



**Energy Efficiency Board
Monthly Meeting**

Wednesday, June 13, 2012, 1:00 – 3:00 PM

Stamford Hilton Hotel

1 First Stamford Place, Stamford, Connecticut

MINUTES¹

Voting Members Present: Rich Steeves (Vice Chair), Jamie Howland, Rick Rodrigue

Utilities Representatives: Ron Araujo, Michael Cassella, Joe Crocco, Pat McDonnell

Not in Attendance: Shirley Bergert, Neil Beup, Eric Brown, Daniel Esty, Frank Johnson, Amy Thompson, Michael Wertheimer

Others: Tim Cole, Richard Faesy, Glenn Reed, Kim Oswald, Jeff Schlegel, Les Tumidaj, Ellen Zuckerman [consultants]; Sheri Borrelli, Peter Ptak, Randy Vagnini [company personnel]; Frank Gorke [ClearResult]

The regularly scheduled monthly meeting of the Energy Efficiency Board began at 1:08 pm, with Vice Chair Rich Steeves presiding. A quorum of voting members was not present.

1. Process

- A. Agenda – The agenda was accepted as presented without changes.
- B. Minutes – Due to a lack of a quorum a resolution to approve the minutes of the May 9, 2012 board meeting was not voted on.
- C. Public Comments]
 - On behalf of Operation Fuel’s Project BEST small business outreach program, Bob Slate, the organization’s small business advocate made a presentation about the program, emphasizing how the work of the program aligns with EEF priorities.² He provided an update on current work with community partners in distressed communities and an outline of plans for growing the program with more partners. The goal is create a small business energy assistance center. In response to a question from Ron Araujo about how many participants go through the companies’ audits, Mr. Slate offered to provide numbers. He noted that in Year 2 the plan is to go back to previous participants and encourage them to sign up for audits. RA – how many of the grantees went through the companies SB audits? BS – working to get those numbers together. In year 2 go back and invite grantees to do audits. He

¹ Meeting Materials Available in Box.net Folder <https://www.box.com/s/1c0b5386e7ef6cc6313f>

² ProjectBEST.for.CEEB.1.docx

noted that the Project BEST Advisory Committee supports this idea. In response to a question from Jamie Howland regarding whether the program was aware of opportunities to help businesses using fuel oil, Mr. Slate noted that the focus has been on electricity.

- On behalf of NEEP, Natalie Hildt welcomed the EEB to the NEEP Summit. She cited the EEB as a stakeholder board model for other states and noted that representatives from New Hampshire and Delaware were present.
- On behalf of the Stepping Stones Museum, Rhonda Kiest appeared to express her thanks to the board for its support of the museum's educational programs. She noted that the museum has received support from the EEF for several years and is hoping to be able to continue. She emphasized their work doing outreach to other entities, including schools. They use the eeSmarts curriculum and work with eeSmarts staff. A new energy lab has been developed and they received a LEED Gold certification on their new building. She closed by offering a tour to board members and attendees.

D. Consultant Committee –

- Mr. Howland reported for the committee that the RFPs for the Residential Consultant and Executive Secretary had been released. The due date for responses to the Residential Consultant solicitation is June 15th, for the Executive Secretary the 19th.

E. Energy Efficiency Board Calendar and Schedule

- Regarding the planning schedule for 2013 C&LM Plan, Mr. Steeves expressed his concern about proceeding with the 2013 plan when the 2012 plan has still not been approved.
- For the companies Peter Ptak reviewed the milestone schedule.³ He noted that a few dates were pushed back to allow for more information to come in. June 22 is now the deadline for high level outlines of what is envisioned in each of the program categories. He also noted that the public comments matrix has been received. The next planning meeting is scheduled for June 28.
- The draft agenda for the June 15 annual board retreat coming up on Friday was circulated.⁴

2. Issues and Tasks

- Outstanding Issues⁵ – Mr. Araujo expressed the companies' continuing concern about when consultant workplans for the second half of 2012 will be approved. Mr. Steeves and Mr. Howland commented that the consultant committee is looking for guidance from PURA and referred to the relevant sections of the draft decision on the base plan.

3. Programs and Planning

³ EEB 2012 Milestone Schedule C&LM Plan and PSD for 2013 05_31_2012.xls

⁴ EEBRetreatDraftAgenda15June2012D6.pdf

⁵ 120613 Outstanding Issues F.pdf

A. 2012 Progress to date – Companies

- Budget and expenditures update – Mr. McDonnell noted that they are running slightly ahead of budget on expenses, but that it is not abnormal because it has to do when expenses are booked vs. when work is completed.⁶ Residential programs are running ahead, C&I is lagging somewhat. The projection is that by September-October, the funds included in the base plan budget will be fully expended. Mr. Araujo reported that CL&P is making the same forecasts.⁷ The programs are doing well now. Retail products are moving. HES-IE is doing exceptionally well. C&I is lagging, though there are signs Small Business may be picking up. They are hopeful large C&I will improve similarly. Mr. McDonnell commented that 80% of the HES budget has been, so the budget pressure is higher. Mr. Howland inquired and was assured that the companies will not go a dime over budget without approval from PURA. Mr. McDonnell finally commented that PURA had authorized temporary stopgap request to increase lending up to \$10 million.
- Regarding the PURA interim decision, Jeff Schlegel noted that the revised CL&P budget for 2012 had been approved as a short term solution. However, action on the base plan is still needed. A decision is expected by mid-July. Mr. Steeves observed that it is not certain whether PURA will follow guidance provided in DEEP’s determination. He noted that we are reaching the point now where the companies’ ability to be flexible has been maxed and that the familiar “stop and start” problem is continuing. Mr. Schlegel commented that the board’s proposal tried to provide some stability; however, now the matter lies with PURA. Mr. Araujo mentioned that the \$18 million carryover budget had been approved.⁸
- Regarding other funding availability issues, Mr. Araujo reported that the just passed legislative implementer bill included language postponing the \$500,000 cap on oil expenditures had been deferred until August 2013. It appears that some adjustments may be made to co-pays allowing for differences depending on fuel sources, up to a cap of \$99. The key point is that the programs can continue to serve oil-heated homes. Mr. Howland commented that the legislation overrules the PURA requirement that there be a common co-pay for all customers.

B. DEEP coordination update and plans

- 2012 C&LM Plan – DEEP and PURA Review
 - Electric Base Plan & PURA Review status – Mr. Schlegel offered a summary of the PURA hearing on the draft decision and the revised schedule. A decision is expected July 12. There were no surprises at the hearing. There was discussion of the rolling budget concept, which will also be taken up at Friday’s scheduled board retreat. There is concern about whether PURA will authorize the 25% forward spending from 2013 requested in anticipation of approval of the expanded plan budget. There are also concerns about caps on

⁶ UI 2012 CLM.2012.05-EEB.xls

⁷ CLP EEB May 2012 Projection 6-12-12.xlsx

⁸ 120530 PURA carry over decision TJCMot3.pdf; CL&P Table A Revised For \$18.1 Million Carryover.xlsx

large customers. However, it is clear that the money needs to come from somewhere to meet the administration's priorities. Either the decisions need to be consistent with policy or policy needs to change. The key is to get both on the same slope, without which the board and companies will find it hard to proceed.

- DEEP Draft Determination of the Expanded EE Plan (Increased Savings)⁹ – Comments on the draft determination are due by June 19. Mr. Rodrigue noted that the department is now looking to early/mid-July for release of the final determination. Mr. Schlegel commented that the draft determination is very good from our perspective. There have been many opportunities for comments and inputs, and it is clearly in line with policy priorities. It does not include a full authorization of the submitted budget and the long term solution to the oil issue is still unsettled. A CAM authorization will not be able to collect the full amount budgeted this year. As a consequence, at best we will see the beginning of ramping up in 2012, and not until 2013 will we be able to get to the proposed \$200+M level once CAM catches up. Mr. Steeves noted that it will also take time for the programs to ramp up. Mr. Schlegel responded that regulators seem not to understand how market players plan – that they need lead time to make decisions and act. Mr. Howland agreed that it is a very good determination and that he felt the EEB should be supportive. The budget numbers for consultants are however problematical and he would like to see the board push back. For instance, last year's increased expenses reflected extra needs, such as for the marketing assessment and planning work, creation of ramp up plan, a bigger role for evaluation consultant and development of the expanded plan on top of the base plan. He was concerned that without budget approval, consultants may run out of time before the end of the year, and noted that currently there is no budget at all for the second half of the year. Mr. Schlegel agreed, commenting that the determination assumes a "normal year", but 2011 and 2012 have been anything but normal. Mr. Araujo inquired specifically whether the \$610,000 consultant line does not actually include evaluation. Mr. Howland state that that is his interpretation, because there is a separate line for evaluation. Mr. Araujo noted that it would be good to get clarification on this point. Mr. Rodrigue commented that a similar problem exists relative to the joint marketing effort with CEFIA and DEEP. Without the expanded plan budget being approved, the \$500,000 available has already been nearly expended. Mr. Howland observed that this is a PURA issue, while the consultant budget at this point is a DEEP problem. Mr. Araujo remarked that CL&P allocated some of the carryover funds to the marketing line. Mr. Schlegel noted that there is a technical question needing an answer – how to count savings from the Lead By Example initiative. Mr. Araujo and Mr. McDonnell stated together that the companies need to be able to count those savings once.. Kim Oswald stated her concern

⁹ 6-5-12 Draft Proposed Determination CLM Expanded Plan.pdf

that the DEEP budget appears to be going back to 2011 levels for evaluation. She is concerned about where the budget actually is and that there seems to be a continuing mismatch between expectations on studies and funding to do them.

- C. Evaluation Committee – Kim Oswald drew the board’s attention to the monthly evaluation report.¹⁰ The residential new construction study will be ending soon. The draft of the O&M study will be out shortly. Mr. Howland added that the ground source heat pump study is moving forward again, not that CEFIA has approved half joint funding. The Evaluation committee will meet tomorrow to talk about the weatherization baseline study which is a very high priority. Ms. Oswald noted that the committee is dealing with the question what do we want to learn as a result of the study? Mr. Steeves wondered whether we already have any data of value that can be used or whether the study needs to start from scratch. Ms. Oswald responded that it will mostly be done from scratch, noting that just about 4% of homes have gone already gone through HES and there are significant differences in how vendors reported in the past.
- D. Commercial & Industrial Committee – Les Tumidaj reported on the current C&I strategies process. An impressive presentation has been developed by the companies that will be discussed at the board retreat.¹¹ They have been looking at best practices in the field and doing a detailed analysis of their own strengths and weaknesses.
- E. Residential Committee –
- Mr. Howland reported on the committee’s completed review and approval of the weatherization standard recommendation.¹² It has been thoroughly vetted and once approved by the board will be forwarded to DEEP as an EEB recommendation. To a question from Mr. Steeves about whether it would affect the weatherization baseline evaluation, Ms. Oswald stated that it would and that it was being taken into consideration. A vote on the standard was deferred until the board retreat for lack of a quorum.
 - Mr. Howland also reported that the board’s recommendation to extend the insulation financing pilot through 2012 had been approved electronically. Glenn Reed stated that a communication stating this has now gone out from the companies’ program administrators to vendors and CHIF so the loop has been closed.
 - The companies drew the board’s attention to the detailed reports on residential programs included in the packet.¹³

¹⁰ EEB Evaluation Report 06-2012.pdf

¹¹ 2012 C&I Expansion Plan UI and CLP_final_061212-2slides.pdf

¹² Weatherization standard_June_12_2012.pdf

¹³ HES and HES-IE through May 31 2012.xlsx; HES_HES-IE_Graphs As of 4-2012-all.xlsx; HES_HES-IE_Graphs As of 5-2012-.xlsx; Res_Fin_Graphs As of 5-2012-.xlsx

- F. EEF-CEFIA Joint Committee – Mr. Steeves reported that the committee will meet on Monday 18th 1 PM @ CEFIA. EEF representatives will hold a brief advance discussion Friday at the board retreat.

4. Outreach and Marketing

- A. Marketing Committee – Mr. Schlegel commented on the soft launch of the new brand planned for tomorrow with the Governor leading off. He will be making the announcement and offering a speech on energy issues. The new brand/logo/visual identity will combine renewables and energy efficiency under the Energize CT logo. For ClearResult, Frank Gorke reported that the next phases call for development of a website architecture and plan for creating the website, and supporting clients for a full roll-out in the fall. ClearResult will work with the joint marketing services committee on those steps. Regarding the work of the Marketing Committee, Mr. Schlegel reported that focus is on a transition plan to support ramp up of activities in the field and link them to renewables. There is a sense of caution about promoting residential programs given budget uncertainties. It was agreed that the companies marketing staffs will work closely with the marketing services committee on future planning.
- B. The companies offered brief updates on current marketing events and initiatives, referencing the calendars both had submitted.¹⁴

5. Other

The election of a new Vice Chair was deferred until Friday's retreat meeting. Mr. Steeves took the opportunity to comment that it would be his last regular meeting, due to his retirement. He attended every meeting since the board started up in 1998, including one meeting he had to call in to from California.

- 6. Adjourn** – with no further business to attend to, the meeting adjourned at 2:50 pm

Respectfully submitted,

Tim Cole, Executive Secretary

¹⁴ CLP Events Calendar as of 20120608.xls; UI June2012_EEB Calendar.docx