES-IE notice and approval requirements. A variety of landlords will be asked to participate, such as from different towns, environmental justice communities and Section 8 landlords. Roundtables will begin with those who are willing and interested. Based on this gathered information, the Utilities shall then develop a proposal by June 30, 2021 for options to increase penetration into this market. This should include changes that can be implemented in 2021 as well as longer term options to be included in the next three-year plan.
7. In furtherance of Compliance Condition No. 23 of the 2020 Plan Update, the utilities shall coordinate with the Department of Housing to perform outreach for building envelope and heat pump programs to homeowners with a signed participation agreement from a captive insurance company established by the State of Connecticut to provide financial assistance for crumbling foundations. The Utilities shall provide a report to DEEP no later than April 1, 2021.

8. The Utilities shall develop a proposal by April 1, 2021 to increase participation levels in the heat pump pilot program. The proposal shall include the barriers to date, and the changes made to address those barriers.
9. In the 2020 Plan Update, Compliance 2020 Condition No. 22 required a plan for converting electric resistance heat pump customers. This condition instructs the Utilities to continue this plan and provide quarterly reporting beginning with Quarter 1, 2021, to assess success and determine whether additional steps may be required. The Utilities shall consider partnering with other organizations that have demonstrated success in this area and report to the EEB about such considerations by July 1, 2021 or within such time to allow for inclusion in the 2022-2024 three-year plan.
10. There have been significant delays in conducting evaluation studies due to contracting and data availability. DEEP recognizes that the Utilities have made improvements in these areas over 2020. However, data delays have increased costs, such as in study C1901 where delays have led to increasing the budget for the study by \$20,000, an outcome which DEEP will not tolerate. The evaluation administrator shall submit a report to the EEB Evaluation Committee and DEEP once per quarter on any delays. DEEP directs the Utilities to add a penalty metric in the 2021 PMI. A utility will be penalized \$10,000 plus the additional cost associated with the delay for missing a deadline by more than 30 calendar days. For each subsequent 10 calendar day delay the penalty will increase by another \$10,000 until such matter is resolved. The Utilities are given four weeks to fulfill impacting evaluation, process evaluation and program tracking data requests. If multiple requests are made at the same time, the Utilities are given an additional week to comply, or as mutually agreed upon between the evaluation administrator and the utility. The Utilities have 90 days to execute a contract once the required documentation has been submitted. The Utilities must notify the evaluation administrator within 10 business days if the documentation is not complete. The evaluation administrator, in consultation with DEEP, may revise a deadline. This penalty will be assessed against the other PMI earnings. Timely performed evaluation studies are key to the continuous improvement of the C&LM programs and delayed studies have a financial cost.
11. The Utilities are directed to continue the planned increase in demand response as described in the Utilities' response dated December 2, 2020 to DEEP's Request for Supplemental Information dated November 24, 2020.¹⁵ These plans should focus on pay for performance programs where they demonstrate the greatest benefit. Pay for performance generally refers to customers receiving a greater incentive or participation payment for achieving more demand or energy savings. DEEP recognizes there may be valid reasons for structuring a program in other ways. In particular, the Utilities implementing residential active demand response programs that have a flat participation incentive structure shall report to DEEP by April 1, 2021 the research that supports the program design.

¹⁵ See supplemental Information submitted by the utilities *available at* <http://www.dpuc.state.ct.us/DEEPEnergy.nsf/c6c6d525f7cdd1168525797d0047c5bf/8525797c00471adb8525863300712131?OpenDocument>

12. DEEP appreciates the efforts of the Utilities to engage communities and local governments in the C&LM Plan. Further, DEEP recognizes the efforts of the Utilities to engage municipalities in C&LM outreach to local communities through a release of a request for proposals (RFP). DEEP is planning to take additional steps to obtain public input on the Utilities' proposed municipal engagement plan and RFP, and directs the Utilities to hold the RFP until instructed for release by DEEP.
13. The Utilities shall propose updates to DEEP for review and approval, as needed, to align the C&LM Plan's programs with the Distribution System Planning and Grid Modernization actions described in Public Utilities Regulatory Authority (PURA) dockets on those topics.¹⁶
14. DEEP directs the Utilities to examine the soft costs of installing air source and ground source heat pumps. The Utilities may work in consultation with the evaluation administrator to examine best practices to lower customer acquisition costs and installation costs beyond the hardware/technology costs. The Utilities shall report initial findings by July 1, 2021 and propose any steps to be taken within such time to allow for inclusion in the 2022-2024 three-year plan.
15. The Utilities shall present to the EEB by the end of the first quarter of 2021, examples of residential energy efficiency concierge services that provide residential customers information about adoption of follow-on measures such as insulation, heat pumps, appliances, rooftop solar, or any opportunities to participate shared clean energy facilities.
16. Studies have shown that gas cooking appliances negatively impact indoor air quality and lead to higher asthma rates for children. Additionally, the vast majority of customers have had little experience with induction cooktops which perform much better than traditional electric cooktops. Increasing customer familiarity with induction cooktops is likely to increase adoption of these cooktops, and the overall willingness to purchase all electric homes. As such, DEEP directs the Utilities, in consultation with the EEB, to submit to DEEP by June 1, 2021, a pilot program to provide incentives for induction cooktops that replace existing electric or gas cooktops and if appropriate, a plan or program to increase customer awareness of induction cooktops.
17. The Utilities shall present to the EEB on the Consortium for Energy Efficiency's (CEE) Super Efficient Home Appliances initiative as part of the development of the next three-year plan. More generally, the Utilities are encouraged to report on other CEE initiatives that may be considered in the next three-year plan.

III. Conclusion

In summary, DEEP approves the C&LM budget and the revised PMI structure and tentatively approves the rest of the 2021 Plan Update with conditions as discussed above. While

¹⁶ See 17-12-03RE01 to RE11. See PURA Letter *available at* [http://www.dpuc.state.ct.us/DEEP/energy.nsf/c6c6d525f7cdd1168525797d0047c5bf/d6593366b4a198128525836700453d4a/\\$FILE/PURA%20comments%20on%20DEEP%20approval%20of%202019-2021%20Conservation%20and%20Load%20Management%20Plan%20-%20Final.pdf](http://www.dpuc.state.ct.us/DEEP/energy.nsf/c6c6d525f7cdd1168525797d0047c5bf/d6593366b4a198128525836700453d4a/$FILE/PURA%20comments%20on%20DEEP%20approval%20of%202019-2021%20Conservation%20and%20Load%20Management%20Plan%20-%20Final.pdf)

the budget and PMI structure approval is final, DEEP invites the public to comment on the remainder of the 2021 Plan Update and on DEEP's Tentative Determination by February 16, 2021. All comments should be submitted to DEEP.EnergyBureau@ct.gov. A final determination will be issued after the close of the written comment period and DEEP's review of all stakeholder input. DEEP appreciates the active engagement of the stakeholder community regarding each of these issues. DEEP will continue to work with stakeholders on the delivery of the C&LM Plan through the Contractor Technical Advisory Committee (CTAC) process, through engagement with the EEB, and in other future public processes hosted by DEEP, including through the Equitable Energy Efficiency Proceeding. Finally, DEEP appreciates the work of the Utilities and the EEB to collect public input, to collaborate with the Connecticut Green Bank, and the significant additional work completed in coordination with DEEP, the vendor community, and stakeholders to support the C&LM programs and workforce throughout the COVID-19 pandemic.

If you have any questions, please contact Donna Wells, Associate Research Analyst, DEEP Office of Building and Transportation Decarbonization, at 860-827-2818 or Donna.Wells@ct.gov.

DEPARTMENT OF ENERGY
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