



Energy Efficiency Board
February 9, 2021 | 1:00 – 3:30 pm

Documents for the meeting are located here:

<https://app.box.com/s/y7pikkwske7ist98jxls59opy20empd2>

Minutes

1. Process

A. Roll call of Board Members

Board members: Amy McLean, Neil Beup, Amanda Fargo-Johnson, Jack Traver, John Wright, Kate Donatelli, Kathy Fay, Melissa Kops, Ron Araujo, Steve Bruno, Anthony Kosior, Anne-Marie Knight, Joel Kopylec, John Viglione

Other attendees: Brian Sullivan, Emily Rice, Ghani Ramdani, Glenn Reed, Heather Deese, Jessica Bergman, Kenyetta Risser-Lovings, Paul Gray, Samantha Dynowski, Shubhada Kambli, William O'Connor, Amy Findlay, Ashley Marshall, Brandon Mark, Devan Willemsen, Diane Del Rosso, George Lawrence, Giulia Bambara, Glen Eigo, Jay Goodman, Larry Rush, Madison Donahue, Mark Thomson, Matt Macunas, Maxwell Burke-Scoll, Mike Weissmann, Nate Kinsey, Patrice Gillespie, Philip Mosenthal, Richard Faesy, Sara Doutney, Stacy Sherwood, Thomas Phillips, Violette Radomski

B. Minutes – Approve minutes from January 2022 Board Meeting

Mr. John Wright motioned to approve the January Minutes. Mr. John Viglione seconded the motion. There was no discussion or abstentions. Motion passed 12-0.

C. Introduction of new DEEP Office Directors

Ms. Kate Donatelli introduced Ms. Anne-Marie Knight, a newly appointed Board member representing a statewide business association. Ms. Knight is the Executive Director of the Black Business Alliance which represents small and minority business across the state.

Ms. Donatelli reminded the Board that DEEP recently brought on three new Office Directors for its Building and Transportation Decarbonization, Affordable Energy Housing Retrofits and Broadband departments. Ms. Donatelli noted that the first two positions will have an active role on Board matters. Ms. Shubhuda Kambli, Office

Director of Building and Transportation Decarbonization, introduced herself. Ms. Kambli has a background in Energy matters at local, state, federal levels. Most recently, Ms. Kambli was with the City of Hartford as Sustainability Director working on energy efficiency issues. Ms. Kenyetta Risser-Lovings is Office Director for Affordable Energy Housing Retrofits. Ms. Risser-Lovings comes from New York City and has a background in sustainability, real estate development, construction management. Ms. Risser-Lovings worked under a mayoral partnership that sought to increase residential solar uptake. Ms. Risser-Lovings structured green rehabilitation loans for multi-family affordable housing and mixed use properties under the City's Department of Housing and managed capital projects for city properties under the City's Department of Administrative Services. Both Ms. Risser-Lovings and Ms. Kambli expressed enthusiasm for their new roles and look forward to working with the Board and other stakeholders.

Mr. Neil Beup welcomed the new Directors and Ms. Knight.

D. Public Comments

Ms. Jessica Bergman is the Programs and Engagement Director of Chambers for Innovation and Clean Energy (CICE). CICE is a non-profit that works with Chambers of Commerce on a variety of clean energy issues. Ms. Bergman's background is in residential and commercial energy efficiency programs. In her work, Ms. Bergman has promoted HES and has designed and implemented other EE programs across the country. Ms. Bergman has been in the northeast for six years, promoting Massachusetts's Mass Save Program and working in Connecticut. Ms. Bergman attended the C&I Committee meeting yesterday and was concerned about some dialog. Ms. Bergman wants to make sure that there is a focus on ways to engage small and micro businesses beyond lighting. While not the largest energy consumers, small and micro businesses have a large impact. Ms. Bergman wants the Board to talk about how to better engage this hard-to-reach segment. Ms. Bergman added that she is excited that Ms. Knight is joining the Board and is looking forward to working with her.

Ms. Sam Dynowski stated that comments and a resource she provided were not captured in the January Minutes. Ms. Dynowski shared the [Trinity College Action Lab Report](#), produced in collaboration with Sierra Club, about energy burden in the upper Albany neighborhood in Hartford. Ms. Dynowski says the personal stories and photographs humanizing energy burden and how it impacts the lives of residents is compelling. Ms. Dynowski added that the EEB can be guided by some of the perspectives coming from this community. Mr. Neil Beup stated that significance of the report and thought they did a nice job.

Ms. Emily Rice, Executive Secretary, corrected that Ms. Dynowski's comments and the link she provided in January can be found in the D. Public Comments section of the January Minutes. [Please note that there are two public comment sections during the meeting, in the beginning and at the end. Comments shared during either session will be recorded in the section they were delivered during the meeting.]

2. Programs and Planning

A. 2021 Year-End Results – Companies

Mr. Stephen Bruno provided a high-level presentation for both Companies that includes a combined summary of year-end results, spending and savings summary, active demand response summary, and other metrics. A copy can be found in the [materials folder](#).

The 2021 Budget was \$250.8 million, the 2021 Revenue was \$271.5 million, and the 2021 Spending was \$264.3 million. The estimated return to customers from over collections (\$7.2 million) and carry under to 2022 budget (\$3.4 million) is \$10.8 million. Mr. Bruno shared a spending and savings summary that includes a breakout of spending, annual savings, lifetime savings and passive EE MW savings for each Company.

Some highlights include 2021 combined electric savings of 273.4 million kWh which was 122% of goal and combined natural gas savings of 5.9 million ccf which was 105% of goal. In terms of spending, Eversource C&I electric and gas spending was 82% and 59% of goal, respectively but was compensated by United Illuminating, CNG, and SCG. Overall program spending was 105% of goal. Mr. Bruno noted that there was a higher amount of spending on the residential side, much due to carryover projects.

The Companies achieved 1.9 million MMBtu savings, exceeding the goal of 1.6 million MMBtu. Mr. Bruno shared the breakout by program in his presentation. Companies also achieved 80 MW savings from Active Demand Response (119% of goal); 22.5 percent of savings were from the residential sector and 77.5% from C&I sector. On the residential side that was owed to battery storage, EVs, and predominantly programmable thermostats. On the commercial side, a majority of savings can be attributed to load curtailment.

Mr. Bruno shared the Performance Incentive Summary, including the weighting and payouts broken out by sector, as well as secondary metrics and evaluation metric payouts by Company. \$13.5 million payout overall for evaluation metric and \$2.1 million payout overall for secondary metrics. For C&I benefit and net benefit, the overall payout was \$7.3 million and for residential benefit and net benefit, the overall payout was \$4 million. Total, this accounts for 5.4% payout.

Mr. Bruno shared other metrics for each sector in tables; green indicates PMI goal was achieved while the yellow indicates below 100% of target. Companies met residential HES MMBtu and percent insulation rebate PMI goals, but fell short of HES-IE and equitable distribution PMI goals. On the commercial side, equitable distribution in retail

PMI goal was met, while evaluation, CEE/SEM were below target. More details can be found in the presentation.

B. 2022-2024 C&LM Plan Update (March 1 refiling) –Companies and Consultants

Mr. Stephen Bruno shared a presentation on behalf of the Companies. The Companies filed the 2022-2024 Plan November 1, 2021. DEEP approved the budgets in December and programs are active. A true-up of spending and carryover is done, and reflected in the March 1 filing. Mr. Bruno provided an overview of the text, revenue, budget, and savings updates. A copy of the presentation can be found in the [materials folder](#).

In the test, financial tables will be updated throughout the Plan text in the Executive Summary, Sections 1-4, and Appendix E. Mr. Bruno noted that every \$1 invested in EE results in \$2.40 in lifetime benefits. The new budgets have a 6% increase on the electric side, totaling approximately \$200 million, and a 17% decrease on the natural gas side, totaling approximately \$45 million. Eversource had a higher amount of RGGI revenue than anticipated in 2021 and that is reflected in the 2022 budget forecast.

Budget changes for the March 1 filing can be attributed to increased HES and Active Demand Response offerings, increased workforce development training and engagement and education for ENERGY STAR® Portfolio Manager Certification on the electric side. Residential budget is \$101.9 million and C&I \$97.7 million. The only change to highlight, Mr. Bruno remarked, on the residential budget is a flipflop between HVAC/water heating and HES due to the RGGI funding. The biggest reduction on the natural gas side was from Energy Opportunities.

Mr. Ghani Ramdani provided an overview of the changes between 2022 savings projections in the November filing and the March filing. Electric savings for annual and lifetime MWh increases by about 4% due to increased budgets. Natural gas annual ccf and lifetime ccf decreases by 28% and 26%, respectively, and combined annual MMBtu and lifetime MMBtu decreases by 8% all due to decreased budgets. Due to increased budgets, Passive kW savings increases by 4% and Active kW savings increase by 9%.

Mr. Bruno noted that the Companies will file on March 1. The Companies will be coordinating with Consultants to get these numbers updated and make any necessary modifications. Mr. Glenn Reed noted that the Consultants have reviewed changes and have been working with the Companies. Mr. Reed indicated that the Consultants are comfortable with what has been presented.

Ms. Kathy Fay asked if there was a reason that the HVAC and water heating metrics were not broken out by HES and HES-IE in the 2022 Residential budget. Mr. Bruno explained that a lot of HVAC and water heater equipment come through upstream and

mid-stream programs, which is a different process. Mr. Bruno said these have not been broken out, but could in theory track them back to which program they were a part of. Generally speaking, Mr. Bruno added, the HVAC and water heating equipment are primarily HES customers, and the HES-IE are by themselves. Mr. Ron Araujo added that any HVAC upgrades done as income-eligible are included in that part of the budget.

Ms. Melissa Kops asked for clarification on how the savings were calculated; are they site or source, and are they calculated or projected? Mr. Ramdani indicated the savings are site savings and the savings calculations come from the Program Savings Documents (PSD), which is a technical reference manual that dictates savings calculations and assumptions. Ms. Kops referred to the lifetime savings return on each dollar invested, asking how the quantified benefits are calculated. Mr. Ramdani said the benefits are quantified in an original study that is updated annually, the Voted Energy Supply Costs Study. Mr. Ramdani noted that 90-95% of the benefits shown come from this. Ms. Kops asked if the benefits include health. Mr. Ramdani said some health benefits are quantified and labeled non-energy benefits for certain programs. The PSD includes an appendix for reference. For low-income, Mr. Ramdani added, the Companies do include some of those impacts in the benefits. Ms. Kops said she would love to see the Voted Energy Supply Cost Study document.

Ms. Kops noted that the HES-IE program didn't meet its goal and asked if there was anything happening to prevent that in the future? Or whether there was any accountability for the fact that goal was lagging? Mr. Bruno said that he believes the slide Ms. Kops was referring to was a secondary metric. Mr. Bruno said the core program met its goal, but the proration causes the secondary metrics to overstate the target. Ms. Kops said that the Companies shared that extra money would be returned to rate payers, and asked how that is returned. Mr. Bruno noted that the funds are distributed back as overall pool of funds through the Camp charge, the system benefits charge, and is split across customers based on usage. Mr. Bruno added that it's a billing reduction.

Ms. Kops asked if it's possible the budget will increase for a particular program to compensate for a shortfall in spending the previous year. Mr. Bruno said the Companies typically work in consultation with the Consultants and added that the general practice has been to spread budget changes and parity. Ms. Kops clarified that she wants to make sure that the amount of money certain classes put into the program are not disproportionately affected. Mr. Neil Beup added that one of the Board's guiding principles is to strive for parity based on contributions of a given sector, adding that it doesn't always work out that way. Mr. Beup said that the GSI is over-indexed compared to what they spend, for example. Mr. Beup said that the Board will talk about this more as it gets into orientation on the programs, which will include what's driven the Boards thinking on that in the past. Mr. Beup said that it is tracked closely and reviewed often.

Mr. Bruno further clarified that the secondary performance metric, which is based on how much savings per home, was increased based on the fact that the Companies spend more on those programs. That increase made it difficult to hit the PMI target, but those programs across Companies were more than fully expended in 2021.

Mr. Glenn Reed shared that the Consultant team is working on including details like this in the onboarding process to help new Board members. Mr. Reed added that the new members will have an opportunity to dive deeper into some of these specific issues with the Consultants.

Ms. Kathy Fay asked the Consultants if there have been studies around budget and program changes, distribution and re-distribution of funds, over the years? Mr. Reed noted that there are components that address parity from the electric perspective, and what is referred to as over- or under-indexing from the gas perspective, but they haven't necessarily gone back to review actual spending as to budget. Mr. Reed offered to discuss further offline. Mr. Bruno noted that an [Energy Efficiency dashboard](#) is available to review spending, revenues, and revenue sources over time and by sector.

C. Demand Response Focus Area – Companies and Consultants

Mr. Neil Beup shared that the Board started undertaking “Deep Dives” on focus areas at monthly meetings that help inform the Board. Many topics have been covered and the list is evolving and can adapt to the Board’s needs.

Mr. Paul Gray with Illuminated Lighting and Bill O’Connor with Eversource provided a presentation that can be found in [materials folder](#). The presentation covered the importance of demand response, 2021 offerings, results, and pilots, marketing and strategic growth, 2022 strategies, and grid modernization.

EE has done a great job reducing demand on the ISO-NE system over the past 10 years, but regional summer peaks driven by cooling loads account for 25% of total load but only 5% of hours per year. To meet that demand ISO-NE uses inefficient fossil-fuel generation to meet that demand. Demand Response programs help reduce peak demand and provide financial and environmental benefits to customers. Can also help improve grid reliability and support decarbonization and carbon neutrality.

There are two types of demand response: passive and active. Passive demand includes EE measures and behind-the-meter generation (solar). Active demand is dispatched by the utility or a third-party curtailment service provider. Active demand is deployed in two ways: manual active DR (ADR) where the ratepayer manually sheds load and automatic ADR, where a pre-programmed strategy is deployed via a signal to a customer’s energy or building management system or a power line communication.

An example is a thermostat, which can be adjusted when an event occurs. Customers can opt out of events, and may be paid an incentive to sign up and for each event. There are varying payment structures. Mr. O'Connor shared an overview of DR results from 2021. Companies saved 80MW from active demand response programs; most of which can be attributed to smart thermostats on the residential side and load curtailment on the C&I side.

Eversource has a few programs: thermostats, residential batteries, residential electric vehicle chargers, C&I targeted curtailment, and C&I battery storage. More details can be found in the presentation, including incentive approach, enrollment, savings, etc. Mr. O'Connor shared a chart mapping when Eversource events occurred during 2021. There were five targeted events over the summer and Mr. O'Connor showed when events occurred, what the peak was, and what program was used (EV battery, thermostat, etc.).

Mr. Gray shared a slide overview of the programs Avangrid offers: residential thermostats, residential marketplace thermostats, small business thermostats, and C&I auto demand response. Mr. Gray's slide includes savings, enrollment, incentive structure, and number of events called for each program. Avangrid's ADR events resulted in 3.6MW reductions (72% of goal).

Mr. Gray discussed Avangrid pilots which include heat pump water heaters, multifamily thermostats, residential gas demand response, and C&I gas demand response. There have been connectivity issues and the heat pump water heaters don't get reconnected; unlike thermostats where a customer notices right way. Additionally, there has been some pushback from water heater vendors as Avangrid explores ways to achieve savings. Mr. Gray also noted that equipment efficiencies minimize savings opportunities. Avangrid is in the process of a few multi-family thermostat applications. Gas demand response focuses on the heating season and reducing heating peaks with thermostats. More details on these programs (incentives, event descriptions, etc.) can be found in Mr. Gray's slide.

Mr. O'Connor indicated that Eversource is attempting to cross-promote ADR with EE programs and use existing market channels. For residential, this includes smart thermostats and including information in the HES booklet. On the C&I side, this includes engaging sales staff. In terms of strategic growth, Mr. O'Connor shared that Eversource is developing new control mechanisms and adding a new window AC and heat pump program. Other programs under construction include pool pumps, water heaters, and natural gas.

Mr. Gray shared some of Avangrid's plans for strategic growth. Mr. Gray noted that Avangrid will leverage Honeywell's marketing and sales force and possibly include

demand response aggregators. Point-of-purchase marketing information, multifamily initiative, and expanding eligible thermostats are strategies for residential BYOT. A marketing effort to target small business and increased marketplace awareness and promotions for thermostats are further strategies. Additional strategies for companies to explore include grid interactive water heaters, peak time rebates, time-of-use rates, C&I grid interactive building efforts, broader distributed energy resources approach, and continued growth of smart Wi-Fi enabled equipment.

Mr. O'Connor stated that Avangrid and Eversource must coordinate current ADR offerings with PURA Grid Modernization Dockets. The Energy Storage Program (RE-03) launched Jan 1, 2022 that requires Companies integrate current battery storage offerings with the State's new program. Some potential changes include upfront incentives, special financing, or ongoing incentives. The Electric Vehicle Charging Program (RE-04) also launched Jan 1, 2022, requires Companies to integrate current electric vehicle offerings with the State's new program. The goal is to enable zero-emission vehicle deployment at scale to meet the State's EV policy goals and emission reduction targets. Potential changes include upfront and ongoing incentives.

The 2022 Active Demand Response budget is \$9.7 million (March 1 Filing); 53% for C&I and 43% for Residential.

Ms. Melissa Kops asked if there was consideration for customers installing solar panels that are oriented to optimize grid impact. Mr. O'Connor said that their payment is based on their average kW curtailment over the course of events, so if those customers were able to charge bigger batteries and supply more, that would lead to better performance within the program.

D. Board discussion of Annual Legislative Report – Companies and Board

Mr. Stephen Bruno shared that the latest version of the 2021 ALR has been posted to the [materials folder](#). The Companies will take comments until February 14 for edits and then it goes to the printer February 16. Ms. Emily Rice noted that Board members could request a hard copy. Ms. Rice will send an email allowing members to indicate whether they would like one and what information is needed. A digital copy will automatically be sent to the Board and legislature.

Ms. Amy McLean asked for more information on the distribution. The Hartford Public Library, DEEP, and legislative offices will receive hard copies. The goal is to deliver by March 1.

E. Comprehensive Energy Strategy Scoping meeting on February 17 – DEEP

Ms. Donatelli shared that DEEP recently launched a scoping process for the

Comprehensive Energy Strategy. The Comprehensive Energy Strategy (CES), is a document that looks at the state's future energy needs and identifies opportunities to achieve a number of objectives including reducing costs for repairs, insured energy reliability, and mitigate environmental and public health impacts. DEEP updates the CES regularly, the last update was in 2018.

DEEP launched the 2022 proceeding in January. This proceeding starts with a scoping process, that includes a couple of opportunities for public participation: a webinar to discuss CES scope and hear public input on February 17 at 9AM. Also public written comments can be submitted through March 3 by 4PM. The Notice can be found [here](#), and it includes more information on the process and how to get involved.

Mr. John Wright asked when this might be completed. Ms. Donatelli said that she couldn't provide more details on the timeframe but encouraged participation in the public meetings as they would be a better source for that information.

Mr. Neil Beup shared that the EEB's roles is a part of the broader CES and unless there is a specific request as a Board, it doesn't engage. But Mr. Beup did encourage stakeholders to provide comments and engage on the development.

F. DEI Consultant and Weatherization Program Operator RFP Updates – DEEP

Proposals for a Program Operator were due January 4 and the selection process is underway. OPM rules prevent DEEP from disclosing much information about the RFP process, but it will share updates when able.

A second RFP that is currently ongoing for a Diversity, Equity, and Inclusion Consultant came out of the Equitable Energy Efficiency Proceeding. The Board's Consultant Committee is currently reviewing proposals and will update the Board soon. Ms. Amanda Fargo-Johnson, who heads the Committee, added that it is in the process of interviewing and will put forth a recommendation to the Board for consideration once that process is complete.

3. Closing Public Comments

There were no public comments at this time.

4. Adjourn

Mr. Jack Traver motioned to adjourn. Mr. John Wright seconded the motion. There was no discussion, the motion passed 12-0 and the meeting was adjourned.

Mr. Beup added a final welcome to the new Board members and DEEP staff. Ms. Amanda

Fargo-Johnson asked for a list of Board members, including who is representing what. Mr. Beup said this could be done.