



April 27, 2022

Victoria Hackett, Deputy Commissioner
Bureau of Energy and Technology Policy
Department of Energy and Environmental Protection
10 Franklin Square
New Britain, CT 06051

Sent via email to: DEEP.EnergyBureau@ct.gov

Re: Comments of the Connecticut Energy Efficiency Board on Draft Determination on the 2022 – 2024 Conservation and Load Management Plan

Dear Ms. Hackett,

The Connecticut Energy Efficiency Board (EEB or Board) is grateful for this opportunity to comment on the Draft Determination on the 2022 – 2024 Conservation and Load Management Plan (C&LM Plan) that the Department of Energy and Environmental Protection (DEEP) issued on April 12, 2022. We recognize the Board’s active engagement in the development and approval of the C&LM Plan to date and believe that our recommendations were set forward as part of our approval of the C&LM Plan that is now under DEEP’s consideration. As such, the EEB will limit our comments at this time to clarifications on various items included in the Draft Determination. The Board recognizes that DEEP’s Draft Determination and Conditions of Approval (COAs) promote the three priorities of the C&LM Plan, which include equity, decarbonization, and energy affordability. Additionally, the Board applauds DEEP’s efforts to identify additional funding sources to expand the impact of the C&LM Plan.

In total, DEEP provided seven documents as part of its Draft Determination: The Notice of Public Meeting and Request for Written Comments which posed five questions related to various parts of the Determination; Executive Summary; and the Draft Determination which included 4 attachments: COAs, Updates to the Cost Effectiveness Testing, Summarized Public Comments, and Draft Weatherization Standard. The Board’s comments will address the Notice of Public Meeting and the COAs.

Notice of Public Meeting and Request for Written Comments

Below are the Board’s comments on the majority of the five questions posed by DEEP in the Notice of Public Meeting and Request for Written Comments.

1. *The Draft Determination sets a goal of phasing out residential natural gas incentives over the course of 2022 – 2024 C&LM Plan.*
 - a. *Are the interim steps described in the Draft Determination sufficient to achieve a complete phase-out of the residential natural gas incentives during this Plan term?*
 - b. *Does the proposal to transition to an all-electric new construction program by July 2023 provide a reasonable timeframe to develop the program and start accepting projects? Why or why not?*

Board Response: If residential natural gas incentives are eliminated, it would be beneficial to have clarity as part of the Final Determination on which residential natural gas incentives may be impacted. Based on our interpretation, this would include natural gas space and water heating equipment; however, there are instances, such as the language on page 16 of the Draft Determination that could be interpreted as all residential natural gas measures, including weatherization measures. Additionally, it is unclear to the Board as to why the boiler water circulator pumps have been explicitly identified as part of COA #3 and identified as part of this question. As such, clarification of the measures potentially impacted by the COAs would be appreciated.

The Board does believe that the proposed timeline of one year to transition the new construction program to all-electric is sufficient for a successful deployment. However, we note that maintaining current levels of participation, at least initially, may be unrealistic and caution that there should be reasonable participation expectations set as the revised program design is implemented.

2. *What specific items should be included in the regular reporting described in Condition of Approval #20?*

Board Response: The EEB notes the number of reporting requirements for both initial and annual reports that will be required as part of the Companies' responses to the Final Determination. The Board respectfully recommends that DEEP clarify the dates for ongoing reports and consider the development of standardized templates to report the information requested. This effort may help to reduce the administrative burden that may arise from increased reporting requirements.

For reporting of the Home Energy Solutions and Home Energy Solutions Income Eligible Programs, it would be useful if the Companies provided the percentage of homes that accept and install each category of add-measures under the respective programs, broken out by single family and multifamily, given the level of interest in the performance of these programs.

5. *Comment on the pathways described in Attachment D and whether they provide an accurate, reasonable, and measurable standard for weatherization in single family homes? Describe any specific adjustments that should be made to the proposed pathways and standards.*

Board Response: The Board appreciates DEEP putting forth a draft weatherization standard for single family homes as it provides a way to measure the achievement of the goal to weatherize 80% of homes in Connecticut by 2030. The EEB notes that the standards proposed under the various pathways vary significantly. In particular, the Prescriptive and Flexible Pathways are more stringent than the Home Energy Solutions Pathway in terms of wall and ceiling insulation and double pane (or single pane and storm) windows, which are typically considered envelope measures. The Board seeks clarification on whether DEEP intended to have a lower entry pathway of weatherization, such as that provided by the Home Energy Solutions Pathway's core services or if DEEP intended to have homes that receive add on measures, including insulation and windows, through the Home Energy Solutions programs be considered weatherized. It is unclear to the Board if there is a minimum level of weatherization that must be achieved as part of this definition given the varying requirements between the programs under which one could qualify.

Furthermore, does DEEP intend to align the requirements offered under the Weatherization Assistance Program with those provided in Table 2 *Prescriptive approach to core weatherization requirements*? In regard to Table 2, if that is used to develop minimum requirements for weatherization, has DEEP considered utilizing average post Home Energy Solution and Home Energy Solutions Income Eligible participation scores for air and duct leakage to establish the Prescriptive Requirements and Performance approach?

Finally, is DEEP able to provide a timeline on when a standard weatherization definition for multi-family properties may be developed?

Conditions of Approval

Upon the Board's review of the COAs, several questions arose and as such, the Board is seeking clarification on the COAs identified below for DEEP's consideration as it issues its Final Determination.

COA #3 Condensing Gas Equipment Incentives

The Board seeks clarification from DEEP on whether this COA applies to the commercial and industrial programs. Separately, although the turnaround time frame on this study seems to be quick, the EEB would like DEEP to consider that the following be considered as part of that study: how the programs will determine the baselines for measures with upstream market models and the potential impact on low-to-moderate income customers if such incentives were eliminated.

COA #5 Equitable Distribution Reporting

The Board notes the importance of reporting on program participation by Census tract, customer segment, and customer type; however, it also recognizes that there may be time between projects depending on the capital investment required, Companies' budgets, and economic times, such as those experienced during COVID. Therefore, the Board seeks clarification as to whether participation reporting will be on an annual basis or on a rolling average. If the latter, the Board respectfully recommends using a five or 10-year rolling average to allow for consideration of impacts of factors which may vary participation by year and by customer segment.

COA #6 Heat Pump Installer Network

The Board seeks clarification from DEEP as to whether this COA applies to Residential programs only or if it includes the Commercial and Industrial programs.

COA #8 Commercial and Industrial Project Verification

The EEB seeks guidance on whether the alternative pathway proposed by this COA can be applied before the project begins, rather than after the project is complete. This process was originally proposed through the Commercial and Industrial Committee to reduce the amount of time that is required to vet savings estimates pre-project. Participants will agree to reducing the pre-project vetting with the understanding that it requires a more stringent measurement and verification process that will occur post project. The process will put more risk on the customer to truly achieve the projected savings as it will directly impact the level of incentives. Furthermore, post-project commissioning and measurement will result in increased accuracy of savings calculations by ensuring the equipment installed is functioning optimally.

COA #9 Residential Pay-for-Performance Pilot

The Board appreciates the approval of the Residential Pay-for-Performance, as proposed in the C&LM plan. The EEB seeks clarification on the allowed timeframe, including when results should be provided for review, and quantifiable goals that DEEP would like to see achieved by this pilot. Furthermore, it would be beneficial for DEEP to clarify the engagement of the Evaluator Administrators in developing the evaluation, measurement, and verification components of the pilot.

COA #11 Updated Incentives

The Board recognizes that the updated incentives may assist with the adoption of electrification and more specifically heat pumps and would request that DEEP clarify whether this effort also extends to the Heat Pump Water Heater measure.

COA #14 Community Partnership Initiative

The Board appreciates the guidelines set forth for the Companies in Round 2 of the Community Partnership Initiative. Respectfully, the EEB seeks additional guidance from DEEP on the timing of Round 2 and how efforts from Round 1 should be addressed after it concludes.

COA #22 Heat Pump Pilot

As with COA #9, the Board requests that DEEP clarify the timing on the length of this pilot, including when the Companies should provide their respective findings from the completion of the pilot.

The Final Determination from DEEP will be critical in how the Conservation and Load Management Programs move forward through the 2022 – 2024 triennial cycle, as well as subsequent annual updates of the C&LM Plan. The Board appreciates the opportunity to comment on the Draft Determination and COAs and looks forward to further the goals and priorities of the C&LM Plan through the Final Determination.

Sincerely,

A handwritten signature in black ink, appearing to read "Neil Beup". The signature is fluid and cursive, with the first name "Neil" and last name "Beup" clearly distinguishable.

Neil Beup, Chair
Energy Efficiency Board