



**Energy Efficiency Board
Monthly Meeting**

Wednesday, March 12, 2014

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), Neil Beup, Eric Brown, Diane Duva, Amanda Fargo-Johnson, Joel Gordes, Taren O'Connor, Amy Thompson, Michael Wertheimer

Utility Representatives: Ron Araujo, Chris Ehlert, Pat McDonnell

Not in Attendance: Shirley Bergert [Proxy to Taren O'Connor], Michael Cassella, Dale Williams

Other Attendees: Tim Cole, Chris Kramer (phone), Glenn Reed, Jeff Schlegel, Les Tumidaj, Ellen Zuckerman (phone) [Consultants]; Sam Fankhauser, Christopher MacKinnon, Tyra Peluso, Pam Penna, Ellen Rosenthal, Marissa Westbrook [Utilities]; Kerry O'Neill, Brian Farnan, Bert Hunter [CEFIA]; Sharron Emmons [Wallingford Electric Division]; Bill Leahy, Lynn Stoddard [ISE]; Joe D'Avanzo, Al Winick [Discovery Museum]; Tom Franks [DNV KEMA]; William Dornbos [ENE]; Ricky Gratz, Kaitlyn Gregg [Opower]; Adam Brzozowski [OEEB], Michael Sherber [PPL Savage Alert]; Craig Diamond.

The officially noticed regular monthly meeting of the Energy Efficiency Board began at 1:05 pm with Chairman Jamie Howland presiding.

1. Process

- A. Agenda – Review – It was agreed to move the update from the Institute of Sustainability Energy up the agenda to become the first item of business after the Process section. Mr. Howland noted that a vote would be held to approve the selection of an Executive Secretary during the Consultant Committee report.
- B. Minutes – The minutes of the February 19, 2014 board meeting were approved as presented on a motion by Taren O'Connor seconded by Diane Duva with all voting in favor.²
- C. Public Comments – Michael Sherber from PPL Savage Alert, Inc. offered a presentation on the need for more support for combined heat and power (CHP) projects in Connecticut. He noted that the state is lagging behind Massachusetts in this respect for instance and made a request that there be an increase in the level of incentives available through the Energy Efficiency Fund. Pat McDonnell noted that Massachusetts

¹ Meeting Materials Available in Box.net Folder <https://app.box.com/s/ym0j8srblkptp0wqei3c>

² 140219 EEB Meeting Minutes F.pdf

has some different programs, while there are some statutory barriers in Connecticut. He agreed there might be opportunities to improve coordination between programs offered through DEEP and CEFIA and the EEF programs better. Projects could be treated holistically, incorporating CHP and energy efficiency measures together. Ron Araujo concurred that there are definite advantages to be achieved through combined approaches.

D. Consultant Committee –

- Mr. Howland advised the board that the Consultant Committee had decided to recommend Craig Diamond as the next Executive Secretary. Mr. Diamond's proposal and budget were included in the meeting packet.³ Eric Brown inquired whether the budget included in the packet was an already approved budget. Mr. Howland responded that the matter now before the board was to approve the recommended candidate. The Committee was awaiting a final decision from DEEP on the C&LM Plan Update before finalizing the workplans and budgets for all of the consultants. The Committee was therefore also recommending a one month extension of all the consultant workplans as shown in the 2014 table. Mr. Diamond's hours may also be changed when the workplans are presented for final approval. The present vote will include the rate included in Mr. Diamond's proposal. Amy Thompson moved approval of Mr. Diamond as the next Executive Secretary. Ms. Duva seconded the motion. Mr. Brown inquired how the rate of \$129 per hour was arrived at, indicating that he found it a high rate for the position. Joel Gordes commented that for this type of position the rate is highly competitive, given the fact that the board's workload is much higher than it used to be. Ms. Thompson noted that the rate should be viewed as fully loaded, insofar as Mr. Diamond is an independent contractor responsible for his own taxes, insurance, office costs, etc. Mr. Howland then called the motion. Mr. Brown voted against. The other voting members voted in favor. Ms. O'Connor voted Shirley Bergert's proxy in favor. Mr. Howland advised the companies that for invoicing purposes, Mr. Diamond should be viewed as starting effective this date and payments should be based on the proportionate share of the monthly rate for the remainder of the month. Mr. Araujo and Mr. McDonnell agreed to begin processing the necessary paperwork promptly to prepare purchase orders for Mr. Diamond.
- Mr. Howland asked for a vote to approve a one month extension of all consultant workplans per the 2014 schedule and including Mr. Diamond's prorated share of this month.⁴ Ms. O'Connor moved approval of this extension. Mr. Gordes seconded her motion. All members voted in favor.

E. Calendar update –

- Tim Cole advised the board that he is currently working on finalizing a venue for the May 14 Public Input Session in light of the fact the Phoenix Room at DEEP was no longer available as originally planned.

³ ExecSecProposal_CDiamond1.pdf; Exec Sec budget, CDiamond, revised 3-7-14.xlsx

⁴ EEBConsultantWorkplans-Jan-Dec2014_120613d.xls

2. ISE Report –

- Bill Leahy offered a 2013 End of Year report on the activities of the Institute for Sustainable Energy at Eastern Connecticut State University.⁵ He used the occasion to announce his retirement and the selection of Lynn Stoddard, formerly of DEEP, as his replacement. Ms. Duva thanked him for his many years of service as director of the Institute.

3. Program Update / Highlights

- RD&D Policy Working Group Update – Sam Fankhauser of CL&P offered an update on the recent activities of the Joint Utility Research, Development and Demonstration Policy Working Group.⁶

4. Programs and Planning

A. Financial and Dashboard Updates –2014 – February Update

- Mr. McDonnell advised the board that the Dashboard is now accessible from the Energize Connecticut website. Dashboard data is updated the 15th of each month.
- Regarding combined results through January, Mr. Araujo noted that actuals are running somewhat ahead of budget. With respect to lifetime savings, actuals are also slightly ahead of goals. Regarding the gas programs, he pointed out that while there is activity, it is not as robust as in the electric programs. The companies are now working on bringing more gas projects in for both the Residential and C&I programs.
- Mr. McDonnell indicated that the UIL programs are generally where expected in terms of performance. There is some lag on the revenue side, but it is expected that this will be made up by income from RGGI and Forward Capacity Market auctions. He noted that upstream promotions about to roll out on the C&I side. An HVAC distributor upstream rollout for gas distributors is planned.
- Mr. Brown asked the companies how they could best keep the board up to date on market segmentation work. Mr. Araujo responded that the best way is to demonstrate results. The companies are now actively using information gathered through market segmentation analyses in their work. Mr. Howland suggested that the C&I committee provide could provide an update on this.

B. Discovery Museum Program Update

- Al Winick, Museum Strategy Director, offered a presentation on the Discovery Museum's planned Energy Neighborhood installation. The emphasis will be on STEM education. The intent is to establish an interactive venue with neighborhood exhibits, where visitors can develop ideas and share them with others. Mr. McDonnell advised the board that UIL has been working with the Museum on this project and funds are already in the budget. Primarily at this stage they are looking for board endorsement and to determine whether there is any interest in

⁵ ISE 2013 Year End Report.ppt

⁶ 03-10-14 - Joint-Utility RD&D Program-EEB Pres.srf.VSR.tvs2

board involvement in the process. Mr. Araujo noted that this project is similar to what has been deployed at the Connecticut Science Center. Michael asked if they could provide a breakdown of the allocations. Mr. McDonnell responded that this is the first major reinvestment at the Discovery Museum since 2009. The Connecticut Science Center received \$345,000 last year. Mr. Gordes asked whether there is any plan to use the planetarium to lead people into the energy exhibits. Mr. Winick responded that this design is in place, with the starting focus on the sun as source of all energy. Mr. McDonnell noted that Rebecca Meyer at CL&P and Marissa Westbrook at UIL will work out a plan with benchmarks and deliverables. Mr. Howland asked the Museum to coordinate closely with the utilities' program administrators in terms of themes highlighted and the like and noted that the board should see the recommendations after they have been thoroughly worked out. Amanda Fargo-Johnson asked whether CEFIA is also involved with respect to including renewables in the project. Mr. Winick responded that all types of renewables will be included, both on-site as well as system generation. Mr. McDonnell confirmed that planners will also involve CEFIA in the project.

C. DEEP / PURA coordination

- On-Bill Repayment Program Development –
 - Kerry O'Neill from CEFIA led off the discussion of Phase I of the planned program, directing the board's attention to documents included in the meeting packet.⁷ She emphasized that planners are looking for feedback from the board and other stakeholders. She reported that the CEFIA board had approved Phase I at its March 7 meeting. The launch is now planned for January, rather than November as initially planned. Mr. Wertheimer asked about cost-recovery, inquiring what costs may be recovered and where they will be recovered from. Ms. O'Neill responded that the CEFIA board had approved funds to cover the master servicer's costs. Mr. Araujo noted that there will also be costs incurred due to required changes in the utilities' billing systems and application administration. Mr. McDonnell pointed out that the PA 13-298 legislation is not clear about recovery and a legislative fix may be necessary. In any case, costs should not be recovered from the Energy Efficiency Fund. Mr. Schlegel commented that costs that the EEF might be asked to cover need to be clarified. Such costs were not included in the Plan Update budgets. Ms. O'Connor asked CEFIA and the utilities and consultants to clarify what is required before the board considers looking for a legislative fix.
 - Noting that the recommendations had been developed with input from Ms. O'Connor and Ms. Bergert, financing consultant Chris Kramer offered a review of the document spelling out contingencies for EEB approval of Phase I.⁸ Mr.

⁷ CEFIA_EEB OBR Program Summary - Phase 1 Smart-E - 030514.docx;
CEFIA_EEB OBR Process DRAFT v10 030514.docx

⁸ Contingencies for EEB Approval of OBR Phase 1 Program.docx

Wertheimer moved approval of the Contingencies. Ms. O'Connor seconded the motion. She clarified that voting to approve means approving Phase I with the requirements detailed in the recommendations. Mr. Schlegel emphasized that the conditions must be fulfilled before final approval will be considered. This vote is about the program design. A separate vote on process issues will come later. All members voted in favor, including Ms. Bergert's proxy as voted by Ms. O'Connor.

- 2013-2015 Multi-Year Plan
 - Completed 2014 Plan Update – Mr. Schlegel confirmed that the Plan Update had been completed and filed on February 28, accompanied by the finished Marketing Plan.
 - DEEP Review of the Plan Update – Ms. Duva reported that the department is now actively reviewing the Update. She anticipated that approval would be granted albeit with requests for clarification of questions about the performance incentive section. Mr. Schlegel commented that many of the enhancements included in the Update are already underway, including the Marketing Plan.
 - Board Comments and Letter of Support on the Plan Update – Mr. Schlegel presented a preliminary draft of a brief set of comments or discussion.⁹ He noted that the issues raised here generally have to do with funding reallocations, the focus being on funds not needed for their original purposes being reallocated to pay for the enhancements proposed in the Update. Mr. Araujo and Mr. McDonnell noted that when possible the utilities follow this practice already. Mr. Schlegel responded that in his view this is not sufficient, hence the need for clarification. He expressed his concern that the pool of funds that can be made available in that way is still too small to support the enhancements.

Neil Beup suggested that this question should be discussed in more detail on the committee level. It was not yet clear to him what the priorities are that the companies are not already working on. He noted that Les Tumidaj is trying to move forward on priorities as expeditiously as possible. Mr. Schlegel emphasized the key words in the draft document are “support and accelerate” and gave as an example Strategic Energy Management, which is lagging behind where it was expected to be on the basis of previous plans.

Mr. Araujo expressed concern about how customer engagement is dealt with, which might lead to procedural hold ups. Mr. Schlegel responded that the proposed language should allow for this. In response to a question about time frame, Mr. Araujo stated that he plans to move forward with the customer engagement program soon, with something ready to present to the board in time for the April meeting. Mr. Howland concluded that an electronic vote might be scheduled later in the week once the draft comments had been finalized.

⁹ 140312_EEB_Comments_2014PlanUpdateD.docx

- Residential Energy Performance Roundtables – Ms. Duva directed the board’s attention to the PowerPoint presentation developed by Peter Mizejeski to frame the Roundtable discussion by laying out a pathway to market transformation.¹⁰ She noted that the pathway calls for roundtables on five topics: Awareness, Home Labeling, Work Standards, Rebate Structure, and Competition and Innovation. The next roundtable will be held in May, according to the plan.

5. Committee Reports

A. Commercial & Industrial

- Mr. Beup reported that the Committee is now asking for regular monthly updates from program administrators and is working on developing a more exact method of tracking and staying up to date. He further noted that the Committee plans to present a major update on the market segmentation work at the board’s annual retreat in June. The continuing objective is to move toward a stronger customer-centric focus through ongoing, continuous effort. The Committee is also considering the possibility of bringing in some customers to talk about projects undertaken in recent years. Finally, the Committee is still trying to determine market demand for financing in detailed terms and is working with the Evaluation Committee on the market assessment now underway, hoping to get pre-report data as soon as it is available. The data will be used to inform ongoing discussions with CEFIA about the C-PACE program.

B. Evaluation

- Regarding the Small Business Impact, Small Business Data Mining, and C&I Market Assessment studies, Ms. Thompson reported that data are now coming in after some delays and the projects will be moving forward. Regarding the HES Impact evaluation, she reported that the Whole House Billing Analysis data have been received and the Committee is committed to following the standard roadmap process, allowing 14 days for comments after the draft is published. It is expected that the final WHBA report will suffice to inform DEEP’s decision making about the future configuration of the HES program.

C. Residential

- Glenn Reed reported that the Committee had received presentations on the Residential New Construction and Zero Energy Challenge programs, along with a discussion of financing led by CEFIA and CHIF. It was decided to invite the Connecticut Housing Finance Authority to take regular part in the Committee’s meetings. The overriding goal is to coordinate financing processes to make them more customer friendly. He noted that reports indicated that there is evident increased traction on water heaters through upstream promotions and in LEDs among retail products.

D. Marketing

- Mr. Schlegel highlighted the completion of the Marketing Plan completion and the ongoing collaboration with joint Marketing Services Committee. He noted also

¹⁰ REP 3-12-14 the Vision.pptx

that development of a “Value Energy Efficiency” campaign is in the works and the Committee is continuing to focus on metrics to assess the value and effectiveness of marketing activities and strategies.

6. Other

- Ms. Fargo-Johnson directed the board’s attention to the Connecticut Farm Energy Program’s recently released best practices guide, copies of which were distributed to the members at the meeting.¹¹

7. Adjourn – With no further business to attend to, the meeting adjourned at 3:42 pm.

Respectfully submitted,

Timothy Cole, Executive Secretary

¹¹CFEP Connecticut Best Practices Guide_Dec 2013.pdf