



**Letter of Support of the Energy Efficiency Board
for the 2015 Annual Update
of the 2013-2015 Conservation and Load Management Plan**

February 11, 2015

The Energy Efficiency Board (“EEB” or “Board”) supports the 2015 Annual Update of the 2013-2015 Conservation and Load Management Plan (“2015 Annual Update”). The 2015 Annual Update, which was filed on December 23, 2014, was prepared by the Connecticut Light and Power Company (“CL&P”), The United Illuminating Company (“UI”), The Connecticut Natural Gas Corporation (“CNG”), The Southern Connecticut Gas Company (“SCG”), and Yankee Gas Services Company (“YGS”) (collectively “the Companies”) with input from and review by the Board. The Board appreciates the efforts of the Companies to develop the 2015 Annual Update, which includes valuable enhancements of the programs to benefit Connecticut customers, and provides updated estimates of costs, savings, and benefits for 2015.

On October 31, 2013, the Department of Energy and Environmental Protection (“DEEP” or “Department”) approved the 2013-2015 Conservation and Load Management Plan (the “Plan”) submitted by the Companies. The prior approval by DEEP of the 2013-2015 Plan and the 2014 Annual Update has led to a new level of energy efficiency program activity supported with the increased funding approved by the legislature. The implementation of the 2013-2015 Plan provides increased energy savings and other benefits for Connecticut’s residents and businesses, while also contributing to the achievement of the objectives of the Comprehensive Energy Strategy.

The Board provided input to, reviewed, and commented on the 2015 Annual Update based on its statutory responsibility to oversee the design and implementation of the Connecticut Energy Efficiency Fund (CEEF) conservation and load management programs. In reviewing the 2015 Annual Update, the Board, including through its Residential, Commercial & Industrial, Marketing, and Evaluation Committees, collaborated extensively with the Companies, DEEP, the Connecticut Green Bank, the Institute for Sustainable Energy, and other stakeholders.

The Board would appreciate the timely review and approval of the 2015 Annual Update by DEEP. The Board also provides the following highlights regarding several topics addressed in the 2015 Annual Update for consideration by DEEP.

Program Enhancements. The 2015 Annual Update proposes specific changes and enhancements for the 2015 program year designed to provide high-quality services and solutions for customers while responding to strong customer demand for the programs. The 2015 Plan Update emphasizes a commitment to high-quality program performance to achieve savings and benefits for customers, comprehensive customer energy solutions and whole building approaches focused on meeting customer needs, Energize Connecticut marketing/outreach and web-based customer engagement to reach customers with tailored information and services, and targeted program offerings to help mitigate the effects of high winter energy prices on customers. The Board recommends that adequate resources (funding and personnel) should be focused on supporting and accelerating the development and adoption of the 2015 program enhancements.

High Customer Demand for the Programs and the Associated Budget Pressure. The energy efficiency programs likely will continue to face high customer demand and the associated budget pressures in 2015. To help address this ongoing challenge, in planning the 2015 budget the Companies and the EEB reallocated some funding from “other” categories to program budgets in order to increase the funding available for 2015 programs that would provide direct savings to customers. For example, the Plan Update proposes to reduce and reallocate some “self-funding” budget categories previously used for financing capital. Throughout the year the Companies will continue to explore ways to respond to customer demand and mitigate the budget impacts while preserving the ability of the programs to achieve savings and benefits for Connecticut consumers and businesses.

Financing Offerings and Coordination with the Connecticut Green Bank. The energy efficiency programs will continue to leverage financing options to help bring additional resources to customers. In 2015, the Companies and EEB will continue to coordinate with the Connecticut Green Bank on optimizing the mix of financing and incentives to make the best use of ratepayer funds and to capture more of the available cost-effective potential in Connecticut.

Mitigating the Effects of High Winter Energy Prices on Customers. The EEB is committed to working with the Companies and DEEP to prioritize and target the energy efficiency programs to help mitigate the effects of the high winter energy prices on customers. Marketing and outreach activities have informed customers of how energy efficiency can help them reduce their winter energy costs. Residential activities will focus on lighting and insulation measures to reduce energy use during the winter. The Plan Update also includes targeted program offerings to assist limited income customers - those who are hit hardest by higher energy prices - to reduce their winter energy bills. C&I programs will prioritize and serve facilities that have the highest potential for winter peak energy savings.

Marketing Plan. The 2015 Marketing Plan proposes important activities, some new and others enhanced based on the experiences in 2014, to ensure the energy efficiency programs reach and serve many customers in an effective and cost-efficient manner.

The Energy Efficiency Board supports the 2015 Annual Update file submitted to DEEP by the Companies, and looks forward to DEEP's review and approval of the Update. The Board also encourages DEEP to consider the comments and highlights provided above.

Sincerely,



William E. Dornbos

Chair, Energy Efficiency Board