



## **AGENDA**

Joint Committee of the Connecticut Energy Efficiency Fund and the  
Clean Energy Finance and Investment Authority  
10 Franklin Square, New Britain, CT

Wednesday, April 23, 2014  
1:30-3:30 p.m.

1. Call to Order
2. Public Comments – 5 minutes
3. Approval of Meeting Minutes for January 22, 2014 – 5 minutes
4. Overarching Discussion – Strategic Objectives and Opportunities for Effective Coordination – 20 minutes
  - a. Goals – Review of Statutory Language and Organizational Objectives
  - b. Comprehensive Plans and Processes
  - c. Common vs. Other Objectives
5. Governance – 30 minutes
  - a. Public Policy
  - b. Bylaw – Number of Members by Fund, Appointer, Term, Quorum, Principal Functions and Responsibilities, Approval Authority, Role of the Non-Board Members, and Other
  - c. Next Steps
6. Financing – 30 minutes
  - a. Review of the EEB Memo
  - b. Areas of Request for Assistance (Future)
    - Small Business Energy Advantage
    - Mid-Sized Commercial and Industrial Customers and C&I Survey
  - c. Areas of Coordination, Communication, and Evaluation (Ongoing)
    - C-PACE and CEEF Programs
    - Residential Financing Products – Single and Multifamily
7. Marketing – 20 minutes

- a. Energize Connecticut
  - Joint Marketing Efforts Update
  - Community-Based Campaign Update
- b. Thermal Imaging Program Roll-Out Update

\*Denotes item requiring Committee action

Join the meeting online at <https://www4.gotomeeting.com/join/608391015>

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***Next Regular Meeting: Wednesday, July 16, 2014 from 1:30-3:30 p.m.  
In the Commissioners Conference Room  
at the Department of Energy and Environmental Protection  
at 10 Franklin Square, New Britain, CT 06051***



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# Joint Committee

Energy Efficiency Board and the Board of  
Directors of the Clean Energy Finance and  
Investment Authority

Prepared by EEB and CEFIA

Department of Energy and Environmental Protection  
April 23, 2014

# Agenda

## Subtitle

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- **Call to Order**
- **Public Comments – 5 minutes**
- **Approval of Meeting Minutes of January 22, 2014 – 5 minutes**
- **Overarching Discussion – Strategic Objectives and Opportunities for Effective Coordination – 20 minutes**
- **Governance – 30 minutes**
- **Financing – 30 minutes**
- **Marketing – 20 minutes**



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# Agenda Item #1

## Call to Order



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# Agenda Item #2

## Public Comments



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## Agenda Item #3

Approval of Meeting Minutes of January 22, 2014



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## Agenda Item #4

Overarching Discussion – Strategic Objectives  
and Opportunities for Effective Coordination



# Review of Statutory Language

## Public Policy

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### Statutory Requirement

- CGS16-245m(d)(2) requires joint committee of the ECMB and CEFIA
- Each board appoints its members
- Examine opportunities to coordinate the programs funded by the CEF with the programs in the C&LM Plan
- Provide financing to increase the benefits of programs funded by the C&LM Plan so as to reduce the long-term cost, environmental impacts and security risks of energy in the state

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- CGS 16-245m(d)(3) requires that ECMB consult with CEFIA when conducting cost-effectiveness analysis on all programs included in the C&LM Plan

# Organizational Objectives

## CEFIA



Support the Governor's and legislature's energy strategy to achieve cleaner, cheaper and more reliable sources of energy while creating jobs and supporting local economic development

Attract and deploy capital to finance the clean energy goals for Connecticut



Develop and implement strategies that bring down the cost of clean energy in order to make it more accessible and affordable to consumers

Reduce reliance on grants, rebates and other subsidies and move towards innovative low-cost financing of clean energy deployment



# State Policies and Organization Objectives

## CEEF and EEB (first four below from Sec. 16-245m)

- Achieve all energy efficiency that is cost-effective or lower cost than acquisition of equivalent supply
- Achieve the goal of weatherization of eighty per cent of the state's residential units by 2030
- Develop and implement cost-effective energy conservation programs, market transformation initiatives, and load management offerings
- Programs must be cost-effective – comparing the value of program benefits for all energy savings to program costs
- Essential to go *deeper* and *broader* to achieve these goals
  - More energy savings per customer, and reach more customers

# Comprehensive Plan and Processes

## CEFIA

- **Timeline**

	May B&O	June B&O	June BOD
Comprehensive Plan	Outline	Draft	Final
FY14 Results			Draft
FY15 Budget	Pre-draft	Draft	Final

- **Outline** – organizational overview (i.e. mission, governance, etc.), public policy review, definition of clean energy, financing, marketing, market overview, sectors (i.e. residential, C&I, institutional, and infrastructure), budget, organizational chart, and key definitions
- **Sectors** – CES, IRP and C&LM Plan overview, TAM and SAM, products and programs, and objective function

# Comprehensive Plan and Processes

## CEEF and EEB

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- EE is a key strategy within the Comprehensive Energy Strategy
- The Conservation and Load Management (C&LM) Plan is developed every three years
  - Current C&LM Plan covers 2013-2015
  - The next three-year Plan will be developed in 2015 to cover 2016-2018
- Each C&LM Plan describes goals, budgets, funding sources, energy saving and impact goals, programs and program strategies, performance incentives, and evaluation activities.
- Plans are reviewed, modified, and approved by EEB
- Plan Updates are prepared annually (2014 Update was approved)
- Plans and Annual Plan Updates reviewed and approved by DEEP



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# Agenda Item #5

## Governance

# Deployment Committee

## Sample Bylaw

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- **Composition** – how many members?
- **Designation** – how are members appointed?
- **Quorum** – what constitutes a quorum of the committee?
- **Functions and Responsibilities** – what is the committee set-up to do?
- **Approval Authority** – what can the committee make decisions on without full BOD approval? And for how much?
- **Role of Non-Board Members** – what are the roles of the administrators? Consultants? Others?



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# Agenda Item #6

## Financing



# EEB Suggestions on CEFIA Financing Priorities

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## EEB suggested priorities adopted on February 19, 2014:

- Financing Solutions for C&I Customer Segments Not Addressed by Current Financing Products
- Lower-Cost Capital for CEEF Small Business Financing
- CPACE and CEEF Ongoing Coordination and Co-Offerings
- Residential Financing
  - Effective Coordination and Communication of Multiple Residential Financing Products in the Market
  - Joint Evaluation (in Two Phases, Process/Market & Impact)
- Multifamily Product, Capital and Credit Enhancement

# Areas of Request for Assistance

## Future

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- **Small Business Energy Advantage Financing Capital** – assist with identifying alternative lower-cost capital, which could be procured either by the utilities or by CEFIA, to lower the “all-in” weighted average cost of capital below 9.9%
- **Commercial and Industrial Segments Not Addressed by Current Financing Products** – outside of existing Energize CT products of SBEA and C-PACE, assess the needs, evaluate options, and develop financing solutions to support the market needs

# Commercial and Industrial Market Research Update

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- Two C&I market research studies are currently underway; both are coordinated through the Evaluation Committee
- Barriers to Commercial and Industrial Program Participation with a Focus on Financing and Cancellations (C11): Survey instrument for the Drop-Out Survey completed & sample frame and sample design on-going.
- C&I Market Research (C17): Finalizing analysis leading to selection of selected end-use markets for the study. The selected markets will be provided next month with a summary of the basis for their selection.

# Areas of Coordination and Evaluation

## Ongoing

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- **C-PACE** – work together to determine how best to maximize the use of C-PACE financing in CEEF-related projects, more effectively coordinate program and customer services, and optimize the use of CEEF financial incentives for the C-PACE projects to make the best use of limited CEEF program funds.
- **Residential Single Family** – coordinate to ensure the effectiveness of single-family offerings under Energize CT, and present financing products to customers in a way that is clear and meets their needs without creating undue confusion. Scope out an evaluation process (two phases, process/market & impact)
- **Residential Multifamily** – coordinate to ensure the needs of multifamily customers are adequately met.



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# Agenda Item #7

## Marketing

# Energize CT

## Marketing Plan

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### 1. Media Sponsorship

- NBC CT selected via RFP
- Additional commercials to be purchased on Fairfield County cable and radio stations

### 2. Public appearances

- Governor, legislators, DEEP, CEFIA, and Utilities

### 3. Social media

### 4. Transit ads

### 5. Paid search

### 6. Digital ads

### 7. Direct Mail



### Campaign Objectives

1. Increase brand awareness
2. Increase EnergizeCT.com traffic
3. Position Energize CT as a trustworthy, credible endorser of smart energy resources
  - *Campaign results measured via telephone surveys and website user analytic reports*

# Energize CT

## Media Sponsorship – TV

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- **April 14 to June 8**
- **3 different :15 spots airing 651 times**
  - Morning news, Today Show, early news, prime, late news and the Tonight Show
- **First Alert Weather sponsorship**
- **National NBC Green Campaign Sponsorship**
- **3 :30 Smart Energy Tips Segments**
  - Airing 60 times (20 times each)
- **8 2-minute energy segments**
  - Airs each Wednesday in 10am hour of Today Show



# Energize CT

## Media Sponsorship – Online and Events

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- **NBCConnecticut.com**
  - 3.78m impressions
- **First Alert Weather Sponsorship**
  - 2.87m impressions
- **Green is Universal Sponsorship**
  - 1.216m impressions
- **Fairfield County Geo-targeted Campaign**
  - 4.745m impressions
- **TOTAL IMPRESSIONS – 12.611M**
- **Partner for 2 NBC Connecticut events**



# CEFIA Energize and Solarize Multi-Measure IRB with Smart-E Loan

**ENERGIZE NORWICH** Norwich Public Utilities

**A Special Message for Residents of Oakland Heights:**

By now you have heard that you must make a change to your fuel supplier. Now you have heard that you must make a change to your fuel supplier and that the larger purchase program from your current source. Norwich Public Utilities is offering you the opportunity to convert to natural gas and save on your heating bill. Natural gas is significantly cheaper than higher priced propane and will help you reduce your monthly fuel bills immediately.

If you did not have a chance to attend our informational meeting on November 14th, or if you still have questions about converting to natural gas, we are holding another informational session on December 3, 2013. We will be present to provide details about the project as well as answer all of your questions. There will also be business connections on hand to discuss the process of converting or replacing heating systems and discuss the incentives and rebates available to offset costs of conversion.

**Oakland Heights Informational Meeting**  
December 3, 2013 at 5:30 P.M.  
Norwich Public Utility offices at 16 South Golden Street, Norwich, CT (NOT the customer service center).  
Refreshments will be served. If you are absent, please call Katie hours at NPU at 860-823-4514.

I am coming by next week to drop off contracts for those of you have not had a chance to sign. If you would like me to drop off a contract at your home, please let me know. Give me a call on my cell phone at (860) 213-7947.

Sincerely,  
Bambi Poppick  
Energize Norwich  
For Norwich Public Utilities  
[www.EnergizeNorwich.com](http://www.EnergizeNorwich.com)

**A Special Message for Residents of Royal Oaks**

You have the opportunity to **SAVE 40%** on your heating bills by converting to natural gas

But you must act now.  
Don't miss your chance to save big on your utility bills!!

**ENERGIZE NORWICH**  
Norwich.com

**For Cherry Hill Residents!**

**Lower Your Oil Bills by 40%!**

Don't miss your chance to save!  
Sign up by December 16, 2013 to participate!

**ENERGIZE NORWICH**  
[www.EnergizeNorwich.com](http://www.EnergizeNorwich.com)

**Solarize Easton-Redding-Trumbull!**  
Solar. Simple. Together.

**SEPTEMBER 22 SUNDAY**

2:00

- Discount pricing
- Pre-selected installer
- No money down financing

[www.SolarizeCT.com/Easton](http://www.SolarizeCT.com/Easton)

**Solarize Ashford-Chaplin-Hampton-Pomfret!**  
Solar. Simple. Together.

**"What's not to like about solar? We couldn't be more pleased."**  
Ron & Jodi French  
Newtown

**Energize Norwich!**  
An Easy, Affordable Switch to Natural Gas!

[www.EnergizeNorwich.com](http://www.EnergizeNorwich.com)

CONNECTICUT

**ENERGIZE NORWICH**

energize CT  
Eastern Energy Link  
CORE  
SmartPower

**Solarize Greenwich!**  
Solar. Simple. Together.

[SolarizeCT.com/Greenwich](http://SolarizeCT.com/Greenwich)

**Solarize CONNECTICUT GREENWICH**

# **93 Clean Energy Communities driving municipal, residential & business savings**

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## **Q1 2014:**

- 93 communities signed CEC pledge. In Q1 2014, 16 new communities joined: Barkhamsted, Bethlehem, Bridgewater, Cheshire, Danbury, East Hampton, Litchfield, Lisbon, Middlefield, New Haven, Norfolk, Norwalk, Salem, Suffield, Warren & Watertown
- 58 CECs have earned first Bright Idea Grants. 23 communities honored at March 24, 2014 BIG Ceremony: Ashford, Bridgewater, Bristol, Brookfield, Cheshire, Chester, Coventry, Derby, Goshen, Litchfield, New Britain, New Haven, Old Saybrook, Rocky Hill, Sharon, Shelton, Suffield, Thomaston, Waterbury, Watertown, West Haven, Windham & Wolcott



# Thermal Imaging Program Update

	Total # Households Imaged	Thermal Image Requests	HES Assessment Requests	HVAC Upgrade Requests	Solar Requests	Financing Requests
Westport	9,168	509	94	79	79	78
Windham	3,360	248	39	38	38	48
Portland	1,971	68	10	4	8	5
West Hartford	23,814	754	159	114	105	46
Total	38,313	1,579	302	235	230	177

- **Westport** – launched Feb 6 ([Westport/WTNH](#)); Next Step Living (HES), New England Smart Energy (HES/HES-IE), Gault Energy (HVAC), Astrum Solar
- **Windham** – launched Feb 13; Next Step Living (HES, HVAC), New England Smart Energy (HES/HES-IE), Lantern Energy (HES, HVAC), RGS Energy (solar)
- **Portland** – launched Feb 21; Next Step Living (HES, HVAC), New England Smart Energy (HES/HES-IE), Lantern Energy (HES, HVAC), RGS Energy (solar)
- **West Hartford** – launched Feb 25 ([West Hartford/WFSB](#)); Next Step Living (HES, HVAC), New England Smart Energy (HES/HES-IE), Lantern Energy (HES, HVAC), C-TEC Solar



(Note: Bridgeport is in negotiations)

January 22, 2014

## EEB – CEFIA Joint Meeting Notes

### Participants:

Bryan Garcia, Jamie Howland [Co-chairs]; Daniel Esty [Commissioner – DEEP]

EEB – Neil Beup, Eric Brown, Diane Duva, Amanda Fargo-Johnson, Amy Thompson [Members], Ron Araujo, Chris Ehlert, Pat McDonnell [utilities]

CEFIA – Norma Glover [Member], Jessica Bailey, Andrew Brydges, Bert Hunter, Kerry O’Neill [Staff]

Consultants: Chris Kramer (Energy Futures Group), Timothy Cole (EEB – Scribe)

As co-chair, Bryan Garcia opened the meeting with the statement that it could not be considered an official meeting because it had not been duly noticed with the Office of the Secretary of the State. Discussion would be possible and welcome but no formal actions could be taken.

1. Introductions [See participants list above.]
2. Message from Commissioner Esty –
  - Officially returning to Yale first week of February. A new Commissioner will be named tomorrow by the Governor. Expects it will be someone we know from inside the DEEP leadership team.
  - Thanks to all for what has been a great 3 year run, especially on the Clean Energy and Energy Efficiency front. Excited about news reports are showing ramping up of clean energy. Structure in place to continue the process and sharpen what the invested dollars leverage in the marketplace.
  - Really important that EEB and CEFIA are collaborating. Not ideological about how collaboration goes forward. Practical. Be willing to test approaches and change as needed. CT seen as leader in finance for clean energy field – Green Bank widely recognized. CEFIA started almost from scratch. EEB reconfigured. Grateful to the utility partners and excited to see the CT utilities remake themselves and be compensated for delivering on the EE agenda. Thanks also to their teams.
  - Connecticut is being recognized for innovation not just in technology but in policy and financing, marketing, EnergizeCT, SolarizeCT, social networking tools.
  - Bryan Garcia – Thanks to Commissioner Esty. We will continue to look to you for insight and input even when back at Yale.
3. Improving Coordination – What’s Working and What’s Not Working
  - a) Financing
    - (1) Residential (i.e. OBR, Multifamily, Transition to Private Capital vs. Public Capital for Loans, etc.) –
      - Ron Araujo – Want to highlight partnership with CEFIA on multi-family loan product. 300K for loan loss reserve to back up capital CHIF has. Working on closing the gap in financing low income programs.
      - Dan Esty – Sees a model here – working on finance to close gaps previously not met. May need new incentives. Bryan Garcia – Multifamily and affordable housing is a top priority for CEFIA in 2014.
    - (2) Commercial and Industrial (i.e. C-PACE, Energy Audits, etc.)
      - Neil Beup – EEB’s C&I Committee has been working on promoting comprehensive approaches. Working with C-PACE has been a challenge, because we haven’t figured out

what the market is. EEB evaluation now trying to look at this. C-PACE isn't the right tool for everything.

- Jamie Howland – The committee is concerned about the issue that if customers can't be served by C-PACE they may walk away rather than find out what other options or products may be available.
- Ron Araujo – Don't sell the customer twice. Go in with a coordinated approach. Package behind the scenes how the financials are being handled.
- Eric Brown – Issue there seems to be confusion among customers about when to use C-PACE and CEFIA and when to go for EEF incentives.
- Dan Esty – Surprised to hear this because the chambers of commerce spoken to seem very enthusiastic about C-PACE.
- Eric Brown – The issue is to have the way to communicate clearly and straightforwardly with customers. Need to talk about philosophical principles – are we in agreement about the models the EEF and CEFIA are following.
- Bert Hunter – We don't get the same messages from the marketplace. What C-PACE does is offer long term financing. It does have a process – getting the application going. Some people don't like process. Lender consent involves another process and requirements. If you get over the hurdles, you have access to capital for deeper measures and renewables. A flexible and adaptable approach.
- Jessica Bailey – We hear mostly positive responses from building owners we think of as our customers. A lot of repeat customers. A good sign. Concern is voiced by contractors – review process is too demanding. But the process is required by statute and by financial markets. There has been criticism that the process takes too long. We are working on smoothing the process. Training contractors. Deals are going far deeper in energy efficiency gains than we expected. C-PACE not well suited when buildings and developers are not financially sound.
- Jamie Howland – Clearly important for both to identify areas where we need to work.
- Neil Beup – This is not a criticism of C-PACE as is, rather a question of how at the state level we are addressing the needs of the C&I market. All the options that are available need to be presented in a unified way.
- Kerry O'Neill – Currently addressing confusion in residential market among contractors. May be a model for working with C&I. Contractors have to be able to put things in context. Example what we're doing with multi-family project with CL&P.
- Dan Esty – Aim to be able to present the unified customer experience, simplified from the point of view of the customer – an EnergizeCT united front, without worrying about which agency or fund is behind.
  - ◇ Start with a basic survey of questions to help us guide them where they need to go. The TurboTax model.
  - ◇ Secondly, smooth handling behind the scenes.
  - ◇ Third – get the data to see which categories of customers should be directed where.

Key to keep moving toward model of financing coupled with subsidy in order to have sustainable and scalable program. Promote competitiveness in business sector – reduce energy costs businesses have to carry. People don't understand about interest rates – key is to show when they become cash flow positive. Pressure not to continue relying on ratepayer and taxpayer dollars.

- **Action Needed** – Bert Hunter – Suggest that he and Jessica Bailey get together with Neil Beup, Eric Brown, Ron Araujo and Pat McDonnell to talk through the issues here.

- Dan Esty – Stress the EnergizeCT team concept. We should minimize work customers have to do to sort out options. Come to them on their terms.
- Neil Beup – Ultimately we want to get to a time when the markets will sustain themselves. Market segmentation work the companies are doing will be helpful in pointing this way.
- Dan Esty – Key too that the utilities will be seen as providing services they will be paid for, not only electrons – such as distributed generation, renewables, micro-grids, energy efficiency. The company CEOs are thinking about this already. Be with your customer, not against them.

### (3) Financing Options –

- Jamie Howland - Continuing coordination going on between EEB and CEFIA toward development of on-bill financing. Working groups have been set up with the goal to bring Smart-E Loan financing into on-bill. – A number of financing programs now available that need to be coordinated.
- Kerry O’Neill – One problem needing to be addressed is that it is worrisome to lenders to be competing with subsidized products. \$28 million already raised. Relationship issues are hot. Need to see Smart E-loan product grown.
- Jamie Howland – What about the Furnace and Boiler Replacement program?
- Kerry – O’Neill – that program was legislated. Managed by companies. It is neither a CEFIA or EEB program.
- Kerry O’Neill – A challenge for contractors to figure out which financing option is best. Also to be taken into account are private sources they may be looking at, such as manufacturer financing.
- Pat McDonnell – Is there a way for CEFIA to work in the background. Example – letting a CHIF be the administrator for instance with private capital behind.
- Bert Hunter – Servicing and originating need to be taken into account. These are also costs needing to be covered.

### b) Marketing –

#### (1) Energize CT –

- Diane Duva - A lot going on. The theme is harmonization. EEB is developing a Marketing Plan. General awareness campaign. Branding. Marketing research. Want to make sure companies’ marketing research and EEB’s are shared with CEFIA and vice versa. There is a budget for this plan included in the Decision, additional \$2 million for campaign.
- Ron Araujo – More detailed plans are in the works – the companies’ implementation plans behind the Plan.
- Diane Duva – in terms of timeline, aiming for spring time launch. Promoting broad public awareness. Also a campaign specifically for residential and small biz markets.
- Jamie Howland – The goal is both to spur action and build positive feelings about EE that will motivate people down the road.
- Diane Duva – Right, change how people think about energy in CT.
- Eric Brown – Can we add opportunities for feedback? We send people to ECT. How was their experience?
- Diane Duva – Positive continuous improvement regarding how website is operated and developed is built in. Part of the website enhancement work. Never-ending effort, but with some priorities highlighted now: General awareness of Energize CT. How do we value energy in our home/business? Drafts of the Plan will be shared with EEB and with CEFIA for feedback.
- Kerry O’Neill seems like \$2 million is a not a lot given the goals – Pat McDonnell agreed.

- Diane Duva – We will be looking at the budget also with respect to scheduling.
  - Jamie Howland – Metrics are in place already for seeing what people are doing who go to the website. Don't yet know about people who don't come there. We do know people come to the page to change electric suppliers. We want to leverage those visits.
- (2) Community Campaigns (i.e. Energize CT Pilots, Thermal Imaging Pilot, etc.)
- Bryan Garcia – What are next steps to identify towns ready for campaigns?
  - Pat McDonnell – Norwich was gas focused. Worked well. Working with gas companies to identify top choice towns.
  - Ron Araujo – Also looking at towns ready for on-main conversions as well as those that may be receptive to HES & HES-IE.
  - Diane Duva – Getting ready to move on this by spring.
  - Kerry O'Neill – We are continuing in Norwich. Just the beginning of the momentum. Working with the community on a conservation plan.
  - Jamie Howland – How does this mesh with Clean Energy Communities going forward? How about the question of using the Energize CT brand.
  - Pat McDonnell – The EEB Marketing committee concerned about the EnergizeTown concept. Compromise the Energize CT brand. Clean Energy Communities an alternative, especially if framed in terms of campaigns.
  - Diane Duva – What needs clarifying on this?
  - **Action Needed** – Jamie Howland - Suggest a small side meeting to sort this out. An action item. To write the guidelines how to apply Energize CT initiatives to towns.
  - Bert Hunter / Kerry O'Neill – In Norwich the availability of financing drove conversions up even when people did not use financing. Using a campaign partner. Paid for infrared imaging, then a share on loans closed. In 4 towns. 20K households driven to HES.
  - Jamie Howland – Why didn't we know about this? 20K households is a lot for HES to process. What is the impact on HES vendors?
  - Bryan Garcia – Right we should work with you on this.
  - Kerry O'Neill – CEFIA philosophically thinks in market terms. How do contractors think about what our programs are doing?
  - Ron Araujo you need to call us and tell us. Concern about cost of providing service. Don't want to see co-pay structure manipulated for instance.
  - Jamie Howland – HES vendors need to get the information about what you're doing up front.
  - Amy Thompson – Fundamentally we want to see a more coordinated effort on the program design and redesign processes. We don't have this now. EEB Program Administrators should be able to provide input to your programs and likewise CEFIA should have input in our program designs. We should have a structure for doing this. Meeting's like this won't do it.
  - Bryan Garcia – The EEB and CEFIA have goals and targets. We need to make sure they are better aligned. EEB's goal is energy savings. CEFIA's goal is to attract private investment (versus using ratepayer funds) to deliver deeper energy savings.
  - Jamie Howland – Suggest there be a monthly calls with the Residential committee, and also on the C&I side.
  - Ron Araujo – We need to connect when something is happening. Kerry O'Neill should be talking to Lomont White and Marissa Westbrook, Jessica Bailey should be talking with Tim Simmonds and Roy Haller regularly.

#### 4. Legislative Initiatives

- Bryan Garcia – CEFIA is proposing to include microgrids in C-PACE and to rename CEFIA as Connecticut’s Green Bank. Microgrids are not necessarily affixed to the properties benefitting. Compare distributed generation. CEFIA wants C-PACE to be able set up projects that serve other properties.
5. C&LM Plan – Jamie Howland – the 2014 Update is in process. Board will review near-final draft on 2/19.
  6. CEFIA Plan – Bryan Garcia – In the last year of multiyear plan. Will put a structure together for review by Budget Operations Committee and board. Focus on policy drivers. Will include C&LM plan as a driver. Now on a calendar year cycle. But likely to align with fiscal year – taking the new plan through mid-2016. Planning to begin in the spring for a June approval.
  7. Other – What is on the Horizon?
    - Jamie Howland – Expanding opportunities for multi-families and solar thermal? Kerry O’Neill - We’re hearing from SolarCT about residential solar thermal. Pat McDonnell – We need to be ready with a response. Ron Araujo - We should talk. Bryan Garcia will look at data on this.
    - Diane Duva - Is anyone working on geothermal? Jamie Howland – No capital available to go higher, beyond existing programs. The old incentives are not coming back. Nothing in development. Already highly incented products.
    - Ron Araujo – We should look at a streamlined product for conversion to high efficiency oil boilers. Jessica Bailey – We do have a “boiler lite” process to look at projects. A fee to get them reviewed. 2-3 have been completed. No marketing yet around it. Ron Araujo – Want to be sure my team is fully aware of this.
    - Diane Duva – WNPR this week is promoting C-PACE. Ron Araujo – Why c-pace.com instead of EnergizeCT? Something to avoid in the future. EnergizeCT can redirect to other sites. Please let us know when campaigns are launched so we can be sure the WISE-USE call centers know about it.
    - Eric Brown – Also interested in highlighting programs with businesses. Looking for information on my end on how we can do this together. Will try to get our connections in the loop. Diane Duva – DEEP is working on getting the Business Sustainability Challenge out there – using contacts with business community, such as CBIA. On residential side continuing the innovation workshops – roundtables for professionals. Coordinated with Residential Committee meetings.
    - Neil Beup – C&I committee is interested in looking at Non-Energy Benefits as well, help customers see waste reduction and other savings beyond energy savings. Let’s integrate this into C-PACE conversation too.
  8. Pathways Forward – Next Steps
    - **Action Needed** – Bryan Garcia – Quarterly meetings of this group seem right. Jamie Howland – Agreed. Enough side meetings will be flowing from this conversation.
    - Jamie Howland – Need to discuss aligning rebates and loans as Commissioner Esty suggested. Are there areas where we could cut back on incentives because C-PACE is moving in? Are we sure we don’t create circumstances where ratepayers’ incentives are actually going up? Don’t want to slow down C-PACE which is now in ramp up.

Tim Cole, EEB Executive Secretary  
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 860-874-7134





**CLEAN ENERGY**  
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**To:** Bryan Garcia, President and CEO  
**From:** Brian Farnen, General Counsel and CLO  
**Re:** CEFIA and ECMB Joint Committee

April 22, 2014

**Statutory Requirement of the ECMB and CEFIA Joint Committee**

Connecticut General Statutes Section 16-245m(d)(2) requires that there be a joint committee of the Energy Conservation Management Board (“ECMB”) and the board of directors of the Clean Energy Finance and Investment Authority (“CEFIA”). The boards shall each appoint members to such joint committee. The joint committee shall examine opportunities to coordinate the programs and activities funded by the Clean Energy Fund<sup>1</sup> (“CEF”) with the programs and activities contained in the Conservation and Load Management Plan<sup>2</sup> (“C&LM Plan”) and to provide financing to increase the benefits of programs funded by the C&LM Plan so as to reduce the long-term cost, environmental impacts and security risks of energy in the state.

Additionally, Conn. Gen. Stat. 16-245m(d)(3) requires that ECMB consult with CEFIA when conducting cost-effectiveness analysis on all programs included in the C&LM Plan.

Lastly, Conn. Gen. Stat. 16-245m(f) requires that every five years, the ECMB shall, after consulting with the CEFIA, conduct an evaluation of the performance of the programs and activities specified in the C&LM Plan and submit a report of the evaluation to the joint standing committee of the General Assembly having cognizance of matters relating to energy.

**CEFIA Bylaws and Potential Need to Establish a New Standing Committee**

In order to fulfill the statutory obligation summarized above, we may want to consider amending Article V of the CEFIA Bylaws to establish a fifth Standing Committee of the board. The purpose of this new Standing Committee would be to represent CEFIA in the joint committee with appointed ECMB members and work toward fulfilling the statutory requirements described above as well as any other appropriate coordination or consultation between CEFIA and ECMB. Attachment A is a portion of the CEFIA Bylaw which authorizes the Deployment Committee. This can be used as a reference for the type of authorization that would be useful for the new Standing Committee so long as ECMB also agrees to this approach and number of members.

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<sup>1</sup> Formed pursuant to Conn. Gen. Stat. 16-245n

<sup>2</sup> Developed pursuant to Conn. Gen. Stat. 16-245m

## ATTACHMENT A

### DEPLOYMENT COMMITTEE BYLAWS

5.5.5. **Deployment Committee.** The Deployment Committee shall consist of no more than six (6) members total, consisting of no less than three (3) Directors and up to three (3) non-Directors, all appointed by the Chairperson on a biennial basis, and at least one (1) of the Director-members shall not be a State employee. Additionally, the State Treasurer, or her or his designee, shall be a voting *ex officio* member of the committee. Additionally, the Chairperson or the Vice Chairperson shall be a non-voting *ex officio* member of the committee, subject to the provisions of Article V, Section 5.2.2 hereof. The non-Director members of the Deployment Committee shall each have expertise in such areas as: project finance, levelized cost of clean energy, investment banking, commercial lending, tax-exempt or tax-advantaged financing or municipal banking, or clean energy policy. The principal functions, responsibilities, and areas of cognizance of the Deployment Committee shall be as follows: (i) to recommend and monitor compliance with program, project, and investment guidelines, criteria, policies, and practices supporting the Authority's statutory mission and management of such by the Authority's professional staff; (ii) with respect to debt, debt-like, grants, equity and near-equity funding requests, including but not limited to the On-Site Renewable Distributed Generation Program, the Residential Solar program, the Combined Heat and Power pilot program, the Anaerobic Digestion pilot program, and the Condominium Renewable Energy grant program, between three hundred thousand dollars (\$300,000) and two million five hundred thousand dollars (\$2,500,000), evaluation and approval of such requests on behalf of the Board; (iii) with respect to debt, debt-like, grants, equity and near-

equity funding requests which exceed two million five hundred thousand dollars (\$2,500,000), evaluation of such requests and recommendation to the Board regarding such requests; (iv) oversight of policies and practices relating to the evaluation and recommendation of initial investments, follow-on investments, investment modifications and restructurings, and the sale or other disposition of investments by the Authority's professional investment staff; (v) oversight of policies and practices relating to investment management by the Authority's professional investment staff, including implementation of investment exit strategies; (vi) except to the extent of any investment powers expressly reserved to the Board itself in any resolution of the Board, to approve on behalf of the Board investments, follow-on investments, investment modifications and restructurings, and the sale or other disposition of investments; (vii) to review and recommend to the Board the issuance of bonds, notes or other obligations of the Authority, and upon such approval, to sell, issue and deliver such bonds, notes or obligations on behalf of the Authority; and (viii) the exercise of such other authority as may from time to time be delegated by the Board to the Deployment Committee within its areas of cognizance.

Notwithstanding the foregoing, the Deployment Committee shall have no responsibility or authority with respect to funding or investment requests regarding projects or programs within the area of cognizance of the Technology Innovation Committee, as set forth in Article V, Section 5.3.4 hereof.

## Energy Efficiency Board (EEB) Suggestions on CEFIA Priorities for Financing (EEB approved, 2/19/14)

### C&I Priorities:

**Work with the EEB and the Companies to evaluate C&I financing models not currently offered under EnergizeCT.** The primary financing products for Connecticut C&I customers currently offered under EnergizeCT are SBEA and C-PACE. Given the eligibility requirements of SBEA (peak demand between 10kW and 200kW) and C-PACE (must be in a C-PACE town, need lender consent, must be cash-flow-positive from project completion, and projects ideally larger than \$150,000 according to c-pace.com guidelines), there are segments of the C&I market that will not qualify for either product. Given the roughly \$10,000 average loan amount under SBEA and the roughly \$800,000 average amount financed or approved thus far under C-PACE, many of these customers will be in the “mid-size” range. For example, a medium-sized business that wants to convert from oil to gas, install a new HVAC system, and implement efficiency measures may not have a financing solution under EnergizeCT. Certain financing products, such as commercial leasing, may work for at least some of these mid-size customers. CEFIA could help the EEB and the Companies to develop and incorporate financing solutions under EnergizeCT that meet the needs of C&I customers and market segments that are not fully covered by the available solutions. Market research on C&I financing is nearing completion and results are expected in Q2 2014, which will help inform which solutions are likely to be most effective.

**Work with the EEB and the Companies to maximize the use of C-PACE financing for CEEF projects, and to optimize the use of limited CEEF resources to support financial incentives.** The C-PACE product is designed to make the economics of a deal work with longer terms, cash-flow-positive project requirements, repayment through the property tax rather than as debt, and transferability from one customer to another when the property changes hands. These features are intended to allow financing that has a neutral or positive impact on customer budgets, potentially reducing the amount of additional “sweeteners” (other incentives or rebates) needed to close a deal. Still, some incentives may be needed to drive deeper savings; promote new technologies, high performance design, and effective energy management practices; and encourage improvements that have longer paybacks. The EEB, the Companies, and CEFIA should work together to determine how best to maximize the use of C-PACE financing in CEEF-related projects, more effectively coordinate program and customer services, and optimize the use of CEEF financial incentives for the C-PACE projects to make the best use of limited CEEF program funds.

**Assist the EEB and the Companies to explore alternative lower-cost capital sources for Small Business (SBEA) financing that reduce total net program costs, to be procured by the Companies (as a replacement source of capital) or by CEFIA.** The Small Business Energy Advantage (SBEA) program is a longstanding, successful, and award-winning program that uses a mix of incentives and 0% on-bill financing, which has proven successful in motivating customers to act in this difficult-to-address market segment. As such, the program structure and delivery mechanism should remain in place. The financing priority for SBEA is limited solely to identifying lower-cost capital that reduces and does not raise total program costs, which could be procured either by the Companies or by CEFIA. The financing aspect of the program currently relies upon utility shareholder capital with a weighted average cost of roughly 9.9%, which is bought down to the 0% rate offered to customers. The aim of this effort would be to secure capital that would be less expensive from an “all-in” standpoint (i.e., lower costs for interest rates, fees, and administrative costs combined).

### **Single-Family Residential Priorities:**

**Coordinate with the Companies and the EEB to ensure the effectiveness of single-family offerings under EnergizeCT.** The number of single-family energy efficiency financing offerings under EnergizeCT continues to grow. It now includes an 0% payment plan for certain qualified measures, a 2.99% comprehensive HES loan, the Smart-E “single-measure” product, the CHIF product for customers who do not qualify for Smart-E, the residential Furnace and Boiler product, and the Energy Conservation Loan product. With all of these products in the marketplace, it is critical that they be presented to customers in a way that is clear and meets their needs without creating undue confusion. Moreover, all of these products must continue to meet the financing objectives adopted by the EEB, namely that they be convenient, attractive, economical, and available to meet the needs of the targeted markets. The EEB and CEFIA have agreed in concept to move forward with a phased evaluation that will assess, among other things, whether these objectives are being met. The EEB expects to collaborate with CEFIA to scope out this evaluation process and to continue working on a day-to-day basis to ensure these key objectives are met as products are implemented.

### **Multifamily Priorities:**

**Coordinate with the EEB and the Companies to ensure that the needs of multifamily customers are adequately met.** The Companies and the Connecticut Housing Investment Fund (CHIF) have identified a need for multifamily project funding and have requested \$1 million in CEFIA capital, along with \$300,000 in credit enhancement from CEFIA to serve as a loan loss reserve. These funds would match \$1 million in loan capital that CHIF currently has on hand from the Opportunity Finance Network (OFN). By providing capital and credit enhancement for this product, CEFIA could assist the Companies in serving a market that has been historically difficult to reach.