

Energy Efficiency Board Commercial & Industrial Committee Meeting

Tuesday June 7, 2022

1:00 - 3:30 PM

Meeting Materials in Box.com: https://app.box.com/s/wtzpdg1rkoudr36j6g12betgmn1j2x35

Meeting Recording

Minutes

Roll Call

<u>Board Members:</u> Neil Beup, Shubhuda Kambli (DEEP), Anthony Kosior, Anne-Marie Knight, Donald Mauritz, Hammad Chaudhry, Joel Kopylec, Walt Szymaski

<u>Board Consultants:</u> George Lawrence, Phil Mosenthal, Stacy Sherwood

<u>Other Attendees:</u> Alyssa Alves, John Blair, Jordan Schellens, Leah McGovern, Alex Sopelak, Brandon Mark, Brenden Thomas, Colleen Morrison, Daniel Robertson, Ricky Jordan, Kate Donatelli (DEEP), Gary Pattavina, Ghani Ramdani, Jay Goodman, Peter Ludwig, Gary Lane

2. C&I New Construction Update – Companies

Mr. Brandon Mark, Avangrid, and Leah McGovern, Eversource provided a program overview of the New Construction Program. The presentation included an overview of the four pathways for enrollment and incentives, the value setting of Energy Use Intensity (EUI) targets, program metrics, and goals for the future of the program. A copy of the slide deck can be found in the <u>materials folder</u>.

Regarding the Path 1 Zero Net Energy/DEEP Energy Savings (Slide 5), Mr. Lawrence asked whether the examples used on-site solar to get to net zero. Both did. Mr. Lawrence noted that net zero doesn't equate to off-grid; during winter months many sites rely on electricity to compensate for less PV generation and over produce in the summer.

Mr. Lawrence shared that Connecticut, Massachusetts, and Rhode Island have the same structure for New Construction, which helps engineers, contractors and other actors navigate the pathways. Mr. Lawrence asked if New Hampshire had the same structure. Ms. McGovern shared those variations exist across these states, noting a few distinctions; notably Massachusetts has a fuel switching aspect.

Mr. Lawrence noted that the presentation includes a proposed baseline to accommodate fuel switching on Slide 22. Ms. McGovern noted that this is still early for Connecticut, but suggested employing a similar approach to Massachusetts.

Mr. Phil Mosenthal asked if the Companies have any data on what percent of buildings are being designed all-electric already, particularly in places not close to a gas line. Ms. McGovern noted that she only has anecdotal evidence of an uptick of all-electric buildings in Connecticut. Ms. Jordan Schellens added that because propane customers in New Construction didn't

contribute to the incentive program and thus were ineligible for incentives, the Companies didn't poll data from them. Ms. Schellens also shared that while most schools are proactively choosing all-electric, the current incentives aren't enticing enough across sectors to drive those decisions. Mr. Mosenthal noted that with New Construction, it's less a fuel switch and more a fuel choice. The Consultants and Companies discussed how program design can help drive decarbonization.

Mr. Mark and Ms. McGovern's contact information can be found on Slide 17 of the presentation.

3. Additional C&I heat pump modeling – Consultants

The Technical Consultants provided an updated presentation from the one shared in January. The Consultants investigated cost-effectiveness around space and water heating electrification measures. This investigation aligns with the Three-Year Plan Decarbonization priority as well as the growing interest in incorporating heating electrification in Connecticut's energy efficiency programs. The presentation includes additional scenarios, key assumptions, preliminary results, next steps, and expected outcomes. A copy can be found in the <u>materials folder</u>.

Mr. Ghani Ramdani asked if the emissions values were included in the modified cost test and Mr. Keating said they were not as analysis was based on the current Modified Cost Test (MCT).

Mr. Ramdani asked if a standard or existing equipment were used for baseline. Mr. Keating noted that the analysis is based on incremental cost of replacing existing equipment, using existing equipment as the baseline. Mr. Lawrence suggested sharing these results with Mr. Ramdani and Mr. Eigo.

Ms. Jordan Schellens asked if the Evaluation Team's Early Retirement study impacts these results. Mr. Lawrence and Ms. Schellens discussed probable replacement scenarios. Mr. Phil Mosenthal asked whether a participant test was evaluated, specifically to determine if customer bill savings were observed. Mr. Keating noted that a participant test was used and bill savings were achieved.

The Committee discussed the motivating factors that drive fuel switching; including cost (replacing electric resistance heating equipment), decarbonization, adding air conditioning. Ms. Schellens noted that non-energy benefits should be considered when evaluating cost-effectiveness. Ms. Schellens and Mr. Lawrence discussed that the tool may need flexible baselines to account for the increased hours that may result from adding air conditioning to spaces. Ms. Schellens pondered whether fuel price flexibility is needed too, pointing to market volatility around natural gas and propane. Mr. Keating noted the tool does have the ability to account for variable fuel pricing.

Mr. Keating further explained the functionality of the tool. Ms. Schellens suggested that the Technical Consultants keep in contact with Mr. Ramdani and Mr. Eigo to provide information that will aid the updates they are working on. Mr. Keating said questions can be directed to him.

4. 2023 Plan Update Ideas – Consultants and Companies

Mr. Lawrence reminded the Committee that the 2022-2024 C&LM Plan was approved, with conditions, but annual updates are made. Mr. Lawrence led the Committee in a discussion of ideas for updates related to the C&I programs. A slide deck provided by Mr. Lawrence with topic areas for updates can be found in the <u>materials folder</u>.

The Committee decided to address the following topics for the 2023 C&LM Plan updates:

weatherization, early retirement/baselines, strategic energy management, heat pumps, monitoring-based commissioning and real time energy management, redefining "comprehensiveness", solutions for small manufacturers, and diversity, equity, and inclusion (DEI).

Regarding early retirement updates (Slide 3), Ms. Jordan Schellens referred to an evaluation study that will inform early retirement guidance for contractors on appropriate baselines and suggested deferring to the outcome for insight. Ms. Schellens suggested that the Evaluation Team present on the findings of Phase 1, even if Phase 2 is not complete, as it would be helpful for this Committee. They can provide a synopsis of Phase 2.

Regarding the heat pump topic (Slide 5), Ms. Anne-Marie Knight indicated that efforts to reach black and brown communities need to be made. Ms. Jordan Schellens noted the Companies be presenting in the EEB meeting about how decarbonization impacts those communities and invited Ms. Knight's input during that discussion. Mr. Ricky Jordan added that contractor training should be a focus for improvement.

Regarding monitoring-based commissioning & real time energy management (Slide 6), Mr. Lawrence shared that the state of Kentucky has benchmarked and is monitoring all state buildings. Mr. Lawrence indicated he would share a link to the Kentucky program's dashboard with Ms. Kate Donatelli. Mr. Lawrence discussed real-time energy management and example applications. Ms. Sopelak shared that the Companies found some benefit in separating the industrial processing approach from the HVAC approach when it comes to monitoring-based decisions and suggested this might be an area to consider for an update.

Regarding DEI (Slide 9), Ms. Schellens indicated the DEI Consultant's input will be helpful and Ms. Knight agreed. Ms. Schellens suggested adding a discussion of DEI metrics, verticals, and segments to the July Agenda. If the DEI Consultant cannot attend, Ms. Schellens suggested a special meeting given the time constraints.

Mr. Peter Ludwig, Green Bank, asked if the DEI metrics updates would apply to contractors and contractor training as well. Mr. Lawrence said he would defer to the DEI Consultant. Mr. Ludwig noted that he would like to be involved in any follow up discussions and support this work. Ms. Kate Donatelli said that supplier diversity was included in the DEI Consultant's scope of work and can discuss further with the Green Bank.

5. <u>July EEB Meeting Focus Area – Consultants</u>

The Technical Consultants are planning a presentation for July that will cover the following topics:

- Identify funds that contribute to EE funding
- Limitations on funding sources
- Comparison to other states' funding sources
- CAM charges by customer class (residential, commercial, and industrial) with comparisons to other states' EE surcharges
- EE investment per customer

Mr. Lawrence stated that if anyone has questions on this topic to please forward them to <u>his</u> <u>email</u> in the next few weeks so the Technical Consultants can address them during this presentation in July.

6. C&I Committee planning for June 2022

Mr. George Lawrence opened up discussion regarding the July C&I Committee Agenda. Mr. Lawrence asked if the Committee wanted to continue the discussion around 2023 Plan Update priorities. Ms. Schellens shared that the topic of DEI, including attendance by the DEI Consultant.

Ms. Schellens also stated that Condition 8 of DEEP's Plan Approval with Conditions would be a good topic. Mr. Lawrence asked if DEEP wanted to speak to the C&I elements related to the Conditions of Approval in July and Ms. Donatelli noted that this is possible, adding that a full presentation will be provided at the EEB meeting tomorrow. Ms. Schellens suggested that the Committee decide if further details from DEEP are needed after the EEB presentation tomorrow.

Ms. Schellens suggested early retirement for a topic and dedicating 45 minutes each to the DEI and Conditions of Approval.

Mr. Lawrence asked if a comparison of Connecticut's Small Business program would be of interest and there wasn't a response.

7. Adjourn

The meeting was adjourned.