

Connecticut Department of

**ENERGY &  
ENVIRONMENTAL  
PROTECTION**

January 9, 2012

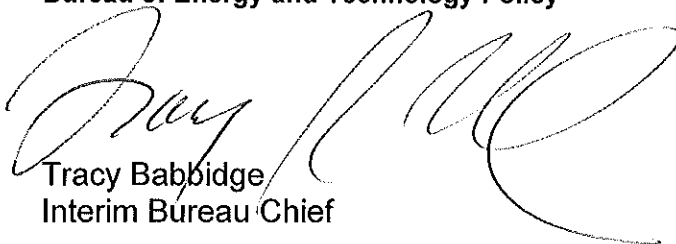
TO: Notification List

RE: Conservation and Load Management (C&LM) Plan (Public Act 11-80, Sec. 33)

Enclosed please find a list of topics that The Department of Energy and Environmental Protection (Department) will discuss at the C&LM Technical Meeting scheduled for January 12, 2012, at 9:30 a.m., at its offices, Ten Franklin Square, New Britain, Connecticut. This information is being provided to allow the regulated utilities, Energy Efficiency Board and interested stakeholders to prepare their comments and responses to these areas of inquiry. If you have questions regarding this matter, contact the case coordinator, Debra Morrell at (860) 827-2688 or by email at [debra.morrell@po.state.ct.us](mailto:debra.morrell@po.state.ct.us).

Sincerely,

**DEPARTMENT OF ENERGY AND ENVIRONMENTAL PROTECTION  
Bureau of Energy and Technology Policy**



Tracy Babbidge  
Interim Bureau Chief

## Topics for Discussion & Areas of Inquiry

### I. EVALUATION, MEASUREMENT & VERIFICATION (EM&V)

DEEP is proposing changes to the current EM&V process. On a going forward basis, DEEP anticipates that it will take a more active role in participation and oversight of the EM&V process. Below are recommendations regarding the energy efficiency program EM&V process to meet the requirements and intent of Section 33(4) of Public Act 11-80. Please be prepared to comment on the following.

- DEEP will develop a more active involvement and greater staff commitment in the planning and implementation of evaluation studies to assure that the studies' recommendations adopted by the EEB are implemented and that modifications to the Program Savings Documentation are appropriately inputted.
- DEEP will work with the EEB Evaluation Committee to further improve current metrics that will provide a guideline and overview for evaluating the efficacy of the EM&V process and the overall success of C&LM programs. These metrics will provide a useful, transparent benchmark for policymakers and the General Assembly.
- DEEP will require the EEB to submit to DEEP a filing no later than March 1, 2012, for each of the evaluation studies completed in 2011, a written description of how the Program Administrators will (a) implement each of the studies' recommendations and (b) incorporate the evaluation results into the Program Savings Documentation. DEEP will require the EEB to submit this information as part of the EEB Evaluation Report submitted to the General Assembly on November 1, 2012, and each year thereafter. For each of the Connecticut-specific evaluation studies completed in 2012, the EEB shall submit this information within 30 days of their completion. Where applicable, the EEB shall submit information in (a) and (b) above, for each of the completed studies funded through the NEEP EM&V Forum within 30 days of their completion.

### II. HOME ENERGY SOLUTIONS (HES)

#### A. HES - MARKET BASED PROGRAM

The need to move the Home Energy Solutions (HES) program to a more market based offering has been discussed since the program's inception in 2006. However, because the home performance services that HES offers was an emerging market it has been difficult to do so. Since that time HES has helped foster increased demand for these services as well as the development of an educational and training infrastructure for the home performance workforce. As evidenced by the most recent HES RFP, there are now many companies that can offer these services in Connecticut. Be prepared to comment on the following concepts that may be considered in moving HES to a more market based structure. Also be prepared to offer additional comments on this matter.

- To foster competition and improve the cost effectiveness of the program, increase the copayment and allow vendors to discount this cost;
- Offer "no out of pocket cost for HES services" by collecting the copayment through a short term, no cost, on-bill repayment option;
- The residential financing program provides the tool necessary for vendors to more aggressively pursue broader and deeper savings. With this tool now in place, link vendor participation in the HES program to broader/deeper performance targets.

#### **B. HES - FUNDING FOR OIL MEASURES**

To assure the continued participation in the HES program among oil and propane customers the PURA has allowed the Energy Efficiency Board and the Companies to use revenues from alternate sources (revenues such as ARRA and RGGI funds not directly recovered through the three-mill/kWh assessment) to buy down the \$300 oil/propane copayment. To date, HES has been offered to all customers for the same copayment.

Revenues from these alternate sources have at times been insufficient to cover the cost of providing continuous operation of HES for oil and propane customers throughout a given calendar year for the lower copayment amount. This has resulted in constant regulatory intervention to identify and approve funding to maintain the lower copayment for oil and propane customers or program interruption when funds were not available.

Be prepared to comment on the availability of ARRA, RGGI, or other currently available alternate funding sources that could be considered to maintain the lower copayment for oil and propane customers in 2012. Comment on whether these funds would allow continuous operation of HES for oil and propane customers throughout calendar year 2012. Comment on alternative funding strategies, including the use of revenues from the three mill/kWh assessment.

#### **C. HES - AUDIT & TRACKING TOOL**

Be prepared to discuss opportunities for more complete data collection and analysis and the presentation of said data in a user friendly format in order to provide a better consumer and contractor HES experience. This discussion should address the current tools and whether they are useful in achieving program goals.

#### **D. HES - WEATHERIZATION**

Be prepared to discuss progress that has been made in defining weatherization as envisioned in Section 33 of Public Act 11-80.

### **III. SELF-FUNDING FOR RESIDENTIAL FINANCING**

Proper design of self funding for energy efficiency loans may provide an opportunity to lower the cost of financing. Be prepared to discuss the use of revenues from the current budget to achieve self funding. Be prepared to identify other opportunities that may exist to implement this strategy and the organization(s) that could administer this type of program.

### **IV. PROGRAM SAVINGS, TARGETS AND GOALS**

#### **A. GLOBAL TARGETS**

Be prepared to discuss the potential to establish long-term (e.g., five-year) goals such as kWh reductions, zero or negative energy growth, summer kW peak reductions, customer participation and/or appliance saturation goals. The long term goals would then guide the establishment of annual goals and program budgets and plans.

#### **B. HOME ENERGY SOLUTIONS**

Be prepared to discuss how the Energy Efficiency Board will generally achieve broader and deeper residential savings (e.g., the increased savings noted on page 129 of the 2012 C&LM Plan).

#### **C. RETAIL PRODUCTS**

The Companies and Energy Efficiency Board state they will conduct focus groups in the third quarter of 2011 to gauge customer understanding of the lighting standards required under the Energy Independence and Security Act of 2007, the changes ahead for lighting retrofits and customers' willingness to adopt new lighting technologies. Be prepared to discuss the findings from these focus groups and any regional or national studies regarding this matter. Based on the lighting standards required under the Energy Independence and Security Act of 2007 be prepared to discuss whether incentives for CFLs should be discontinued and how this would impact program savings, targets and goals.

#### **IV. EQUITABLE DISTRIBUTION OF C&LM FUNDS**

Section 101 of Public Act 11-80 requires DEEP to determine whether C&LM funds are being equitably deployed among small (under 100 kW) and large (over 100kW) customers in census tracts in which the median income is not more than 60% of the state median income. Projects (i.e., deployment of funds) may include a mentoring component for such communities. DEEP must make its determination before approving each annual C&LM Plan.

The electric utilities were unable to provide budget and spending information by census tract but did provide data for small and large customers by class and by town, detailing revenue collection from the three mill/kWh assessment and spending on program incentives and activity. The utilities were able to identify economically distressed towns.

The data showed that in almost all of the distressed towns spending on program incentives and activity exceeded the revenue collected from customers in those towns. The data demonstrates that there is equitable distribution of C&LM funds in economically disadvantaged areas.

The DEEP solicited comments from participants on the jobs mentoring component of the act. The HES Program has helped foster increased demand for home performance services and development of an educational and training infrastructure for the workforce that supports this industry. The jobs that have been created through HES are highly dependent on the HES budget. As a result, layoffs occur when funding is interrupted. DEEP seeks to stimulate sustainable employment opportunities by pursuing legislation to provide funding from the sale of home heating oil.