



Energy Efficiency Board Special Meeting

Monday, May 18, 2020, 2:00 – 3:30 PM
Webinar Only

MINUTES¹

Purpose of Meeting: consider COVID-19 impacts on the C&LM commercial & industrial programs and contractors and to discuss proposed responses to mitigate those impacts.

In Attendance

Voting Board Members: Neil Beup (EEB Chair), Amanda Fargo-Johnson (EEB Vice-Chair), Mike Li, John Viglione, Amy McLean, Eric Brown, John Wright, Bruce McDermott

Utility Board Members: Ron Araujo, Steve Bruno, Liz Murphy, Will Riddle

Board Members Not in Attendance: Jack Traver, Brenda Watson, Scott Whittier

Board Consultants: Glenn Reed, George Lawrence, Richard Faesy, Lisa Skumatz, Craig Diamond

Others: Donna Wells, Ricardo Jordan, Amanda Gill, Mike Mas, Tom Phillips, Ted Decyk, Lorenzo Wyatt, Tim Fabuien, Kim Peters, Brian Malarkey, Nick Zuba, Katie Savino, Peter Callan, Jodi Sullivan, Violette Radomski, Mike Cresta, Pete Carlson, Russell King, Samantha Baxter, Vivian Perez, Rebecca Baez Castro, James Klase, Joe Buonannata, Alex Sopelak, Stephanie Weiner, Damaris Velez, Michelle Long, Allison Novak, Jordan Tuttle, Steve Cowell, Jamie Watson, Ramadan Gherri, Lindsey VanLew, Tammy Wilson, Nick Francis, Sonia Cruz, Bert Hunter, Chris Morales, John Greeno, Joel Kopylec, Ida Churchill, Mark Grindell, Robert Auer, Jerry Graham, Matthew Trager, John Kibbee, Paul Horowitz, Jamie Collins, James Correira, Charles Rothenberger, Jennifer Hunsperger, Henry Dyson, Daniel Martins, Leticia Colon, Pete Chapman, Erik Ness, Thomas Dzialo, Dan Robertson, Randy Vagnini, Sheri Borrelli, Brendan Thomas, Mike Pantusco, William Giblin, Michael Grimaldi, Michael Townsley, Jane Bourdeau, Gina Crist, Sam Schneider, Matthew James, Sam Maule, Charlie O'Neill, Joe Roy

Public comments

- Steve Cowell, E4TheFuture - Mr. Cowell said that E4TheFuture had just filed comments regarding resumption of on-premises energy efficiency work.
- Dan Robertson, ArtisEnergy Solutions - Mr. Robertson described the Commercial Contractors Consortium (CCC), comprised of 18 companies, that had been created to address Covid-19 impacts on C&I contractors in Connecticut. He said the CCC had submitted 6 pages of comments (in the Box folder for this meeting) to DEEP and the EEB.

¹ Meeting materials available in Box.com: <https://app.box.com/s/up7hp1r0q8m20bhssi0zshf1ms41vsyi>

The document included comments on incentives, loan deferrals, and removal of aggregation rules, among other issues.

- Randy Vagnini, Energy Resources - Mr. Vagnini said that the industry's needs expressed in the comments were of an urgent nature, and asked DEEP and the utilities to take quick action on their requests.
- Ramadan Gherri, G.E.C, Inc. - Mr. Gherri said he supported all the requested actions in the CCC's comments.

Summary of comments and concerns raised by contractors

Mr. Bruno and Ms. Murphy provided a presentation on actions taken by the Companies thus far related to the CCC's concerns. The presentation addressed the following issues:

- Reopening of on-premise work, health and safety protocols, and Company waivers
- Proposed increase in program incentives and their duration
- Expedited progress payments
- 90-day deferral of the start of loan repayments after project completion
- SBEA virtual pre-assessments: timing and training plans

In regard to expedited progress payments, Mr. Beup said that he was not sure what the value was of the Rebate Bridge being considered by the Companies. He said it would be preferable to take omit the use of a third-party vendor for the Rebate Bridge.

Board Discussion

Mr. Reed provided a presentation which provided proposed Board motions related to several issues. These included the following:

- Allow on-premises work through waivers. Mr. Reed proposed the following for Board consideration: *No action needed. Contractors notified on 5/13 that SBEA waivers have been expanded to cover new work, as well as ongoing work.*
- No longer require waivers when the Governor re-opens the economy. Mr. Reed proposed the following motion for Board consideration: *The Board supports Company development of revised, less restrictive waivers once Company health and safety (H&S) protocols are fully distributed.*
- Request for 50% payment at project commencement. Mr. Reed proposed the following motion for Board consideration: *The Board supports partial payment tied to % project completion; Companies to establish minimum project \$ thresholds and minimum % completion in consultation with contractors.*
- Increase lighting incentives and project caps beyond those proposed by the Companies; offer 10% bonus incentive for comprehensive projects. Mr. Reed proposed the following motion for Board consideration: *The Board believes that comprehensiveness continues to be an overarching Plan goal. It supports higher incentives and project caps than proposed by the Companies for both Tier 2 and Tier 3 lighting projects and for comprehensive projects with more than one non-lighting end-use.*

- Offer visual assessments and virtual project payment completion inspections as permanent program options. Mr. Reed proposed the following motion for Board consideration: *It is the Board's understanding that the Companies plan to offer virtual assessments and virtual project payment completion inspections as permanent program options. The Board supports the expeditious completion of these efforts.*

Ms. McLean asked how these issues and proposed actions compared to those in other states. Mr. Reed said that Massachusetts had increased its incentives due to Covid-19 impacts, and that partial payments were being offered as a pro-rated portion of project costs. He said Massachusetts was also looking to increase upstream lighting and small business incentives. Mr. Bruno noted that Connecticut, more than other states, has focused on project comprehensiveness. He also noted that utilities in other states were considering similar incentives in line with those being considered in Connecticut. Mr. Araujo said that he and Mr. Kibee had been working with their utility peers in Massachusetts and New Hampshire in order to align approaches. Mr. Fargo-Johnson said she supported tying payments to project completion. She said she was concerned about the Rebate Bridge being considered by the Companies. Ms. McLean said she was also concerned about the Rebate Bridge. She asked why the Companies could not just administer it themselves. Mr. Bruno said that the Rebate Bridge goes further than what the Companies can do currently. He said they pay up-front rather than through progress payments. Mr. Reed said the progress payment could proceed while the Companies continue to look into the Rebate Bridge concept. Mr. Lawrence suggested it could be up to the Contractors whether the Rebate Bridge was worth the 3% cost associated with the third-party vendor.

Public Comments Following Proposed Motions and Board Discussion

- Ramadan Gherri, G.E.C. - Mr. Gherri said he had concerns about the long-term use of customer savings kits, because the kits might focus on low-hanging fruit, leaving contractors with less cost-effective projects. He said he was OK with the short-term use of the kits, but not long-term use.
- Randy Vagnini, Energy Resources - Mr. Vagnini asked about the applicability of the savings kits with business customers. He said that most projects require a 50% down-payment to start the project, so the 50% incentive aligns with standards business practice. He said that 5% of the lighting market is networked (Tier 3), and is too expensive. He said it would be best to focus on Tiers 1 and 2. He also said that the \$0.05 incentive was not sufficient.
- Tom Phillips, EL&M - Mr. Phillips said that pre-payments were not sufficient to drive demand. He said that larger incentives were needed. He said that the \$0.05 incentive was grossly insufficient. He said the CCC letter outlined a more realistic set of incentives. Mr. Reed suggested the Tier 2 and Tier 3 incentives needed to be larger than what the Companies had proposed.
- Dan Robertson, ArtisEnergy Solutions - Mr. Robertson said that contractors wanted to do comprehensive projects, but they needed to first do smaller projects to get started. He noted that other states were covering 80%-100% of incentives.
- Ted Decyk, Paquette Electric - Mr. Decyk said that customers needed large incentives to kick-start the market.

- Brian Malarkey, Sarracco Mechanical - Mr. Malarkey said that the current loan deferral proposal was not enough to boost customer demand. He also said the \$0.05 proposed incentive would be ineffective. He said that HVAC incentives needed to be included.
- William Giblin, PTE Energy - Mr. Giblin said the \$0.05 incentive was not sufficient. He suggested that Tier 1 be moved up to \$40/kwh.

Board Discussion and Vote

Mr. Beup said that the Consultants' proposed motions are directional in nature, and he encouraged DEEP and the Companies to develop the details. He said he recognized the urgency around the Board acting today on the proposed motions. Mr. Brown asked how the increased incentives would impact the C&LM budget. Mr. Li said that DEEP's plan was to put the increased incentives in place and re-assess the programs and the budget in the fall, and take corrective action if necessary at that point. Ms. McLean said that time was of the essence, and said the Board should approve the motions as proposed. **Mr. Brown moved to approve the motions as proposed in Mr. Reed's presentation. Ms. McLean 2nd.** Ms. Fargo-Johnson asked that the Tier 1 amounts be looked at again. Mr. Beup said the C&I Committee would take up the issues discussed in this meeting. **All present voted to approve the motions, except DEEP which abstained.**

The meeting adjourned at 3:23 pm.