Energy Efficiency Board Monthly Meeting

Wednesday, March 13, 2019, 1:00 – 3:30 PM
10 Franklin Square, New Britain, CT (Hearing Room 2)

MINUTES

In Attendance

Voting Board Members: Amanda Fargo-Johnson (Acting Chair), Diane Duva, Adrienne Houel, Neil Beup, Taren O’Connor, John Wright, Jack Traver (phone), Eric Brown (phone), Bruce McDermott (phone)
Utility Board Members: Will Riddle, Jane Lano, Chris Plecs, Ron Araujo
Board Members Not in Attendance: Justin Connell
Board Consultants: Jeff Schlegel, Glenn Reed, Craig Diamond, Ellen Zuckerman (phone)
Others: Steve Bruno, Michael Cassella, Leticia Colon, Guy West, Jeff Pollock, Anthony Clark, Eng Seng Ng, Amy McLean-Salls, Samantha Dynowski.

Process

Minutes
The Board considered whether to approve the minutes from the February 13, 2019 Board meeting. Mr. Beup moved to approve; Mr. Brown 2nd. All present voted to approve the minutes. February 13, 2019 minutes approved.

Public Comments
Samantha Dynowski, Connecticut chapter of the Sierra Club CT. She said that the Sierra Club supported including the Global Warming Solutions Act (GWSA) avoided cost of compliance in CT’s energy efficiency cost-effectiveness tests because doing so would: 1) lower the cost of energy efficiency; 2) better align CT’s cost-effectiveness testing with the National Standard Practice Manual; and 3) better align CT with other states. She said that the Sierra Club would provide written comments to the EEB. Leticia Colon commented on the heat pump pilot study. She said that it was important to assure that thermal boundaries are addressed, and that all customers will benefit from the pilot. She also noted a situation in which a low-income customer’s oil tank was removed, but the heat pump system did not work properly, and the customer was left without a heating system. She said that thermal boundary benefits should be considered as a non-energy impact in cost-effectiveness testing.

Meeting materials available in Box.com: https://app.box.com/s/kz880yd9icmxrvcxibsd9uaryzq89dog
Board leadership transition; Bill Dornbos new position and resignation from Board
It was noted that Bill Dornbos had left the Acadia Center and had thus resigned from the EEB. Ms. McLean-Salls said that the Acadia Center was interested in continuing to provide a representative to the EEB. Ms. Duva said that Katie Dykes, DEEP Commissioner, was intending to appoint Ms. McLean-Salls to the EEB, and would be issuing an appointment letter soon.

Board annual planning meeting and Public Input Session dates; revisions to EEB meeting calendar
Mr. Diamond provided recommended changes to the 2019 meeting schedule. He proposed a June 12 Board planning session and an invitation-only tour at a C&I customer’s facility; a May 8 public input session, and May 7 Residential Committee meeting. The Board was in general agreement with these proposed changes.

Programs and Planning

CT legislative update
Mr. Beup discussed a legislative bill being proposed by Connecticut Industrial Energy Consumers (CIEC) that would cap contributions to the C&LM Plan from certain large users that meet certain thresholds. He said the bill should not be viewed as a reduction to C&LM funding, nor as an effort to allow customers to opt out of C&LM funding. He said the goal was to promote economic growth and keep more companies in CT. Ms. Lano said that UIL had testified against the bill, but UIL supported the concept of incentivizing companies to stay in CT. Mr. Plecs said that Eversource also testified, and said that Eversource had concerns about the potential of the bill to reduce C&LM funding.

2019-2021 Plan, compliance filing and response to conditions of approval
Mr. Bruno provided a brief verbal overview of the filing. He noted that DEEP had provided responses to three Conditions, including on the heat pump pilot.

C&LM cost-effectiveness tests and avoided cost of compliance with GWSA
Mr. Schlegel provided a presentation. He suggested that the Board recommend to DEEP no additional participant impacts or non-energy benefits. He recommended that GWSA avoided cost of compliance be added to CT’s cost-effectiveness testing. The Board discussed that option. Mr. Plecs asked if the cost of the program would change; Mr. Schlegel said it would not, and he noted that it also would not change the budget or CAM collections. He said it would only affect cost-effectiveness tests and the total benefit of the C&LM Plan. Mr. Schlegel also noted that adding the GWSA avoided cost of compliance would communicate this benefit to legislators and policy-makers, and would allow programs close to the margin to be cost-effective. He said that according to the AESC avoided cost study, the GWSA avoided cost is a significant benefit – a 31% increase in C&LM total benefits (according to the marginal abatement cost). Ms. Duva said that DEEP probably would need Board input by early April, so the Board should consider a vote at its April meeting. Ms. O’Connor asked why the suggestion to include the GWSA avoided cost of compliance had not been made before now. Mr. Schlegel said there used to be some uncertainty about value of the benefit, but then other states starting using it, and that
allowed it to be more accurately calculated. He said it should have been included earlier, since it is a real benefit. Mr. Brown asked how these benefits and costs would be reported. Mr. Schlegel said they would be reported the same way other benefits are reported. Mr. Brown also asked how the benefit was quantified. Mr. Schlegel said the benefit was quantified based on forecasts, as is the case with most other avoided costs. Ms. Houel asked about how compliance costs were quantified. Mr. Schlegel asked for feedback from Board members on the consultants’ overall recommendations on cost-effectiveness testing. Ms. Lano asked about non-energy impacts (NEIs), and why the Consultants were not recommending any NEIs, noting the recent Evaluation Committee report on NEIs. Ms. Duva noted that the report was only a literature review. Ms. O’Connor asked if the Board had discussed/considered cost-effectiveness in the past. Mr. Schlegel said the Board commented on cost-effectiveness issues once previously.

Review of Customer Engagement Platforms (CEPs)
Mr. Schlegel provided a presentation on past efforts of the Board and Companies on the CEPs. Then Mr. Bruno provided an update presentation on Eversource’s CEP. He said that currently Eversource’s CEP was used by about 8% of customers. He said that their goal was a usage rate of 30%. Ms. O’Connor said she would like to know how much had been spent on the CEP since 2012, and had the CEP been effective. She asked if there has ever been a “red flag” on the CEP. Mr. Schlegel said Consultants had not identified a “red flag.” Mr. Pollock said 35% – 40% of Eversource customers are on e-bill, and that all e-bill customers now have access to the CEP. Mr. Beup said he agreed with Ms. O’Connor’s questions. Ms. Zuckerman provided a presentation on an analysis the Consultants had conducted on the CEP’s usability and performance. The primary findings were that Eversource’s CEPs were comprehensive and easy to use. There were six main areas of improvement recommended. Ms. Zuckerman discussed each of the six areas. Ms. Fargo-Johnson said she was disappointed at the number of recommended improvements (11 pages of recommendations). It was agreed that, as next steps, the Consultants would work with Eversource to identify CEP performance metrics. Ms. Zuckerman emphasized that the CEPs were good, and she did not want the drawbacks to detract from the overall message that the CEPs are good tools. Ms. Lano discussed UIL’s CEP. She noted that UIL’s customer service group had been the driver of their CEP. She said about 30% of customers were enrolled in e-bill. UIL has leveraged the e-bill platform for its CEP. She said that UIL has used C&LM funds for a few specific projects; e.g., home energy reports. She noted that their customer service department was part of C&LM spending. She said that UIL was out to bid on a new CEP vendor, and would announce the selected vendor around this August. Mr. Beup asked how much C&LM funding had been used for UIL’s CEP. Ms. Lano said C&LM funds had been used only for home energy reports (about $150,000) and Portfolio Manager. Ms. Fargo-Johnson asked why UIL was not using the same platform as Eversource. Ms. Lano said they already had their own vendor since 2007. She said they wanted to get all Avangrid companies on the same platform, so it is a corporate initiative and not C&LM only. Ms. Fargo-Johnson asked Ms. Lano to provide the exact amount of C&LM funds spent by UI on its CEP over the last several years. Mr. Beup said there were not enough quantitative objectives for the CEPs. The objectives should be more customer participation and more savings. He said he did not see evidence of this benefit. Mr. Schlegel said that the objectives of deeper and broader savings were not quantified for the
CEPs. Mr. Beup asked whether the CEPs should be abandoned or put on hold, if there are no participation and savings benefits. Ms. Fargo-Johnson said she was concerned about the lack of consistency across the Companies. Mr. Plecs said that he thinks that using technology for low cost customer interactions was promising and necessary, and he agreed that the CEPs could be more effective. He said that the Companies should continue with the CEPs, and make them better. Ms. Lano asked if the Board was comfortable with UIL continuing with their CEP. No Board member said they were not.

**Capital for Change funding request to EEB**
Mr. Schlegel said this issue would be addressed at the April Board meeting, because Capital for Change was not ready yet to provide all the information the Consultants had requested.

**Update on Inclusive Prosperity Capital (ISP)**
Mr. Schlegel said the Board had two concerns. One was matching funding from the C&LM Plan. The other issue was the funding from DEEP to ISP. He said these two issues would be addressed at the April Board meeting, and also at the Residential Financing meeting.

**Closing Public Comments**

Mr. Plecs announced that he would be leaving his C&LM role as of March 24. He said that Eversource would likely announce his replacement at the April Board meeting. Ms. Colon said that the Board should look at the Clean Energy Communities program as an alternative to the CEPs.

**The meeting adjourned at 3:30 pm.**