



EEB Residential Committee Meeting
Wed, May 12, 2021 10AM - 12PM (Webinar Only)

Meeting Materials: <https://app.box.com/s/ru85w8ctekb7jmc7ljlio9a7ornl46xy>

Minutes

1. Welcome

Ms. Brenda Watson called the meeting to order at 10AM. Ms. Watson introduced herself as a Residential Committee member and informed attendees that Ms. Amy McLean is unable to attend.

- a. Roll Call of Committee Members: Donna Wells, Kate Donatelli, Jeff Howard, Brenda Watson

Others in attendance: Rebekah De La Mora, James Correira, Stephen Cowell, Richard Faesy, Art St. Armand, Ron Araujo, Kate Donatelli, Bernard Pelletier, Brendan Thomas, Devan Willemsen, John Karyczak, Shubha Jaishankar, Diane Del Rosso, Enoch Lenge, Amber McDonnell, Joseph Roy, Lawrence Rush, Michael Cresta, Tanya Mulholland, Guy West, Stephanie Weiner, Tammy Wilson, Sheri Borrelli, Tim Fabuien, Emily Rice, Joel Kopylec, Madeline Priest, Tasha Perreault, Michelle Long, Damaris Velez, Erin Cosgrove, Laura Bozzi, Violette Radomski, Vivian Perez, Jerry Graham, Claire Sickinger, Donald Mauritz, Patrice Gillespie

- b. Meeting procedures and process update

Ms. Brenda Watson reviewed the public input process guidelines for webinars. Meeting procedures and process slides can be found in the materials folder.

2. Approval for 4/14/2021 Residential Committee Meeting Minutes

Ms. Brenda Watson abstained from the vote because she was not present at the April meeting. Ms. Donna Wells indicated that this vote would need to be electronic if the only voting members present are DEEP, since Ms. Watson abstained. The vote was postponed.

3. Public Input/Comments

Mr. Stephen Cowell commended folks at DEEP, Consultants, Board members, Companies, and advocates who've been working on the weatherization barriers and remediation effort. Mr. Stephen Cowell believes this could be a national model and thanked everyone for their hard work. Ms. Brenda Watson thanked Mr. Stephen Cowell and noted that it's proof positive of what happens when we collaborate and work together.

4. Legislative Update

Ms. Kate Donatelli provided an update for the Committee. There are four pieces of pending legislation that are still alive, but DEEP doesn't have a lot of updates beyond that.

- a. Stretch Code

HB6572 is a stretch code bill, no update.

- b. Home Energy Score

SF802 is a climate change mitigation and home energy affordability bill. The major change to SF802 is that since it made it out of the energy and technology committee, the home energy labeling provision that was in the bill was amended and now it's mandatory for units listed for rent but not mandatory for units listed for sale.

c. Expansion of EEB Membership (SB 856)

Would expand the Energy Efficiency Board membership by two seats: one representing low-income and one representing municipality.

d. Affordable Housing Weatherization

HB356 is the act establishing an energy efficiency retrofit program for affordable housing. Although the name calls out energy efficiency specifically, the fund created through this bill will also cover things like remediation of certain health and safety barriers, and also things like rooftop solar.

5. Weatherization Barriers Remediation

a. LIHEAP Plan

Ms. Kate Donatelli thanked Mr. Stephen Cowell for his comments at the beginning of the meeting. Ms. Kate Donatelli explained that the LIHEAP plan would be taking \$2 million of a \$80 million LIHEAP allocation to be used for a program to address health and safety barriers. The plan is still awaiting approval. Ms. Brenda Watson Shared her perspective from the Low-Income Energy Advisory Board, noting that the LIHEAP board did approve the recommended \$2 million allocated for that piece, but that doesn't mean that DSS will accept the recommendation. Ms. Brenda Watson noted that they are in the process of waiting for DSS to submit a plan.

Ms. Brenda Watson asked Ms. Claire Sickinger for perspective from DSS; has she seen any draft plans? Ms. Claire Sickinger had not, but stated that doesn't mean it's not in the works.

Mr. Ron Araujo stated his understanding was that some sort of clarification or approval from the federal government regarding how the funds were utilized was sought, and asked if we got that or whether this was causing the delay at DSS. Ms. Brenda Watson said she's not sure that's what's holding DSS up and her understanding is that DSS will put forward a plan, which is submitted to three committees in the legislature. Once the three committees approve the plan, it goes to the Governor's desk, who then signs it and sends it to the federal government for approval. Mr. Araujo reiterated his question about whether the federal government needed to provide approval for using the funds in this way and Ms. Brenda Watson said she should would try to get some clarification around that. Ms. Brenda Watson added that there's a lot of confusion around the weatherization use of LIHEAP funds because this is a new path for Connecticut. Ms. Brenda Watson added that because LIHEAP has operated unchanged for so long, she agrees there's some confusion as to what funds could really be used for outside of direct bill payment assistance. Mr. Richard Faesy stated the Consultants have done some research on this topic and the broad answer is there's lots of precedent for other states using LIHEAP funds for weatherization barriers or what they're generally calling health and safety activities. Mr. Richard Faesy added there are certainly some limits and constraints, -they need to fall within certain guidelines to be used. Mr. Ron Araujo thanked Mr. Richard Faesy and offered the Companies' help to Ms. Brenda Watson and the committee.

Ms. Brenda Watson asked, from the chat, if we have a plan to roll out the plan for both ARPA and LIHEAP funds, assuming it gets approved. Ms. Claire Sickinger stated that in

terms of the LIHEAP money, DEEP is working on the logistics for, and working to get clarification on, some of these questions. In terms of ARPA, Ms. Claire Sickinger stated that DEEP is advocating for the plan. Ms. Brenda Watson suggested that DEEP is accepting any recommendations from advocates who might have some perspective on how to best get those funds out. Ms. Claire Sickinger stated that DEEP is always accepting recommendations.

b. Gov. Lamont's ARPA Plan for Weatherization Barriers

Ms. Kate Donatelli shared that Governor Lamont released his proposals last week for the allocation of Federal funds. Ms. Kate Donatelli noted that there were a lot of great proposals related to our energy efficiency programs, including one to address weatherization barriers. These proposals will also need to be approved by the legislature and DEEP is working hard to advocate for those proposals. Ms. Brenda Watson added that advocates are eagerly waiting for those funds to be approved for weatherization barriers.

Mr. Ron Araujo asked what the process will be if the legislature approves these proposals. Ms. Kate Donatelli stated that this will take place during the current session but wasn't sure what the mechanism will be, i.e. a bill. Ms. Brenda Watson indicated that the Republicans have submitted recommendations for how those funds get used, so the next step is up in the air at this point.

6. Equitable Energy Efficiency Proceeding Actions and Recommendations

Ms. Kate Donatelli presented slides to provide an update on our equitable energy efficiency proceeding, what is being called the E3 Proceeding. Ms. Kate Donatelli noted that there's going to be a lot more opportunity to discuss the first phase of this proceeding in more depth in the upcoming weeks. The E3 Proceeding started last fall, starting with a public comment period. One of the things DEEP realized right away was that given the number of issues raised in the scope of issues in this proceeding, they wouldn't be able to address everything all at once. DEEP is proposing to move this process forward in multiple, separate phases to allow for a more iterative process. This will enable addressing short-term things upfront and moving on the longer-term items. Ms. Kate Donatelli provided a timeline; including the previous draft determination release, followed by public input before a final determination is issued. May 20th and May 27th will be an informative and public input session, respectively. Deadline for written public comment is June 18 and the final determination for Phase 1 is anticipated in July 2021.

Ms. Kate Donatelli noted that what's in this draft determination and what comes after is shaped by a lot of public and private input and expressed appreciation of many on the call who have already contributed to this process. Ms. Kate Donatelli shared flyers with details for written comment and public input opportunities. The E3 webpage has background information on the proceeding, a schedule of all the different events, and links to all the relevant documents. Ms. Kate Donatelli highlighted the Executive Summary, located on the website, which can provide stakeholders with enough information to meaningfully participate in the process without having to go through the whole 20-page draft determination.

Ms. Kate Donatelli provided an outlined of the draft determination content; a vision statement for energy equity, details on the scope and process, background on each of the eight recommendations (where it came from, the impetus behind it, and any progress that we may have already made in that area), summarization of all the public comments received, prompts for public comment, and the timeline for Phase 1. Also attached is the 2018 equitable

distribution report so stakeholders can consider feedback they might have on changes to the way that future equitable distribution reports are prepared. The Phase 1 recommendations are provided in the last of Ms. Kate Donatelli's slides, and the entire presentation can be found in the materials folder.

Ms. Brenda Watson stated that this was an excellent procedure and an opportunity for folks to get their voices heard. Ms. Brenda Watson also noted that this was possibly an opportunity to make an attempt to define weatherization, which is something that hasn't really been defined from the federal government on down.

Ms. Kate Donatelli noted that during the public input phase, DEEP inquired whether the question of developing a definition for weatherization and also the issue of updates to cost effectiveness testing should be rolled into this proceeding or addressed separately. The feedback from a majority of commenters indicated they would like to see these things addressed separately.

7. Q1 Report (HVAC, Heat Pumps, MF, RNC, etc.)

Mr. Ron Araujo and Mr. Lawrence Rush presented slides on Q1 performance from the Companies. Mr. Ron Araujo started with an overview of where Eversource is standing through Q one; providing overall expenditures and savings for both the residential sector, as well as the commercial industrial sector. Through the first quarter, the program seemed to be performing exceptionally well, especially in the residential sector, but based upon activity and what we're estimating or forecasting for year-end completion, Eversource is expecting to see 92% spending on the gas side and 100% on the electric side. Mr. Ron Araujo provided an overview by program; and noted that one of the areas Eversource is having a difficult time projecting is the number of rebates that will be submitted. Ms. Brenda Watson asked, from the chat, whether residential funds would hold up throughout the year as it has run out in the past. Mr. Ron Araujo said he thought they would. Mr. Ron Araujo noted the greatest pressure is on the gas side, but are anticipating they can serve customers and won't have any changes. He added that they do have the ability to shift some funds from one sector to another if need be.

Mr. Ron Araujo provided slides re: HVAC and DHW report. This report shows activity, year-to-date, on the various units that were moving, and overall, the gas equipment is on par with last year. Mr. Ron Araujo noted an increase in mini split heat pumps, nearly twice as much as last year, he credits that to increased incentives. Ms. Brenda Watson asked whether Eversource had any customer feedback on the install and use of heat pumps. Mr. Ron Araujo answered that because mini split heat pumps are an upstream product, they don't have direct customer feedback. Based upon anecdotal evidence, a lot of these units are being installed predominantly for air conditioning purposes, but some are being truly installed for heating purposes. Mr. Ron Araujo noted that the majority of these are probably the customer's first entree into the heat pump, is installing that for air conditioning purposes, which is a fine starting point. The next phase would get that customer to see what they can do with a control strategy, and whether they could use that unit to displace their heating fuel, depending upon what that might be. Mr. Bernard Pelletier recommended that CL&M track reasons customers install heat pumps and push heating. Mr. Ron Araujo responded that one of the challenges would be the primary incentive for heat pumps is upstream, so tracking that would be very challenging. That doesn't mean that they couldn't market to the customer afterwards. Mr. Ron Araujo added that every customer that installs a heat pump or any type of HVAC equipment that has not had HES will get information on the program, which includes how they can better utilize the heat pump for overall heating.

Mr. Ron Araujo presented results on mail-in rebates for HVAC. Ms. Brenda Watson noted that geothermal systems are expensive, and would like to see energy efficiency companies pull the LMI population, homeowners, into those systems. Mr. Ron Araujo has had a discussion with an installer about how they can package the installation in a way to reduce the cost. Mr. Ron Araujo noted a few challenges to costs, including labor shortages and equipment pricing, but that they are communicating with installers because they want this to be an accessible technology for all. Ms. Brenda Watson shared that in the same way that we kind of banded together with the LIHEAP program, we continue to mimic that with geothermal technology. There are opportunities to co-ordinate with the Green Bank and on-the-ground, basic needs organizations who might be able to apply for funding to help offset some of those loan costs if it's a moderate income, homeowners looking to install a geothermal system. Mr. Ron Araujo offered that the Green Bank does have financing available and Energize Connecticut Heating Loan is available, but pointed out the cost of the equipment is still high and the cost of oil low. If the price of oil does start to go up, heat pumps become a more attractive proposition. Regarding heat pump equipment replacing electric resistance and other fuel equipment, Mr. Ron Araujo shared that most systems replacing oil and propane equipment are geothermal, while the top three systems replacing electric resistance heat are geothermal, and mini-split heat pumps and multifamily – mini split heat pumps.

Mr. Ron Araujo also provided an overview of the New Construction activity, breaking out participation and tiers by sector and fuel. Mr. Richard Faesy noted that it's exciting to see more of the multifamily going all-electric.

Mr. Lawrence Rush provided an update for Avangrid Companies. Mr. Lawrence Rush noted that UI is lagging in savings, but that's less due to program activity and more to do with changes happening within their system. They are currently catching up on getting the savings into the programs. Mr. Lawrence Rush noted that income-eligible is still lagging, but they've done some mailers and have been focusing on this segment, are hopeful this will increase. SCG territory is performing well. Similar to UI, they are a little behind on savings as far as getting everything into the system. CNG is performing well, particularly with HVAC and water heaters and an uptick through HES. Mr. Lawrence Rush provided a breakdown of heat pumps and water heaters; geothermal projects are increasing in UI territory, SCG is doing well with most equipment on track as is CNG. Mr. Lawrence Rush shared that UI is catching up with the heat pump pilot due to some changes made to the program; he was excited to share increased participation after practically nothing to show in previous months. UI has received nineteen applications and was tasked with twenty of the heat pump pilot installs for the state. Mr. Richard Faesy asked whether the numbers from the pilot represent central or ductless systems and Mr. Lawrence Rush said he would follow up. Ms. Brenda Watson asked what the change was that improved participation. Mr. Lawrence Rush noted that it was a program change, customers had to go through HES first in the past and they've removed that requirement.

Mr. Lawrence Rush shared heat pump conversion numbers. UI has serviced approximately sixty customers through HES and doesn't have a large territory of electric heating customers. Mr. Lawrence Rush noted this was an area they would be improving to see more conversions, even though it's a small customer group. Mr. Lawrence Rush shared information on multifamily and IE multifamily. Avangrid has done quite a few multifamily projects in the CNG territory. Mr. Lawrence Rush didn't have numbers for residential new construction because they aren't in the new system, but noted that there's some impressive projects coming through soon. Mr. Richard Faesy asked when they expected the system will be updated and will be able to report? Mr. Lawrence Rush said he hoped for Q2 they will have numbers to report.

Mr. Ron Araujo's and Mr. Lawrence Rush's presentations can be found in the materials folder.

8. Community Engagement Initiative Update

Ms. Devan Willemsen shared that the Companies continue to work with stakeholders and thanked those they have already met with and will meet. Ms. Devan Willemsen shared that the stakeholder survey was developed in order to quantify some of the feedback they've received in regards to application and design initiative. They anticipate a late spring release of the application.

9. 2022-2024 Plan: HES/HES-IE, Products, and Code Compliance

Mr. Richard Faesy announced that the Consultants are in the process of working with the Companies who are developing the next Three-Year Plan and expect the first draft to be publicly available in June. A schedule with more details may be provided at the EEB meeting this afternoon. The Consultants are working with the utilities on developing and focusing the different programs. Mr. Faesy emphasized that the Consultants are open and looking for feedback. Mr. Richard Faesy recognized Mr. Bernard Pelletier for providing comments during this meeting and earlier this week. Feedback is really helpful for Consultants as they do a deep dive on each of these programs along the way and then work with the companies to move to plan forward. Mr. Richard Faesy noted that the public input sessions, the beginning and end of each of these and the C&I committee meetings, at the EEB meeting, and at the upcoming public input session at the board level are all opportunities to provide comments. Mr. Richard Faesy stated that on the residential side, we are focusing on weatherization, equity, strategic electrification, and then for those programs and areas that don't necessarily fit into those three major themes, we're also considering and including demand response, financing, co delivery, workforce development, community engagement, code and standards, and appliances. Mr. Ron Araujo noted that the Companies, for the purposes of the plan, have been using the term decarbonization rather than strategic electrification, which is the current policy of the state. Mr. Richard Faesy provided a schedule of deep dive sessions with Consultants over the next month or so. The three themes and priorities, from a high level, are shaping up to be electrification, equity, and workforce development. Mr. Richard Faesy provided plan offerings and services, recommended changes and measures for each of the three focus areas of the presentation (HES/HES-IE, Products, and Code Compliance).

One recommendation Mr. Richard Faesy shared for HES-IE was phasing out lighting (direct install). Mr. Ron Araujo interjected that it is something Companies are considering phasing out over the Three-Year Plan but not in the first year of the plan.

Ms. Brenda Watson stated that she feels like this plan is centering the everyday consumer, and that makes her very happy; she appreciates that. Mr. Richard Faesy's slides can be found in the materials folder.

10. Secondary Metrics/ Performance Management Incentives (PMIs)

Mr. Richard Faesy shared that due to Mr. Glenn Reed's absence, a deeper discussion of PMIs will be postponed until June at the Board level. Mr. Richard Faesy did share the intention of the PMIs, which are a percentage of the budget that is set aside for Companies in order to meet goals. There is \$8.5 million on the table for Companies to meet goals, about half for commercial and half for residential. Mr. Richard Faesy provided both a pie chart and a table outlining the distribution of those dollars across primary and secondary metrics for each fuel. Mr. Richard Faesy also shared some considerations for expanding existing PMIs to drive program goals forward. For example, the equity metric that focuses on customers in arrears currently only accounts for electric customers and SF homes, - should it be expanded to include multifamily gas

customers and/or environmental justice communities. Ultimately the metrics can be a useful tool for achieving deeper savings and comprehensiveness. Mr. Richard Faesy noted that the Consultants have been working closely with the Companies, and asked if the Companies had anything to add. Mr. Ron Araujo stated that Mr. Richard Faesy covered the primary items that they've been working on. With regard to moving away from lighting, Mr. Ron Araujo noted that is a key item they've been wrestling with on multiple programs; the Companies are considering removing the HES direct install component and retail-side incentives with some exceptions but maintaining on the income-eligible side. Mr. Ron Araujo added that decarbonization and how programs can take advantage of converting electric resistance to heat pumps is another focus area.

An attendee asked in the chat: is there potential for secondary metrics to be framed around carbon emissions reductions? Mr. Ron Araujo stated that this is probably more of a discussion for the Board level, but a lot of the activities that we're undertaking, such as the conversion of electrical resistance heat to heat pumps is addressing decarbonization as well as some of the other activities that we're doing with respect to homes that utilize fossil fuels. While we may not necessarily have a direct decarbonization metric, Mr. Ron Araujo added, some of the metrics that Mr. Richard Faesy outlined get at addressing the overall objective and policy that DEEP has towards decarbonization.

11. CTAC Update

Ms. Kate Donatelli stated that the last meeting was two weeks ago and was a combined residential and commercial industrial meeting. During the combined portion, Eversource gave a great presentation on some of the utilities workforce development efforts, including findings from a survey that they had sent out to a group of stakeholders which characterized certain challenges and industry needs. The Companies will host focus groups for residential and C&I stakeholders separately, that will include deeper conversations about challenges and potential solutions. Ms. Kate Donatelli shared that CTAC also talked a little bit about how contractors can participate in the Three-Year Planning process. On the C&I side, there was a presentation about program performance and progress toward goals. For both the C&I on residential groups, Ms. Kate Donatelli said the group also talked about the extension of certain enhanced incentives, and getting more clarity around the actual timeline. The next meeting will be on May 26 and will be residential-only. Ms. Kate Donatelli welcomed any input for the upcoming CTAC meeting.

12. Agenda items for future Residential Committee meetings

- a. 2022-2024 Plan
- b. Secondary Metrics/ Performance Management Incentives
- c. Weatherization Barriers Remediation Plans
- d. Community Engagement Initiative Update
- e. The Integration of Solar and CL&M Programs
- f. CT Green Bank Update
- g. Low Income Deep Dive
- h. Update on Equity Metric Performance

Ms. Kate Donatelli indicated that DEEP was interested in two items for future meetings: (1) addressing barriers to heat pump adoption and (2) multifamily deep dive that goes beyond program results and gets into characterizing specific projects and discussing some of the challenges that were brought up in more depth. Ms. Brenda Watson noted that these were good topics and stated that the Committee and Mr. Richard Faesy would need to consider how to integrate them. Mr. Richard Faesy said he agreed that they are relevant and timely topics; the

challenge is getting to them and balancing time when there are many topics and only two hours at a time.

Ms. Brenda Watson suggested a separate meeting for equity issues. Mr. Richard Faesy asked if that would align with any of the E3 efforts? Ms. Brenda Watson shared that Ms. Amy McLean and the team at DEEP hosted a series of weatherization barrier workshops over the fall and winter as an example of an effective stakeholder process. Ms. Kate Donatelli stated that DEEP has been thinking about ways to engage more people this is definitely something for them to consider.

Mr. Ron Araujo added that the June residential Committee agenda should have something on the E3 Proceeding as an agenda item, especially since there's a technical meeting on May 20th, a public input session on the 27th of May, and deadline for written comments June 18. It will be very appropriate to spend a little bit of time understanding what was heard during those two sessions and to remind people of the deadline. Both Mr. Richard Faesy and Ms. Brenda Watson agreed this was a good suggestion.

13. Public Comments

Mr. Bernard Pelletier shared that he appreciated the secondary metrics discussion. Mr. Bernard Pelletier suggested that percent increase in rental adoption for HES and HES-IE might be a valuable metric.

Ms. Angela (unknown) commented that this was a productive meeting and thanked everyone. Ms. Angela (unknown) thanked everyone on this Board and in this meeting for the tremendous work they've done to break down some of the funding silos and work together to transform how we're meeting the needs of all of the residents of the state and addressing energy efficiency in a much more holistic way. Ms. Angela (unknown) added that if there are any opportunities for advocates to be helping make sure that we get the federal funds both from ARPA and from LIHEAP, we're happy to help. Ms. Brenda Watson stated that anytime that you can reach out to your local representatives and bring their attention to these issues, - perhaps even making calls to the Governor's Office because the LIHEAP plan is the Governor's plan.

14. Adjourn

Ms. Brenda Watson motioned to adjourn and seconded the motion. Motion passed unanimously with one vote.