



**Energy Efficiency Board
Commercial & Industrial Committee Meeting**

Tuesday April 13, 2021

1:00 – 3:30 PM

Meeting Materials in Box.com: <https://app.box.com/s/ewj6h9rdjb960z2clinrbwv6i830ylkd>

Agenda

1. Roll call

Committee Members: Amanda Fargo-Johnson, Donna Wells

Attendees: Madison Butler, Alex Sopelak, Brandon Mark, Elizabeth Murphy, Emily Rice, George Lawrence, Jamie Klase, John Kibbee, Jordan Schellens, Kyle Svendsen, Mike Li, Sheri Borrelli, Colleen Morrison, Dan Mellinger, Dave McIntosh, Erin Kempster, Glenn Reed, James Klase, Jodi Sullivan, Mike Weissmann, Philip Mosenthal, Russell King, Neil Beup, Ron Araujo

2. UI Virtual Commissioning – Companies

Mr. Brandon Mark, Energy Engineer for Avangrid, presented on the Power TakeOff Virtual Commissioning™ Pilot Program; outlining the program goals and analytics, process, market segment, savings projections, lessons learned and case studies. Power TakeOff leverages AMI data to target system-based operational savings for small-to-medium size businesses. Avangrid projects 15-20 participants across up to 60 sites that could yield 481,590 kWh total weighted savings. A copy of the presentation, “2 - VCx_Pilot_Update_CI-Committee_041321”, can be found in the materials folder. Mr. Mark indicated that Avangrid anticipates upward trend of adoption for program.

Mr. George Lawrence asked whether Eversource will be taking on AMI meters. Mr. John Kibbee noted that Connecticut has a significant amount, but can't quantify during this call; he can send a note back by Thursday morning. Mr. George Lawrence asked whether this is an approach Eversource would consider? Mr. John Kibbee said yes; it's a potential entrée that could help as a starting point. Ms. Donna Wells noted that the modernization dockets, one specific to AMI, signifies a desire to move forward with AMI metering across the board.

Ms. Donna Wells – can you talk about how auditors fit in the Power TakeOff model and get paid to provide their service? Mr. Brandon Mark responded that the program doesn't use a third party, but engages with a knowledgeable, internal point of contact. Ms. Elizabeth Murphy clarified, “are you asking about the payment structure?” Ms. Donna Wells answered “yes”. Ms. Elizabeth Murphy disclosed that a fixed amount, in the form of a dollar per energy unit saved, is paid for performance, after savings are verified.

3. Savings from Building Benchmarking – Companies

Mr. Mike Li discussed that one of the plan update conditions was to have a benchmarking component in the next Three-Year Plan. Mike Li is looking for more information about

participant recruitment, how Companies would handle benchmarking, and how it might compliment the rest of the portfolio. He then opened the floor to participants. Mr. John Kibbee stated an interest in coordinating across Companies. Ms. Sheri Borrelli discussed the groundbreaking benchmarking work, via Portfolio Manager (PM), United Illuminating has done. She suggested that Companies collect data pre-benchmarking to post-benchmarking, whereas now the focus is on pre-benchmarking. United Illuminating conducted a survey engaging PM participants with inquiries around using the platform, remaining opportunities, etc. Ms. Borrelli sees value in expanding data collection and engaging with participants for future program targets and scope.

Mr. George Lawrence agreed the survey is a good idea and offered assistance from Consultants. Ms. Borrelli added further considerations for a survey: would you recommend to peer organizations? What type of projects would you pursue? And noted it would be beneficial to know how customers are utilizing the data. Mr. George Lawrence indicated PM is an EnergySTAR[®] product and asked if both Eversource and UI have automatic data upload abilities for the platform? Ms. Sheri Borrelli said UI has surpassed the functionality of this feature, noting that data is automatically transferred monthly for participants, and the Company's technical services support includes PM account setup to overcome barriers to entry for participants.

Mr. George Lawrence offered that for customers with data centers, metering can be a challenge if the data center is not sub metered. And asked whether UI has seen this or has any insight. Ms. Sheri Borrelli will get back to the group.

Mr. Mike Li asked whether the Companies have an idea how many customer accounts are active in PM? Ms. Borrelli stated that over 1,000 customers between Eversource and UI are on the platform. The Companies have been recognized by the EPA as a sustaining partner.

Mr. John Kibbee asked if it is possible to combine AMI meter data and benchmarking exercises? Specifically using benchmarking as springboard and AMI analytics as follow up. Ms. Borrelli responded that yes, there's an opportunity here. But qualified that there are considerations such as who would analyze the data and identify the opportunities? Ms. Borrelli indicated that there are existing tools on Company websites available but there is room for creativity. Mr. Brandon Mark reiterated that these two initiatives, benchmarking and AMI-driven analysis, can complement each other. Mr. Mark Welcomed collaboration between Companies.

Ms. Borrelli explained how UI has handled the PM process: The Company helps customers set up initial PM accounts, connects meters to transfer data, identifies opportunities and then targets customers based on benchmarking scores. The program has seen over 35 buildings certified within first couple years. Ms. Borrelli noted that benchmarking is a first-step that can help Companies engage more broadly with customers.

Mr. George Lawrence asked if the Compliance Order focused only on identifying savings or does it also include a verification step, - does it require impacts tied to benchmarking. Mr. Mike Li answered that he would kick this inquiry to the Evaluation Administrator and Committee to determine whether savings could be attributed to the benchmarking program. Mr. Li isn't sure whether DEEP is saying Companies need a direct connection between benchmarking and savings opportunities, but rather to encourage and drive participation in PM or other benchmarking efforts generally.

Ms. Donna Wells noted that the provision being discussed targets a specific building size. Ms. Wells asked how those buildings will be targeted and if the Companies have a proposal for achieving that? Mr. George Lawrence suggested consumption data as an avenue and Ms. Wells agreed.

Mr. John Kibbee suggested circling back 2-3 months from now.

4. Weatherization for C&I Customers – Companies

Mr. George Lawrence began conversation regarding C&I weatherization. Mr. Lawrence recognizes that some weatherization is happening by default within existing programs, but noted a deficiency exists wherein it's not routine. Mr. George Lawrence believes weatherization will be important in the next Three-Year Plan, - specifically how can weatherization become more routine on the C&I side. Mr. Lawrence opened up the floor to discuss barriers, needs.

Mr. John Kibbee, Eversource, introduced Ron Araujo and Kyle Svendsen as resources on the call. Mr. Kibbee noted this is an area with cross-over between Res and C&I. He stated that some C&I buildings that could benefit from weatherization are multifamily and certain types of commercial real estate. Mr. Kibbee mentioned ongoing pilots for weatherization of existing buildings that can inform. Kyle Svendsen added most homes have an opportunity for air sealing and insulation; we need to find those opportunities in the C&I space. Mr. Svendsen stated the Company is working on identifying what building types and what measures are feasible. Mr. Svendsen added that the group must consider lifetime savings given the higher upfront cost for some weatherization measures, like insulation. Mr. Ron Araujo stated one of the challenges of weatherization in commercial space is that it's based around heating: there are fewer heating degree hours in commercial spaces and commercial buildings are internally load-dominant. Mr. Araujo stated Eversource has been very active in the multifamily segment, particularly the common areas. The Company employs a comprehensive approach that considers any central systems and unit systems, which addresses the split-incentive. Mr. Araujo shared a demonstration project of an emerging technology, pinhole technology; which allows insulation installation from the interior, providing access to walls that aren't as accessible without. This application doesn't require occupants to vacate.

Mr. George Lawrence asked: because of heating and cooling loads in commercial spaces, how comparable is it to residential segment? Mr. Ron Araujo responded that the challenge was the hours of conditioning space were not as attractive as residential.

Mr. George Lawrence addressed insulation as a higher cost, longer payback measure, asking whether other measures within weatherization can offset it? If there are financing options? Mr. Svendsen reiterated that lifetime savings make projects more attractive and noted the Company has had better luck in municipal space because occupants remain in the building longer. Mr. Svendsen noted that financing options are available, as it's a hurdle for customers.

Mr. Peter Ludwig with Greenbank mentioned C-PACE as a great financing example. It's designed to alleviate the long payback and loan terms as it ties the payment to the building, passed along to the next owner (along with savings). Mr. George Lawrence asked what the terms look like for a C-PACE project. Mr. Ludwig offered the average term is 15 years and can

go out to 25 years. The C-PACE Program structures payment so the financing is cashflow positive, paying for itself within the lifetime of equipment.

Mr. George Lawrence added that the economics (of weatherization) will be impacted by delivered fuel, which will be a part of the next Three-Year Plan. Mr. Araujo noted the capacity to serve additional weatherization projects would be a challenge given the backlog, - there's a three-month waiting period. Mr. Araujo noted that if the expectation is to see a signification ramp up, the infrastructure must be considered as a limitation. Mr. George Lawrence agreed that workforce is a barrier. Mr. Lawrence noted that the sales process is different between Res and C&I markets and therefore workforce development will be an issue to consider. Mr. George Lawrence asked the group whether we have an idea how many contractors are available to do this work. Mr. John Kibbee stated that's easily quantifiable, but doesn't have the numbers currently.

Mr. George Lawrence asked if the Companies are working on identifying workforce barriers. Mr. Ron replied that yes, the workforce development issue has been brought to DEEP and has been discussed recently. Mr. George Lawrence asked if we anticipate the existing contractor base would expand or require a new crop? Mr. Araujo stated "a little bit of both". Mr. John Kibbee added that this is another benefit of the data exercise, using benchmarking and AMI data together to qualify buildings and identify candidates for weatherization. For instance, with a small dental space: is it a commercial or residential meter? What does the opportunity look like? Perhaps a hybrid. Mr. George Lawrence asked can we quantify how many of each building type is out there? Mr. Kibbee stated that can be done by the June meeting.

Ms. Elizabeth Murphy stated UI is on the same page.

Mr. George Lawrence asked whether there is a way to know how much weatherization is happening now in the commercial space? Mr. John Kibbee answered yes and added that this is a multi-solving effort in which many measures are connected. Mr. Kibbee thanked Mr. Araujo and Mr. Svendsen for joining and sharing input. The group concurred that a discovery of items covered during the discussion was the best next step and anticipate coming back to this topic in an upcoming meeting.

5. PMIs for the next Three-Year Plan – Consultants

Mr. George Lawrence presented a few slides to kickstart conversation for the next Three-Year Plan; how might existing priorities change, and what might be added in the future. Presentation included a summary of the existing PMIs and 2020 secondary PMI performance. The secondary metrics exist to promote expanded and other activities. A copy of the presentation, "5 – CI 2020 PMI Discussion_04-13-21", can be found in the materials folder.

Mr. Neil Beup (RE: Structure of CT PMIs) asked why the incentive earned by Companies doubles after achieving 100%. Mr. Beup suggested the targets need to be increased, so projects can't be backloaded to go beyond and believes this is something the Board should look into further. Glenn Reed suggested that the Consultants will be considering high level items like this and indicated that this is a Board-level discussion.

Mr. Neil Beup (RE: savings metrics) asked if we can see what the goals were and what the actuals were? Mr. Elizabeth Murphy stated that the Companies presented last month on goals and actual savings, and can share that. Mr. Beup stated that he believes attention should be focused on measures, rather than numbers as presented on the 2020 Secondary

Metrics.

Mr. Lawrence posited, in his presentation, if the Board/State priorities and goals will be supported by current PMIs and offered considerations for adjustment; whether new, additional PMIs are needed or adjustments made to comprehensiveness structure. Mr. Beup stated that he doesn't understand 5% increases in the comprehensiveness structure year after year, suggesting that the Board focus on components of the secondary metrics and prepare to discuss if these are appropriate and consider if there's anything beyond comprehensiveness. Mr. Beup suggested the Board think this through a bit and determine what its priorities ought to be. Ms. Alex Sopelak stated that the Consultants designing and/or serving customers have developed ownership of recording metrics and have identified some trends. Ms. Sopelak added that the Consultants have a great team in place to brainstorm opportunities beyond comprehensiveness, the next push. Ms. Sopelak indicated that comprehensiveness can continue to be a foundation, because Consultants have worked out ways to engage customers. Ms. Sopelak suggested this presentation as a starting point and offered Consultants could come up with some ideas to discuss. Mr. Beup agreed that would be easier for the Board.

Mr. Kibbee reiterate the need to focus on workforce development, citing lighting control opportunities as an example: 1.8% penetration, but there's likely 12,000-20,000 projects with only 12 companies capable of a full-on network lighting control system. Mr. Kibbee stated that given the significance of workforce development, it should continue to be a PMI. Mr. Beup agreed that workforce is a priority for the Board but questioned the extent to which it's weighed as a PMI given the external resources that collaborate on workforce development. Mr. Lawrence stated that including Contractors would be a good idea. The Committee agreed to return to this topic.

Conversation returned to the Structure of CT PMIs graph previously discussed during the presentation. Mr. Beup reiterated that the incentive structure doesn't make sense, in the sense that Companies earn 4.5% to get to 75% but nearly double the incentive for a disproportionate increase in performance. In other words, Mr. Beup stated, the current structure provides an incentive to backload and set suboptimal goals to get accelerated performance above the target and suggested the Board needs to either reset targets or adjust the PMI structure. Mr. Beup asked how often Companies achieve beyond the target and earned the higher incentive. Ms. Amanda Fargo-Johnson offered support for Mr. Beup and stated that the PMI structures should be driving progress, and if they aren't doing that perhaps the targets need a review. Ms. Fargo-Johnson suggested that PMIs aren't a given and should be for extreme performance and stretch goals. Mr. Lawrence shared a chart and graph indicating the historical achievement towards lifetime goal for overall program performance of Eversource and UI programs, from 2013-2019. This attachment can be found in the materials folder. Mr. Beup noted the data supports his assertion that the structure incentivizes Companies to stay at the 100%-135%. Mr. Beup reiterated that the incentive, which increases the PMI for performance beyond 100%, doesn't make sense to him and suggested it should be remedied as well as target setpoints. Mr. Lawrence agreed that appropriate goals should be set. Mr. Phil Mosenthal agreed, but stated that it's good to have an incentive to keep going so Companies aren't stalling programs early in the year because they will meet their goals. Mr. Beup asked if that's the Board's job, they are incentivized anyway and they know they can't shut down the program. Mr. Mosenthal offered that cutting off the incentive at 100% might not be the way to go. Mr. Beup stated that perhaps incentive is a misnomer and suggested that making the distinction between compensation and incentive would be useful. Mr. Beup observed that the Companies are consistently

overachieving and earning an enhanced incentive when they do so, which should be fixed in his view. Mr. Beup stated that this is something he will bring to the Board and Ms. Amanda Fargo-Johnson agreed that this is something to bring to the Board. Ms. Fargo-Johnson posited they should consider what structures surrounding states have by comparison. Mr. Mosenthal offered that other states have proportionate incentive to performance and suggested the percentage payout and rate of return are higher in other regions. Mr. Glenn Reed said the Consultants will get information together. Mr. Lawrence said he would correct the charts from the PMI discussion and add them to the materials folder. Mr. Reed will discuss the PMI structure at the EEB level. Mr. Glenn will facilitate discussion with Board in the meantime. Ms. Sopelak will solicit Contractor ideas.

6. Planning for May C&I Committee meeting

Gas Demand Reduction (Consultants – Mr. George Lawrence)

Mr. Lawrence shared this is something Rhode Island has been piloting and believes there's interest in Connecticut and Mr. Kibbee agreed.

C&I Metrics Performance (Companies)

Mr. Lawrence said they are looking for standard, premium, - different tiers. Mr. Kibbee stated this would be good timing.

HVAC Modernization Pilot – RTUs (Companies)

Mr. Lawrence asked if Companies will have data and Mr. Kibbee stated that they could present on this.

Recommendations for Three-Year Plan (Companies)

Mr. Lawrence stated they are looking for an overview. Mr. Lawrence also asked about an outline for C&I and Ms. Elizabeth Murphy said this would be available.

7. Adjourn

Meeting was adjourned without a motion.