



**Energy Efficiency Board
Monthly Meeting**

Wednesday, December 11, 2013, 1:00 – 3:30 PM

Department of Energy and Environmental Protection – Public Utilities Regulatory Authority
10 Franklin Square, New Britain, Connecticut

MINUTES¹

EEB Voting Members in Attendance: Jamie Howland (Chair), Eric Brown, Katie Dykes, Diane Duva (BETP Designee), Joel Gordes, Elin Katz, Taren O'Connor (OCC Designee), Amy Thompson, Michael Wertheimer

Utility Representatives: Ron Araujo, Michael Cassella (phone), Joe Crocco, Pat McDonnell

Not in Attendance: Shirley Bergert, Neil Beup, Amanda Fargo-Johnson, Dale Williams

Other Attendees: Tim Cole, Glenn Reed, Jeff Schlegel, Les Tumidaj [Consultants]; Pam Penna, Tilak Subrahmanian [Utilities]; Sharron Emmons [Wallingford Electric Division], Ricky Gratz [Opower]

The officially noticed regular monthly meeting of the Energy Efficiency Board began at 1:10 pm with Chairman Jamie Howland presiding.

1. Process

- A. Agenda – The agenda was reviewed and approved as presented without changes.
- B. Minutes – The minutes of the November 13, 2013 board meeting were approved with all in favor on a motion by Amy Thompson seconded by Michael Wertheimer.²
- C. Public Comments – Written comments from Sabrina Szeto of the Housing Development Fund were received and entered into the record.³
- D. Consultant Committee –
 - Mr. Howland reported that DEEP had asked for time to review the consultant workplans for 2014. Action on the workplans will therefore be on the agenda for the January 2014 meeting.
 - Katie Dykes suggested it would be helpful to have the committees review the workplans for the consultants assigned to them. Jeff Schlegel cautioned that the consultants work for the board and not for the committees and asking for formal committee review could complicate the workplan approval process.

¹ Meeting Materials Available in Box.net Folder <https://app.box.com/s/6gi71h9ner7n4md907tc>

² 131113_EEB_Meeting_Minutes_F

³ 131210_sszeto_public_input_comments

- In response to a question from Mr. Wertheimer about the process for reviewing invoices, Mr. Howland stated that there is a protocol in place. Invoices are submitted through the Executive Secretary to the Consultant Committee for approval, after which they are forwarded to the companies for payment. Ms. Thompson requested that the consultants provide reports on work done in the previous year when they submit their workplans. Mr. Howland concurred and asked the consultants to provide these reports by January 5, 2014.
- Ron Araujo inquired about the 2013 reference numbers used in the summary of the workplans.⁴ Mr. Schlegel responded that there are inconsistent numbers in the budget tables versus the program descriptions in the Final Decision, and they are therefore using the most consistent numbers in the budget as reference for the workplans. Diane Duva informed the board that DEEP is working on reconciling the numbers. The workplans presented in January will be only for the first quarter to allow time to reconcile the budget tables with the program descriptions. She noted that DEEP has only authorized funding for first quarter. Ms. Dykes commented that the department would be grateful for feedback from members about any concerns, also about matters concerning committees they are not members of. Mr. Howland noted that the consultants and companies are working on clarifications required by directives in the decision and that the committees are being encouraged to raise issues they uncover.

E. Board Operations Committee –

- Regarding proposed revisions to the by-laws,⁵ Taren O'Connor stated that OCC would prefer to hold off until questions about the section on voting can be addressed. Mr. Howland noted that DEEP has made a request to the legislature's Energy and Technology Committee to clarify what the legislative intent was. That said, he indicated he would prefer to see a vote now on the rest of the revisions, excepting that one, since they had already been reviewed by the Committee twice. Ms. O'Connor indicated she was willing to proceed, with the understanding that amendments may be made later. Mr. Howland emphasized that the vote now before the board concerns only the board's own bylaws and does not include the Evaluation Roadmap. Ms. Thompson moved that the board accept proposed revisions to sections 1 and 2, with the understanding that there will be a future vote on section 4.c pending clarification. Seconded by Ms. O'Connor, the resolution passed with all voting in favor.
- Regarding the draft Request for Proposals for an Executive Administrator included in the meeting materials,⁶ Mr. Howland indicated that the Committee is looking to members for feedback, with the expectation that the RFP will be voted on at the January meeting. Eric Brown inquired how this concept would affect the current consulting roles, since some of the duties described in the RFP are currently taken care of by consultants. Mr. Howland noted that there has been discussion about

⁴ EEBConsultantWorkplans-Jan-Dec2014_120613d

⁵ Rules-Roadmap 7-13 update w-committee revisions from 9-13

⁶ Consultant RFP - Executive Director committee 9-4-13

the impact on the budget for consultants. Ms. O'Connor asked that changes in the RFP from contained in the Office of the Attorney General's review be circulated. Mr. Howland agreed to see that this be done. Mr. Schlegel stated that his firm would not be bidding on this role, although some functions he now carries out would be transferred to the Executive Administrator. Mr. Gordes expressed concern about the "Executive Administrator" title and what kinds of responses it will elicit from prospective bidders. He indicated his preference that it be called "Executive Director." Mr. Wertheimer indicated that there is an issue arising from the fact that there are state agencies set up under statute that have Executive Directors. The board is not such an agency and it is important not to confuse terms. Ms. Duva also expressed concern that an Executive Director would be expected to play a larger role and the board itself less. In response to a question from Mr. Brown about how compensation would be handled, Mr. Howland indicated that this will be a consultant paid for by the Energy Efficiency Fund through the companies. He noted that the proposed allocation is for \$150-160,000, depending on responses to the RFP. Ms. Dykes suggested that the Consultant Committee review the RFP together with the workplans. Mr. Howland agreed, with the understanding that as an RFP the outcome may be subject to change.

F. 2014 Calendar Update –

- Tim Cole directed the board's attention to the latest version of the 2014 Calendar, highlighting the facts that the January 29 meeting will be hosted by the Meriden Housing Authority and that the Marketing Committee's January meeting will be held on the 15th.⁷

G. Requests for Funding –

- Mr. Howland noted that he regularly receives letters containing requests for funding. He noted that two types of requests come in We are not a board that makes decisions about money. Two types of requests are made: 1) Funding for projects, which should be referred to the program administrators at the companies; and 2) Incentives for marketing products or participation in events or programs. He expressed the desire that the board again clarify that funding requests go to the companies, with the understanding that if the parties making the request are not satisfied with the outcome, they can come back to board for review. Mr. Gordes noted that traditionally the board had one boilerplate letter which was used in response to such requests. Ms. Thompson suggested that requests be forwarded to the subcommittees when appropriate. Mr. Cole agreed to look up the letter referenced by Mr. Gordes and to develop a draft for review.

2. Program Update/Highlights

A. Outreach and Education Programs –

⁷ 2014 Calendar - 131208

- Representing CL&P and UI, Rebecca Meyer and Jocelyn Anastasiou offered a presentation on the programs now underway.⁸ In particular they highlighted the following programs:
 - *eesmarts* – The companies have been working with CREC on professional development for teachers, including a summer training institute, and using feedback from participating teachers to improve the program from year to year. The emphasis is on achieving high impact contact with students, teachers, and parents. An Energy Savings Challenge pilot program is now starting up with a focus on encouraging behavior change.
 - Solar Curriculum – The companies are reaching out to communities around the state to convey the message solarization is a local option.
 - 2013 Student Contest – Program administrators are now working with the high school level award winners to implement their ideas in Trumbull and West Haven
 - e-House vocational-technical high school project is continuing to roll out. 5 have already opened and 5 more are planned for 2014. The next opening will be at Abbott Tech in Danbury. Painter Tech in Waterbury is expected to open soon after. The e-House in Norwich will include geothermal as a special feature.
 - CT Clean Trades – Program administrators are working together with CBIA on this initiative to keep people employed in the trades.
 - They are continuing to work closely with the Green Leaf Schools and Clean Energy Communities programs, as well as enhancing the relationship with the Connecticut Science Center in Hartford.
- Ms. Dykes conveyed DEEP’s desire to see metrics used to track the impact of the different investments made here. It should be possible to show direct savings outcomes for these efforts that go beyond participating in the HES program, pursuing deeper measures for instance. Taking the Smart Living Center as an example, might it be possible to track people who attend programs there and then decide to invest in deeper measures. She inquired whether the SLC is being used to train professionals in lighting and other fields of interest. Ms. Anastasiou indicated that resources are earmarked for this when the SLC reopens at its planned new location.
- Smart Living Center Lease Proposal – Pat McDonnell directed the board’s attention to the lease proposal included in the meeting materials.⁹ He noted that the budget for the Center was approved in the Final Decision. The matter is now back before the board because the terms of the proposed lease are for 10 years, with a one-year opt-out at year 5. He recommended the board approved the lease, noting that the rental cost is less than the current location, there is more space, and it is more accessible and close to large retailers in the home improvement industry. The plan now is to close the current location in June and to

⁸ EEB Education Update (12.11.13 JA & RAM)

⁹ SmartLiving Center Lease Terms

open the new location in fall. He will come back to the board with design and layout details after the lease has been approved. The same design company will handle the rotating exhibits, which will ensure cost saving and continuity. Ms. Dykes noted that the C&LM Plan goes through 2015, while the lease goes further. Mr. McDonnell pointed out that this has been the practice in the past, when Plans were subject to annual DPUC approval. The companies would come to the board for review and approval of longer term commitments. Ms. Dykes observed that if the SLC is not working out in 2015 when the next Plan is due, there may be costs to get out to be factored in. Ms. Thompson moved approval of the lease terms presented. Mr. Gordes seconded the motion, which was approved with all in favor.

- ACEEE State Scorecard, Summary of Connecticut Performance – Mr. Schlegel directed the board’s attention to his handouts.¹⁰ He highlighted a number of points:
 - He noted that Connecticut is moving ahead in a context where many states are moving forward. ACEEE looks at actual resources being committed and invested, not merely statements of goals and intentions. As a result, the bar is raising each year due to performance and also due to changes in relative criteria. The leaders raise the bar.
 - Connecticut now has a plan that should keep us in the top 5. The rankings each year have a built in lag due to the fact performance following only after plan. Therefore, we won’t see real results until the third year of our plan.
 - Gaps get harder got close as you get nearer and nearer to the top.
 - Responding to a question from Elin Katz about the quality of the data relied on by ACEEE, Mr. Schlegel confirmed that ACEEE does rely on state-reported net savings, recognizing that the states evaluate somewhat differently. There are some issues about the availability of some data. He has recommended to the ACEEE to use the most recent data that each state has, which should help overcome the lag in reporting relative to plan. He noted that ACEEE likes to look at volumes – volumes of savings, volumes of spending, etc. He would like to see them look also at the efficacy of programs.
 - Following up on Ms. Katz, Mr. Wertheimer expressed concern that such rankings not drive policy, underscoring the view that decisions should be made on the basis of what is best for Connecticut ratepayers

3. Programs and Planning

A. 2013 Progress Reports – Companies

- Financial Update – Referring to the handouts for CL&P and Yankee Gas in the packets, Mr. Araujo reported that as of the end of November programs at both companies and tracking will and right on budget.¹¹ Mr. McDonnell reported for UI that the programs are tracking a little ahead of the 15% estimate the company has

¹⁰ CTEERankings_ACEEEscorecardF_121113toEEB

¹¹ NU EEB November 2013 Projection; EEB Financial Summary November 2013

been marking against.¹² The Southern Connecticut Gas and Connecticut Natural Gas companies are also tracking well.

B. DEEP / PURA coordination

- 2013-2015 Multi-Year Plan
 - Next Steps in Implementing the Plan: Compliance Items, 2014 Plan Update – Mr. Schlegel noted that development of the Plan Update is now the main issue before board. The process calls for a look at where we've been so far and consideration in that light of how to go forward. He noted that the meeting materials include a timetable that outlines the steps to be taken between now and the end of February when the Update will be filed.¹³
 - Update on PURA proceedings – Mr. Araujo reported that CAM interrogatories have been issued in the CAM proceeding, with December 26 set as the due date for responses. Ms. Dykes inquired how the board would be able to approve comments within that deadline. Mr. Araujo suggested the board wait until after the hearing scheduled for the 16th to see whether board input is needed.
 - 2014-2015 Budgets – Referring to the spreadsheet included in the meeting materials, Mr. Araujo noted that adjustments have been made to align the budget tables with the Final Decision and to work within the framework of the PURA proceeding. The bottom line remains unchanged. Ms. Dykes asked when the tables might be filed with DEEP so they can be posted on the department's website and accessed by interested stakeholders. Mr. Araujo and Mr. McDonnell indicated that this could be done quickly. Mr. Schlegel noted that the tables reflect limited adjustments which are aligned with DEEP's budget and that the consultants recommend approval.
 - C&I Segmentation – Mr. Araujo and Mr. McDonnell reported that the companies have both assigned dedicated personnel to each customer segment to deal issues and opportunities arising from the segmentation analysis. Responding to a request from Mr. Howland, they agree to provide documentation of this work to the committee and the board. Mr. Schlegel commented that the board is eager to see the impact or effectiveness of segmentation. Mr. McDonnell cautioned that it is early in the process for such analysis. At present, the companies have drilled down to deeper levels within the segments and are focusing their efforts there. With respect to marketing and outreach, Mr. Brown inquired whether the companies see this work as being helpful in terms of understanding where Energy Efficiency Fund dollars are coming from and how they are being used. Mr. McDonnell indicated that at this stage this could be done roughly. Mr. Araujo mentioned that the companies have already gone through and segmented by in the broad categories of state / municipal / commercial and at that level such information could be provided.

¹² UI CLM EEB Chart 2013.11-EEB; SCG_CNG 2013 CLM.2013.11

¹³ EEB 2014 Milestone Schedule for 2013 - 2015 C&LM Plan Update

- HES Innovations Workshop Recap – Ms. Duva reported that roughly 65 people attended the workshop, about one third of them vendors, for the most part already engaged. The meeting showed high level of interest as well as a shared desire for a more focused approach. The department is looking at forming a working group to focus on market transformation for energy efficient homes tasked with thinking about a process to advance this objective. Ms. O’Connor inquired about the process, noting that it is important to get input, but then the question is how to take this input and blend it with Evaluation results. Ms. Duva indicated that she wants to identify a natural open forum to bring the evaluation results back to stakeholders. However, the present effort is outside the evaluation process and is rather driven by the need to decide how the state will implement the relevant laws and policies now in place. Mr. Brown commented that he was surprised by the lack of resistance and the high level of enthusiasm for transforming how energy efficiency is encouraged in the state. He noted a readiness to “get it done” and a willingness to help figure out how to do it.
- Update on Customer Engagement – Mr. Araujo reported that CL&P is moving forward with the project. They are now in the process of interviewing respondents to the RFP and expect to be able to announce a selection and launch the program early in 2014. Mr. McDonnell indicated that UIL is also moving ahead. They hope to be ready to go by the beginning of the year. Mr. Schlegel asked the companies to bear in mind that the board wants to see them get to one system. The programs need to be as effective and non-duplicative as far as possible. Noting that the consultants have not been involved in the companies’ review process, he observed that they would not like to see outcomes from the companies’ respective processes that they could not recommend because they fail to take into account these priorities.
- Financing and Leveraging Ratepayer Funding – Mr. Schlegel indicated that the topic of priority financing needs would be deferred until the January meeting for consideration.
- Referring to the mandate to create on-bill financing options, Ms. Dykes noted that PA 13-298 sec.58 requires the EEB and CEFIA to create a residential on-bill financing program, third party capital for which will be managed by CEFIA. She noted that the department is looking for volunteers from the board to work with CEFIA on a proposal, which ultimately will need PURA approval. Mr. McDonnell noted that the companies expect to have an outline ready for CEFIA board and EEB approval by early spring. Ms. Dykes observed that the shutoff for non-payment issue is especially sensitive. She indicated that she would reach out to EEB member Shirley Bergert to discuss the topic. Ms. O’Connor and Mr. Wertheimer expressed interest in participating in the development of the program.

4. Committee Reports

- Commercial & Industrial – Les Tumidaj reported that the bulk of the previous day’s meeting was taken up with discussion of the self-direct program development. The Connecticut Industrial Energy Consumers were represented by James King, Esq. After a lengthy discussion of the concept and the overall purpose within the context of the Final Decision, it was agreed that the next step is for CIEC members to discuss with the companies what they really want to accomplish. After these discussions, the committee may come back to DEEP for clarification of what the department’s expectations are. Regarding the ongoing conversations with SolarCT about solar thermal opportunities, the committee agreed the option is eligible to be treated on a custom basis. The companies are prepared to proceed on this basis.
- Evaluation – Ms. Thompson reported that a number of new projects have recently been approved, which have been shared with the respective committees. The committee expects draft reports to be ready soon for the Ground Source Heat Pump, Energy Opportunities, and Small Business programs. A revised review draft of the Weatherization Baseline study is also expected soon, once the consultants have had time to review it if no further edits are needed.
- Residential – There was no report from the Residential Committee.
- Marketing – Mr. Schlegel urged members to look at the handout on the development of marketing metrics.¹⁴ Referring to the handout on the schedule and process for creating the 2014 Marketing Plan, he noted that the Marketing Plan will respond to concerns about how the \$3 million earmarked for marketing in the Final Decision is to be used.¹⁵

5. Other

- Mr. Howland requested that there be no blank paper pages separating sections in the meeting materials packets going forward.
- Mr. Araujo noted that CL&P had submitted a letter to DEEP about a low income housing loan program. Ms. Duva responded that she expected the department’s response would be sent out today.

6. Adjourn – With no further business to attend to, the Board adjourned its meeting at 3:40 pm.

Respectfully submitted,

Timothy Cole, Executive Secretary

¹⁴ EEBMarketingMetricDevelopmentUpdatetoEEB12082013Final

¹⁵ 2014MarketingPlanKeyActivitiesScheduleD