



**Energy Efficiency Board
Annual Planning Retreat Agenda**

Wednesday, June 26, 2013

Institute for Technology and Business Development
185 Main Street, New Britain, Connecticut

MINUTES¹

Present: Jamie Howland (Vice Chair), Shirley Bergert, Neil Beup, Eric Brown, Katie Dykes, Joel Gordes, Taren O'Connor, Amy Thompson, Michael Wertheimer [EEB]

Utilities Representatives: Ron Araujo, Joe Crocco, John Dobos, Pat McDonnell

Consultants: Tim Cole, Glenn Reed, Jeff Schlegel, Lisa Skumatz, Les Tumidaj, Ellen Zuckerman

Others: Kate Boucher, Art Marcelynas, Rick Rodrigue [DEEP]; Peter Aufdemorte, Sheri Borrelli, Steve Bruno, Roy Haller, Rebecca Meyer, Tyra Peluso, Pam Penna, Peter Ptak, Violette Radomski, Ellen Rosenthal, Tim Simmonds, Tilak Subrahmanian, Donna Wells, Marissa Westbrook, Lomont White [Utilities]; Bill Dornbos [ENE]

The retreat began at 9:15 with Vice Chairman Jamie Howland presiding.

1. Introductions – Review Agenda

- Mr. Howland introduced Diane Duva, the new Director of the Office of Energy Demand at DEEP's Bureau of Energy and Technology Policy. Henceforth, she will be the lead contact at DEEP for the EEB.
- The agenda was accepted as presented.²

2. Thematic Update and Overview of Topics/Plan for the Day

- Jeff Schlegel – Reviewed the agenda and emphasized that the focus of the day would be thematic conversations around the specific topics covered in presentations on each of the Board's work areas.

3. Update on Policy Issues, Legislation, and IRP

a. Notable legislative changes affecting the Board and the CEEF programs

- Referencing notes provided by Shirley Bergert and ENE's Bill Dornbos, Mr. Schlegel provided a brief survey of pertinent legislative changes that became law on June 21.³ He

¹ Meeting Materials available in box.net folder: <https://www.box.com/s/hc9s0fujxfmvio37wct1>

² EEB_26June2013_RetreatAgenda_F

³ EEB_EElegislationSummary062613; ENEenergyefficiencylegislativesummary2013

noted in particular that the changes will have an impact on the planning process going forward.

- Ms. Bergert observed that the changes also impact the makeup of the board itself and will require revision of the Rules and Roadmap. She further noted that changes in the planning process will require a fresh look at the array of financing options that will be available. Therefore the Board should be prepared to engage with other entities involved in financing quickly, along with preparing for an increase in the consultant budget to handle new tasks assigned to the Board.
 - Mr. Schlegel further noted that the language speaks to the issue of closer collaboration with CEFIA on a variety of topics. Therefore the matrix of shared responsibilities needs updating. A board level committee needs to be formed, with responsibilities going beyond coordination of efforts between staff and consultants. Under the same heading, Mr. Schlegel mentioned the issue of the redirection of funding from RGGI auction proceeds to compensate CEFIA for funding appropriated to balance the state budget. He pointed out that RGGI proceeds have in the past been used to cover oil measures. Ron Araujo noted that the legislation also provides that once CEFIA has recouped the reallocated funds, the previous split of RGGI proceeds will be restored. Pat McDonnell further noted that currently the yield from RGGI funds has increased and therefore it might reasonably be expected that the difference will be made up somewhat sooner.
- b. Revised CEEF budget estimates for 2013-2015 and the effects on major programs in 2013 –
- Mr. Schlegel directed the Board’s attention to the most recently updated budget tables included among the meeting materials.⁴ The tables will be reworked beginning in July. A presentation on them is planned for the Board’s July 10 meeting.
- c. Review of activities by BETP and PURA recently taken or expected in near future with update on IRP and longer term planning –
- Rick Rodrigue went over the timeline included with the materials.⁵ Mr. Araujo remarked that work on the next iteration of the potential study needs to start sooner than July 2014 because its results will have an impact on budget planning for the next three-year plan. Mr. Schlegel responded that work on the study will in fact begin in the fall of 2013 and suggested that bar on the timeline should be extended to the left to reflect this.

4. Updates on Program Areas – Consultants / Program Administrators / Committee Members

a. Commercial & Industrial Programs – Companies

- Strategic Action Plan – C&I Committee Chair Neil Beup led off by stressing that the Committee wanted to use the time available at the retreat to go over material generally not covered in Board meetings. The presentation will therefore first address how the C&I programs are coordinating with DEEP’s activities, and secondly will follow with some data

⁴ Table A2 Draft.2013.06.18

⁵ Energy Planning Timeline

analysis to support potential improvements in the programs. He then handed the presentation over to Tim Simmonds from CL&P and Roy Haller from UI and noted that the presentation would be available with the rest of the meeting materials on line.⁶

- Market segmentation analysis and assessment – Mr. Simmonds noted that this presentation is now the second quarterly update developed for the C&I Committee and Board. Customer segmentation is a major topic in the state’s Comprehensive Energy Strategy and also here. This analysis is designed to help the programs move toward more customer-centric focusing. The idea is to identify and prioritize customer segments, with the overall goal of going broader and deeper. For the state itself, which is the utilities’ largest consumer, coordination with the Lead by Example program is crucial, considering that the energy savings goals for 2013 & 2018 are very high and demanding.
- Mr. Haller introduced the topic of Quartile Analysis. He noted that the analysis has already revealed that there is a clear unmet opportunity to work closely with small manufacturers. Mr. Simmonds noted that the present analysis has explored primarily the situation with electric customers. A comparable analysis of gas customers is well underway. He further noted that a Master Agreement will soon be signed with DEEP & the Department of Construction Services, which will allow for implementation with state agencies of the SBEA program delivery model. This approach was tested in 2008 and found to be effective.
- Analysis has also revealed that very small “microbusinesses” are especially hard to reach with existing approaches. Mr. Beup commented that such businesses are effectively “orphaned”. Examples include pizza shops, small business agencies, professional offices and the like. Mr. Haller noted that this is again a case where a “customer-centric” approach will be helpful. The more this market is understood, the better the programs can look at specific solutions such as targeted incentives or bundled measures for example. Joel Gordes remarked that this is case where the programs run into the challenge of showing cost effectiveness, especially if “hard” measures are separated from “process” measures, which may be unique from case to case. Mr. Simmonds observed that – NSTAR recently released a web-based tool for working with very small Quartile 4 customers. Our programs may be able to learn from this.
- Analysis is further beginning to shed light on the issue in the SBEA program of why some projects as cancelled while others are completed. Data mining is showing how effective the different program contractors are and in which markets they are successful. It is understood that communication, based on a good understanding of specific customers is key. Because vendors have own backgrounds, in lighting or HVAC for example, it is clear that they are stronger in those areas. This suggests that vendors may need training outside their skill sets, or that partnering among vendors with different strengths should be encouraged. Mr. Gordes pointed out that financial thresholds for different customers may also key factor. Mr. Beup agreed, and further suggested it is important to understand

⁶ 2013 Q2 CI Update to EEB _6 26 2013

more deeply and in more detail how this factor works. Are there some customers who accept higher costs and longer paybacks? Who are they and why will they?

- Mr. Beup indicated the Committee and program administrators are now looking to the Board and DEEP for further guidance on how to proceed. Katie Dykes responded that the presentation was very good and inquired about the future workplan. Mr. Simmonds stated that the intent is to continue working on the analysis for the next 1 to 2 years. Mr. Beup reported that a market assessment of financing issues is about to begin and a much more detailed analysis of that aspect should be available by this time next year. Eric Brown affirmed the importance of deeper data mining at the level of individual microbusiness. Mr. Beup finally noted that assessment will include using vendors to help build understanding of the specific needs of the market, especially vendors who are expert in specific niches.

b. Residential – Glenn Reed and Companies

- Report on recent discussions on future approaches to residential energy efficiency including financing and emerging technologies – Glenn Reed offered a presentation about the HES program highlighting the following issues:⁷
 - What is understood about the market segments the finance offerings are designed for? What is the likelihood of uptake for the options offered? How willing or able are customers to participate?
 - Key takeaways included:
 - ✓ Connecticut’s HES program generally compares well with similar programs elsewhere
 - ✓ There is a need to grow capacity beyond that offered by the existing vendor pool
 - ✓ There continue to be different perspectives among stakeholders about the role of HES in achieving the state’s 80% weatherization by 2030 goal
 - ✓ Financing options are generally good but are not a panacea with respect to achieving market transformation. Consideration should be given to diversifying the pool of participating lenders and developing options specifically designed for the low-income markets.
 - ✓ Emphasis should be placed on deploying multi-touch processes for increasing the uptake of follow-on measures
 - ✓ Healthy and safety problems in the housing stock pose a major impediment in many cases
- Presentation on new Droid application – Companies
 - Marissa Westbrook from UI and Lomont White from CL&P offered a presentation on the new Droid client relationship management application which is now being deployed by HES vendors in the field⁸

⁷ Res EEB Consultant Retreat presentation_06_26_13Final

⁸ EnerNetDroidPresentation__EEB_062413

- ✓ First developed by Parallel Logic for use with UI's Enernet system the tool has now been integrated with the CL&P CLMTRS system. It is designed to be flexible and customizable by company and needs.
- ✓ After field testing the tool has been rolled out with vendors by both companies this spring.
- ✓ Planned further developments include integrating with DOE Home Energy Scores, expansion to include HES-IE and SBEA programs, and eventual integration with the WAP data management system
- ✓ The companies plan to use information collected to support marketing improvements as it becomes clearer what is working and what is not
- Approaches to strengthening customer engagement through enhanced marketing and technology-supported behavioral reinforcement strategies –
 - Mr. Schlegel offered a brief presentation highlighting efforts undertaken since inputs were solicited through the 2012 customer engagement RFI program. The focus is on customer resistance to “deeper measures”. An RFP has now been issued to enhance the customer engagement piece. A primary goal is to capture HES audit information and store it on the customer's “My Account” portal.
- HES program improvements, analysis of results, and evaluation – DEEP
 - Katie Dykes reported that DEEP's present top priority is completing the draft determination on the C&LM plan. Other high priorities flowing out of the CES and legislative mandates include the natural gas infrastructure expansion, for which a Concept paper was issued on June 14, work on the Energize Towns pilots, and bundling multiple offerings such as gas conversion, energy efficiency, financing, solar options, etc. While fuel conversion is not a lead goal for the EEB, the department's conversion effort should point to energy efficiency offerings, especially when conversion is not an option.
 - With respect to near-term action items, Ms. Dykes suggested that Expansion Plan goals should be reviewed to ensure they align with CES goals, operational communication issues should be addressed and financing offerings continue to require further development. Regarding financing, she recommended the development of a roadmap for testing which measures the private market will support and which need some degree of ratepayer support.
 - Regarding the HES program, as evident from the PURA discovery phase discussions, there continues to be concern about improving it. DEEP is contemplating running a review process concurrently with the Evaluation Committee's evaluation to build in results of stakeholder inputs. To begin, this would involve asking the Evaluation and Residential Committees to summarize feedback already received through the most recent processes and to offer some informed recommendations. DEEP could then host public input sessions on them. This would be done in the same time frame with the Board's evaluation. Mr. Schlegel noted that the meeting packet includes an overview

of HES enhancements already introduced. Ms. Bergert remarked that the Residential Committee's recent process was designed to develop a common sense of context, so recommendations and ideas for improvement or change are positioned within a shared frame of reference.

- c. Evaluation – As head of the SERA evaluation consulting team, Lisa Skumatz offered a presentation reviewing recent and present activities and priorities.⁹
- Developing an updated Evaluation Plan for 2014-2015: Process and Current Progress – Ms. Thompson noted that there will be eventual changes in the evaluation budget once this process is further along. Mr. McDonnell commented that the companies are awaiting the determination on the C&LM plan from DEEP, but once it is released the budgeting process will commence quickly. Ms. Thompson affirmed that the Committee's main goal is to move up the process precisely in response to this consideration. She further noted that the Committee and the SERA team have changed how they interact with the NEEP EM&V Forum with the goal of leveraging EEF funds more effectively.
 - Ms. Skumatz made note of the fact a conference call is scheduled for Friday the 28th to go over the scope of the planned HES-IE evaluation.
- d. Marketing and Outreach –
- Ellen Zuckerman introduced a presentation that was developed in collaboration with Ellen Rosenthal and Rebecca Meyer from CL&P and Sheri Borrelli from UI.¹⁰ She noted that the process leading to the development of the new Energize CT began with an initial assessment back in 2011.
 - Ms. Rosenthal noted the current focus of the marketing strategies is to increase customer reach. The companies are making use of Google Analytics and a Google Pay Per Click campaign. This involves coordination with the Google Content Network, which drives consumers to the Energize CT website based on communications and searches. The companies are already seeing the impact of specific program promotions on Energize CT hits.
 - Regarding Clean Energy Communities (CEC) outreach and experience, Ms. Borrelli and Ms. Meyer noted in particular that in coordination with Yale and the University of New Haven, they are now able to help communities do benchmarking of their schools and other key facilities.
 - Regarding the DEEP Energize Towns initiatives and other community outreach and engagement strategies, Ms. Borrelli and Ms. Meyer highlighted the importance of partnerships with CEFIA and town CEC task forces. An RFP seeking competitive pricing on energy efficiency and HVAC packages has been issued. The goal is to promote conversion to gas when possible, as well as upgrading to higher efficiency equipment. The program is being paid for with one-third shares by CEEF, CEFIA, and the gas companies. Mr. Schlegel

⁹ CTEEB_EvalUpdateforRetreat_SERA_v3

¹⁰ 2013EEBRetreatMarketingdFinal

expressed his interest in seeing how this type of effort leads to deeper savings. Mr. Howland stressed the importance of tracking company time as well as RFP-related costs for marketing and support. The Board needs to know what is being invested in the two pilot communities, so it can understand what will likely happen if the model is scale up to reach many more towns. Ms. Bergert noted that the Board can also learn from the MIT analysis of the Neighbor to Neighbor initiative to see what is effective. It would be good to develop tools for ongoing evaluation through real time tracking. Ms. Meyer affirmed that the companies will be conducting an analysis of such results analysis after more time has elapsed since the launch.

5. Coordinated Programming Discussion

a. Coordination with Lead by Example and Performance Contracting initiatives –

- Mr. Rodrigue reported that the Lead by Example team has now fully launched the state’s Energy Services Performance Contracting (ESPC) program. Standardized documents have been created, a pool of prequalified contractors has been recruited, and the new Program Manager Matt Cohen is now on board. A pool of technical support providers to assist municipalities and agencies is being assembled. Staff support will be in place at CEFIA to help with financing as needed before the end of the year. Three projects are underway, involving the Department of Corrections, Connecticut Valley Hospital, and the City of Bristol. The Department is committed to tracking program costs to demonstrate overall cost-effectiveness.

b. Collaboration with CEFIA –

- Mr. Howland observed that the Committee level, collaboration with CEFIA generally has been working well, most notably in C&I and Marketing. However, the Board is still looking for the right mix of program and financing offerings between the CEEF and CEFIA. Mr. Schlegel noted that by mandate there is supposed to be a board level joint committee. Such a committee would be helpful to process matters that are not well dealt with at the working group or Committee level. Ms. Bergert suggested that a short-term committee be established to look specifically at financing options to ensure they are compatible and workable for consumers, with the intent of developing a formal proposal to present to CEFIA. Mr. Araujo supported the idea, suggesting that it be the lead agenda item at the next joint board meeting. Mr. Howland noted that he does meet regularly with Ms. Dykes and Bryan Garcia on matters of shared interest. Mr. McDonnell highlighted the need to engage at the board level with CEFIA. Mr. Schlegel indicated that the companies, consultants, and board members have all been engaged in communications with CEFIA with mixed results. Mr. Beup expressed concern that there is as yet no clear plan in place with respect to C&I. Mr. Araujo noted that while CEFIA is understandably focused on launching C PACE and Smart-E financing, the EEB has broader goals for which those may simply be tools. Mr. Howland proposed setting up a broader more substantive meeting before the end of summer. Mr. Schlegel noted that there is some urgency about moving

ahead with pieces that have near term deadlines because of legislation and allocation of RGGI funding. The focus of such a meeting should therefore be how to work toward better framing of strategies and priorities at board level in order to smooth out collaboration at working level. He agreed to begin work on this before the July 11 Board meeting. With respect to RGGI, specific ideas to discuss include using RGGI funding to support core services in oil heated homes; to provide a self-funding capital source for financing of oil projects; and to buy down interest rates in comprehensive energy efficiency projects financed by Smart E and other financing programs.

6. Board processes and operations –

a. Mr. Howland asked the Board to take the following topics under consideration:

- Executive committee functions – Mr. Howland suggested it would be timely to consider how to use the Committee effectively to provide Board input to decision-making that does not require full deliberation at the regular Board meeting level.
- Committees and functions – It would be helpful to clarify formally what the committee functions and consultant roles are for the Residential, Commercial and Industrial, and Evaluation Committees, in order that stakeholders and interested parties understand the consultants' work and how they receive their direction. Similarly, the Managing Consultant's role should be clarified. These clarifications should be included in the Board's Rules and Roadmap.
- Executive director – A draft RFP is in development. Mr. Howland expected it to be ready by the next board meeting on July 11.

b. Ms. Bergert led off a broader discussion following Mr. Howland's comments.

- She observed that it would be timely to revisit how the EEB is structured. She noted that that this with respect to policy developments and legislative action this is a very exciting time. There are limits to what can be asked of a volunteer board. The EEB therefore needs a bigger consulting budget to meet the increased demands. A look at how the work of the board is done should be undertaken to ensure it maximizes its effectiveness.
- In the course of the following discussion members reflected on the changing environment in which the Board is now operating. A variety of points were touched on, including changes at DEEP where some staff are now involved more deeply than in the past with programmatic matters, the fact that more and different tasks have been assigned to consultants to keep pace with major changes in the state's policy agenda, the value of having independent technical resources at the Board's disposal who bring broader national and international perspectives to the Board's work and the multi-sector efforts to make Connecticut residents and businesses more and more energy efficient, and changes in the Board's own responsibilities as planning has been shifted to a three-year cycle and more website management has been transitioned to DEEP.
- Mr. Howland asked for volunteers to serve with him on a temporary Board Operations Committee. Ms. Bergert, Mr. Gordes, Ms. O'Connor, Ms. Thompson, Mr. Wertheimer

volunteered to serve, along with Mr. Araujo and Mr. McDonnell. Ms. Bergert offered to prepare recommendations for changes in Rules and Roadmap language and invited members to also review the Evaluation Roadmap for possible changes that may be needed to bring them up to date.

7. Business Meeting –

- Election of board Chair and Vice Chair – Mr. Howland announced that because of changes in legislation the Board now needs to elect a new Chairperson. He proposed postponing the election of a Vice Chair until the next meeting. Ms. Bergert nominated Mr. Howland to serve as Chair. Mr. Gordes seconded the motion. Mr. Howland accepted the nomination with the stipulation that he was not agreeing to serve for more than one year. All members voted in favor of Mr. Howland’s nomination, with Mr. Howland abstaining. Mr. Howland was therefore elected as the new Chairperson effective immediately.

8. Adjourn – Having completed its business, the Energy Efficiency Board adjourned its annual retreat at 4:00 pm