



**Joint Committee of the CT Energy Efficiency Board and the
Connecticut Green Bank Board of Directors**

**Eversource Energy
107 Selden Street, Berlin, CT
Room 0-22E, East Building**

**Wednesday, January 17, 2018
1:30-3:30 p.m.**

MINUTES

In Attendance

Voting Members: Eric Brown (Chair), Diane Duva (Vice-Chair), John Harrity

Non-Voting Members: Bryan Garcia, Bert Hunter, Ron Araujo, Chris Plecs, Pat McDonnell

Others: Kerry O'Neill, Will Riddle, Kim Stevenson, Anthony Clark, Mackey Dykes, Steve Bruno, Gentiana Darragjati, Mary Sotos, George Lawrence, Jeff Schlegel, Craig Diamond

1. Call to Order
2. Public Comments. None.
3. Review and approval of Meeting Minutes for July 2017/October 2017 meetings. The Committee agreed to postpone the vote to approve the July 2017 and October 2017 meeting minutes until the April 2018 meeting.
4. EEB Consultant Team Changes. Mr. Schlegel said that Chris Kramer had left the EEB consulting team and the firm he worked for (Energy Futures Group) so that he could take on additional family responsibilities. Mr. Schlegel said that he would be the lead EEB consultant for financing issues and would be the EEB consultant lead for the Joint Committee. He said that the technical consultants would be involved with financing/Green Bank issues through the EEB Committees (Residential and C&I).
5. Review of feedback from Green Bank and EEB Chairs from last Joint Committee meeting. Mr. Brown said that a key take-away from the Chairs' feedback was their interest in exploring additional metrics for the Joint Committee. He noted that Rob Klee and Catherine Smith would like specific metrics to be developed for the Green Bank. Ms. Duva said that both Chairs/Vice-Chairs, at the last Joint Committee meeting, said they were pleased with the integration of programs between the Green Bank and the EEB. The Committee agreed that additional metrics should be developed. Ms. Duva suggested that the working groups

propose additions or changes to the metrics at the April 2018 meeting; she said that changes to the metrics should reflect the recent legislative budget reductions. Mr. Garcia said he agreed with Ms. Duva's suggested approach.

6. Effect of budget reductions on planned activities and joint goals. Mr. Garcia provided an overview of the Green Bank's budget situation. He noted that the state of Connecticut had both short-term and long-term budget challenges. He said the Green Bank needed to plan for long-term uncertainty, particularly regarding the use of rate-payer funding. He said that the \$14 million per year sweep of the Clean Energy Fund forced the Green Bank to take a harder look at its strategic outlook. He said that because of that process, the Green Bank had decided to focus on two businesses: 1) an incentive-centered business (with the challenge that there are cash flow issues with that side of the Green Bank's business because the Green Bank gets paid back over time by credits; and 2) an investment business, which would be the Green Bank's core business. The focus of the investment business would need to have return targets. He said that lower return products would be moved to a non-profit organization. Mr. Garcia said that the Green Bank had cut 27% of its operating expenses compared to 2017 (including a 30% staff reduction), and that marketing expenses would be cut 80%. He said that the Green Bank would be canceling several projects that had been previously approved (such as CHP, digester, shared clean energy facilities, and microgrids). He said that the Green Bank was still committed to the SBEA program. Mr. Harrity said that the Green Bank staff had done an excellent job in responding to the budget cuts. He said the legislature did not appreciate that the cuts would be highly detrimental to the state's greenhouse gas reduction efforts. He said he was very pleased that the Green Bank would survive the cuts. Mr. Brown said he recognized that the Green Bank was working very hard to strategically position the Bank for the future so that it would no longer be dependent on the legislature. He said that was an important consideration for the EEB as well. Ms. Duva asked about role of Green Bank's Comprehensive Plan. Mr. Garcia said that the next planning process would be very proactive, but that right now the Green Bank was in crisis management mode. Ms. O'Neill provided an overview of the Green Bank's current plans for its envisioned non-profit organization. She said that the Smart-E, multi-family, and low-income programs (such as Posi-Gen) would be moved to the non-profit. She said an important consideration was the lower overhead and lower operating expenses of a non-profit. She said the non-profit would attract different types of investors that are more amenable to funding non-profits. She said the non-profit would likely be launched some time over the next several months. She clarified there would be little change in terms of how customers/stakeholders understand and interact with the programs. Ms. Duva provided an overview of changes to the C&LM Fund. She said there has been a \$68.5 million per year reduction to the C&LM Fund (33% cut to the C&LM electric budget) for two years. She said the funds for the first year's reduction would be transferred at the end of June 2018. She acknowledged the hard work done by the Companies, EEB and EEB Consultants to revise the budget and programs. She noted that there were very large reductions in education and training, and that there would be significant reductions in the number of homes that would be weatherized. She said that HES services would not be available for oil/propane customers for the next two years due to the cut to the RGGI funds. She said the Board and DEEP were exploring ways to mitigate the situation with oil/propane customers, including incentive level changes. She said that DEEP was concerned about a potential failure to deliver commitments to the Forward Capacity Market. Mr. Bruno provided an overview of specific cuts to the C&LM budget. He noted that there were large cuts to education/training and the Clean Energy Communities program. He noted that only the electric budget, and not the gas budget, had been reduced. He also said that there would be further cuts required to make up for the negative fund balance created, since the legislative cuts required by the October legislation began on July 1, 2017). Mr. Brown asked if there was value in having the EEB

and Green Bank Boards exchange ideas for how the Joint Committee could be of assistance with the budget situation. Mr. Garcia said that the purpose of the Joint Committee would likely not change, despite the budget reductions. Mr. Brown asked Ms. Sotos about the status of the Comprehensive Energy Strategy (CES). Ms. Sotos said that the CES would be changed in response to the shorter-term and longer-term fiscal and structural challenges. She said the CES would also reflect public comments DEEP had received on the renewables section of the CES. She said DEEP's goal was to publish the final CES prior to the next legislative session.

7. SBEA next steps. Ms. Duva provided an update/review of the status of efforts with SBEA financing. It was noted that the EEB had established an April 2018 goal for the SBEA financing program to be ready for implementation. Mr. Schlegel said that at the EEB's December meeting the Board had agreed to continue supporting development of the SBEA financing options. Mr. Clark said that Eversource had provided a list of questions to the Green Bank. He said there was a conference call scheduled with Eversource to discuss their questions. He said they would also be discussing the development of a term sheet for the Companies' review. He said a meeting with JP Morgan and the Companies would also be scheduled soon.
8. Planning for next meeting. See item 5 above regarding recommended steps for the April 2018 meeting. Mr. Brown said that Joint Committee should continue to explore ways to enhance collaboration between the two Boards.

The meeting adjourned at 2:40 pm.

Respectfully Submitted,

Eric Brown, Chairperson