



July 16, 2015

Dear Members of the EEB and Green Bank Board of Directors Joint Committee:

I'm looking forward to our next regularly scheduled meeting on Wednesday, July 22, 2015 from 1:30-3:30 p.m. in Commissioner's Conference Room at the Department of Energy and Environmental Protection in New Britain.

On the agenda we have the following items:

1. **Organizational Updates** – given that both organizations are in the midst of strategic planning and budgets, we will provide some time at the outset of the meeting for updates.
2. **Coordination for Financing Products** – At our last meeting, it was agreed that each of the five existing “collaborative working groups” (Small Business Energy Advantage, Single Family, Government {Lead by Example}, Commercial/Industrial EE & Clean Energy{C-PACE} and Commercial Multi-family) would meet to discuss activities being conducted by the EEB and the CGB in these areas, identify gaps in those activities, opportunities for increased coordination, measurable goals and objectives to take advantage of those opportunities, and areas of possible disagreements along with pathways to resolve such agreements should they arise.

Attached are the DRAFT reports for each of these working groups for your review (except for multi-family, which will be circulated tomorrow). A considerable portion of our upcoming meeting will be dedicated to sharing your comments and feedback for the working groups. Please review them prior to the meeting and include in your consideration:

- Are the gaps, opportunities and goals identified clear and sufficiently specific?
- Are the goals measurable?
- Is the number of goals appropriate?
- Format of the reports

Also, please feel free, prior to our meeting, to share any questions or comments you may with other committee members via email in order to make our discussion at the meeting as efficient as possible.

3. **Next Steps** – once we have reviewed and provided guidance to the working groups, we will discuss next steps for the Energy Efficiency Board and the Connecticut Green Bank Board of Directors to continue to make steady progress with the Joint Committee.

Attached to this e-mail you will find the following documents:

- Cover Letter
- Agenda
- Draft Meeting Minutes of April 22, 2015
- Draft Working Group Deliverables on Financing:
 - Small Business Energy Advantage (SBEA)
 - Single Family
 - Lead by Example (LBE)
 - Multifamily – this document will be coming tomorrow
 - Commercial Property Assessed Clean Energy (C-PACE)

If you have any questions, comments or concerns, please feel free to contact me at any time.

I look forward to seeing you next week.

Sincerely,

A handwritten signature in black ink, appearing to read "Eric Brown". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Eric Brown
Chair
Joint Committee



AGENDA

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

**DEEP, 10 Franklin Square, New Britain, CT
Commissioner's Conference Room**

**Wednesday, July 22, 2015
1:30-3:30 p.m.**

1. Call to Order
2. Public Comments
3. Review and approval of Meeting Minutes for April 22, 2015 meeting (5 minutes)
4. Organizational Strategic Planning Updates (20 minutes – 10 minutes each)
 - a. Connecticut Green Bank – Targets and Budget for FY 2016 Comprehensive Plan
 - b. Connecticut Energy Efficiency Fund – Draft 2016-2018 C&LM Plan
5. Member discussion (comments/questions) of Draft Coordination documents for the following areas:

(75 minutes – 15 minutes each)

 - a. SBEA
 - b. Single Family
 - c. LBE
 - d. Multifamily
 - e. C-PACE
6. Next Steps – Joint Committee recommendations to Energy Efficiency Board and Connecticut Green Bank Board of Directors for approval of the CEEF-CGB documents on coordination for financing products including coordinated goals and objectives (15 minutes)
7. Adjourn

Join the meeting online at <https://www4.gotomeeting.com/join/415372335>

Or call in using your telephone:

Dial (408) 650-3112

Access Code: 415-372-335

***Next Quarterly Joint Meeting: 1:30 - 3:30, Wednesday, October 28, 2015
Commissioner's Conference Room, DEEP, 10 Franklin Sq., New Britain***



RESOLUTIONS

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

DEEP, 10 Franklin Square, New Britain, CT
Commissioner's Conference Room

Wednesday, July 22, 2015
1:30-3:30 p.m.

1. Call to Order
2. Public Comments
3. Review and approval of Meeting Minutes for April 22, 2015 meeting (5 minutes)

Resolution #1

Motion to approve the minutes of the Joint Committee Regular Meeting for April 22, 2015.

4. Organizational Strategic Planning Updates (20 minutes – 10 minutes each)
 - a. Connecticut Green Bank – Targets and Budget for FY 2016 Comprehensive Plan
 - b. Connecticut Energy Efficiency Fund – Draft 2016-2018 C&LM Plan
5. Areas of Focus on Coordination for Financing Products – Gaps and Opportunities, Coordinated Goals and Objectives, Measuring Progress, and Areas of Disagreement and Pathways Forward (75 minutes – 15 minutes each)
 - a. SBEA
 - b. C-PACE
 - c. LBE
 - d. Single Family
 - e. Multifamily

Resolution #2

WHEREAS, per Section 16-245m(d)(2) of the Connecticut General Statutes, the Joint Committee of the Energy Efficiency Board (EEB) and the Connecticut Green Bank (Green Bank) are to examine opportunities to coordinate the programs and activities contained in the plan developed under Section 16-245n(c) of the General Statutes with the programs and activities contained in the plan developed under Section 16-245m(d)(1) of the Connecticut General Statutes and to provide financing to increase the

benefits of programs funded by the plan developed under Section 16-245m(d)(1) of the General Statutes so as to reduce the long-term cost, environmental impacts and security risks of energy in the state;

WHEREAS, the Joint Committee on January 21, 2015 mutually determined five (5) areas of priority focus with respect to financing, including Small Business Energy Advantage (SBEA), Commercial Property Assessed Clean Energy (C-PACE), Lead by Example (LBE), Single Family, and Multifamily;

WHEREAS, the Joint Committee on April 22, 2015 established the following principle statement to guide its activities “The Energy Efficiency Board and the Connecticut Green Bank have a shared goal to implement state energy policy throughout all sectors and populations of Connecticut with continuous innovation towards greater leveraging of ratepayer funds and a uniformly positive customer experience”; and

WHEREAS, the Joint Committee on April 22, 2015 charged the staff of the Connecticut Green Bank and electric distribution companies (i.e., Eversource Energy and United Illuminating), as well as the Department of Energy and Environmental Protection and consultants of the EEB, to organize into groups to draft collaborative documents on each area of priority focus as it applies to gaps and opportunities, coordinated goals and objectives, measuring progress, and areas of disagreement and pathways forwards, and be prepared to present and discuss findings at the July 22, 2015 Joint Committee meeting.

NOW, therefore be it:

RESOLVED, that the Joint Committee discussed the draft collaborative documents and [Action #1]; and

RESOLVED, that the Joint Committee [Action #2].

6. Next Steps – Joint Committee recommendations to Energy Efficiency Board and Connecticut Green Bank Board of Directors for approval of the CEEF-CGB documents on coordination for financing products including coordinated goals and objectives (15 minutes)
7. Adjourn

Join the meeting online at <https://www4.gotomeeting.com/join/415372335>

Or call in using your telephone:

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***Next Quarterly Joint Meeting: 1:30 - 3:30, Wednesday, October 28, 2015
Commissioner's Conference Room, DEEP, 10 Franklin Sq., New Britain***



**Joint Committee of the CT Energy Efficiency Board and the
Connecticut Green Bank Board of Directors
845 Brook Street, Rocky Hill, CT**

**Wednesday, April 22, 2015
1:30-3:30 p.m.**

MINUTES (draft)

In Attendance

Voting Members: Eric, Brown, John Harrity, Amanda Fargo-Johnson (phone), Diane Duva (DEEP Designee)

Non-Voting Members: Bryan Garcia, Bert Hunter, Matt Gibbs, Pat McDonnell

Others: Kerry O'Neill, Craig Diamond, Andy Brydges, Chris Kramer (phone), Genevieve Sherman (phone), Walter McCree (phone), Jeff Schlegel (phone)

Members Absent: Norma Glover

1. **Call to Order.** The meeting was called to order at 1:34 pm.
2. **Public Comments.** None.
3. **Approval of Meeting Minutes for January 21, 2015 meeting.** Mr. Harrity moved to approve the minutes. Seconded by Ms. Fargo-Johnson. All present voted in favor. ***Minutes approved.***
4. **Governance.** Mr. Brown explained his excitement of the forward movement of this new committee. He explained that this committee is separate and distinct and not a sub-committee of either the Green Bank or the Energy Efficiency Board. He explained that he bylaws require that the Joint Committee meetings abide by Robert's Rules of Order. Mr. Brown requested that the committee conduct its meetings according to those rules.

Mr. Brown provided a debriefing of the meeting on April 13, 2015 with the Chairs and Vice-Chairs of the Green Bank Board and Energy Efficiency Board. He said that the meeting was meant to seek guidance from the two Boards for the Joint Committee. He said that it was a productive meeting. He explained that it was important to get a clear picture on the financing model versus the subsidy model. He explained that Ms. Smith is looking to deploy the financing model to leverage public dollars as much as possible, noting that not everything is a perfect fit for financing. He said that Commissioner Klee echoed Ms. Smith on that point. Mr. Brown also said that there is a request to express goals to reflect compatibility and alignment. He advised that there needs to be a clear and concise

communication process on who and how to communicate with one another. He also advised that there needs to be a clear and concise process for the customers as well. Ms. Duva said that there was much concurrence on topics discussed. Mr. Garcia, based on Mrs. Smith's feedback, requested that the Joint Committee attempt to develop stretch goals, enabling the Committee to attempt to achieve more.

Mr. Brown discussed how this committee relates to the Green Bank Board and the Energy Efficiency Board. He said that the Joint Committee's role is to provide a forum to promote missions as defined by the statute and to make suggestions to the Boards. He said that the Joint Committee is not intended to dictate anything for either Board. Ms. Duva explained that this committee sits between and across both Boards and that it provides a great place to look for opportunities. Mr. Harrity said that in Connecticut energy is the most important issue, with a large impact on jobs and quality of life.

5. Common Aligned Mission

Mr. Brown explained that there should be greater clarity on subsidy versus financing and that it would be helpful for the Committee to come up with a statement that reflects its view of the aligned goals that exist between the two Boards. He provided the members with a suggestion for a uniform statement. He stated that the EEB and CGB have a shared goal to deploy energy efficiency and clean energy while leveraging rate payer funds, and doing so while providing a positive experience for customers. Ms. Fargo-Johnson questioned if this statement is for internal use. Mr. Brown said that he felt it would just be a helpful statement or guide for the Boards. Ms. Fargo-Johnson said that they might need clarification on the goals. Mr. Brown said that that discussion would take place under the next agenda bullet point.

Mr. Brown explained that the Green Bank needs to do everything possible to ensure its customers are aware of energy efficiency opportunities through the Efficiency Fund, and the Efficiency Fund needs to make it part of its goals to direct their customers to opportunities provided by the Green Bank. He said that this needs to be articulated. Ms. Babbage said that it seems to be more about process and implementation, and looking at how each entity is looking to advance the goals. Mr. Brown requested input from the members concerning adopting a statement. Mr. Dornbos said that he felt that it would be confusing for the statement to include the term clean energy, since the Joint Committee's scope is almost entirely energy efficiency and not renewables. He said the statement should only pertain to energy efficiency. Ms. Duva said that having shared goals would allow the Joint Committee to look back and make sure that they've reached all sectors and done so in a positive manner. Mr. McDonnell questioned whether the two Boards have shared goals and responsibilities, or whether they each have their own goals with overlapping responsibilities. Mr. Harrity said that he felt that neither entity could complete the goals alone. Ms. Fargo-Johnson said that the goals and responsibilities may be different statutorily, but there needs to be a shared opportunity and this will be difficult to measure since there are, for example, many different contractors.

Mr. Brown requested a motion that the Committee adopt the following statement as a guiding principle for the Joint Committee:

The Energy Efficiency Board and the Connecticut Green Bank have a shared goal to implement state energy policy throughout all sectors and populations of Connecticut with continuous innovation towards greater leveraging of ratepayer funds and a uniformly positive customer experience.

He requested that both the EEB and the Green Bank Board review/discuss the statement, although he clarified that it is not the intention of the Joint Committee to request that each Board approve the joint statement. Mr. Harrity moved the motion. Ms. Duva seconded. All members present voted in favor. ***Motion approved.***

6. Formulation of Goals/Objectives

Mr. Brown said that he would like to see the Boards work together on the goals/objectives to be discussed. Mr. Brown requested suggestions on developing goals/objectives. Mr. Gibbs said that one of the goals of the Residential Finance and Coordination Committee is to understand the performance of the different products. Mr. Brown requested clarification on those meetings. Mr. Gibbs said that they meet monthly. Mr. Brown asked who was involved in that committee. Mr. Gibbs explained that it's the companies, the Green Bank, the EEB Consultants, and DEEP. Mr. Kramer said that there were two slides that they can utilize for the discussion. Mr. Garcia provided a brief description of the five key areas of focus – SBEA, C-PACE, LBE, Single Family, and Multifamily. Mr. Kramer provided a more in depth view of ways to coordinate on goals and objectives using the residential sector as an example. Mr. Brown asked if this was a tracking tool for internal planning. Mr. Kramer said that it's new and he's not entirely sure what it will be used for. Mr. Schlegel said that it is more of a planning tool.

Mr. Brown said that he is envisioning motivating goals, but not something to set people up for failure. He requested some input from Mr. Garcia regarding stretch goals. Mr. Garcia said that they need to establish achievable targets, but also try to go further with stretch goals per Ms. Smith's comments. Mr. McDonnell voiced concern about the goals aligning with each Board. He said that they need to determine the actual goal prior to establishing stretch goals to which the group agreed.

7. Discussion for Appropriate Evaluation Measurements

Mr. Brown asked if there are any surveys being done for customer feedback regarding the process. Mr. McDonnell said that there has been huge progress made and that yes, there are some opportunities for feedback.

8. Next Steps

Mr. Brown said that he would like to come up with measurable goals. He said that we need to find out what goals are already established. He said that we need to find out what is already being tracked and which of those are of most interest to the Joint Committee. Mr. Garcia said that he felt at this point one of the best places to measure goals would be in single family. Mr. McDonnell was in agreement. Mr. Garcia recommended that we work to gather the goals and objectives and present them at the next meeting on July 22, 2015. Ms. Duva suggested what types of goals to develop within each area, and she proposed to better understand the gaps and opportunities in each area of focus. Mr. Garcia suggested that within each of the five areas of focus they each come back with gaps and opportunities, 1 to 3 goals, 3 to 5 objectives, ways to measure progress, and areas of disagreement and present them at the next meeting. Mr. Brown said that they had made very good progress on this.

9. The meeting was adjourned at 3:26 pm.

Mr. Brown requested a motion to adjourn. Motion so moved by Mr. McDonnell and seconded by Ms. Fargo-Johnson.

Respectfully Submitted,

Eric Brown, Chairperson

Draft

Small Business Energy Advantage (SBEA)
Coordination on Goals
Draft 7-15-15

Identify Gaps and Opportunities

- Opportunity: Lower-cost capital sources for SBEA financing could help stretch program resources.
- Gaps to address:
 - Financing small businesses that aren't served by SBEA contractors
 - The SBEA financing has a short term and is not intended to finance long payback measures. There is a need to identify appropriate financing tools and processes to encourage the adoption of measures with longer paybacks to increase comprehensiveness of projects.
- Opportunities:
 - Promote more comprehensive projects with financing, particularly among larger SBEA customers.
 - Develop solutions to promote more longer-payback measures, including those with financing.

Determine Coordinated Goals and Objectives

1. Find alternative sources to lower the cost of capital for SBEA financing (UI all loans; Eversource shareholder-funded loans).
2. Examine ways to couple SBEA and C-PACE (or other financing offerings) to promote more comprehensive projects (especially among higher energy usage customers) and longer-term payback measures.

Determine Ways to Measure Progress

- Assess the economies achieved through the use of lower-cost and longer term capital sources.
- Establish standardized reporting template and regular reporting timeframe
- Share the results of SBEA program tracking, which the Companies are currently conducting, for comprehensive projects using financing.

Identify Possible Disagreements and Pathways to Resolve Disagreements

- Timely cross-coordination of project leads for SBEA project that might benefit from complementary services.
- Ensuring seamless and comprehensive CEEF/CGB services for C&I customers
- Continue long-standing coordination and issue resolution through the EEB C&I Committee.¹

¹ Note: the C&I Committee consists of participants including representatives from major Connecticut business, manufacturing and agricultural associations; the EEB, the CGB, the CEEF Program Administrators, DEEP, and others.

**Single Family
Coordination on Goals**
Draft 7-15-15

[Note: these goals and metrics are based on current HES/HES-IE design and will be affected by any changes in those designs.]

Identify Gaps and Opportunities

- Strive to narrow the gap in achieving all cost-effective energy efficiency in the residential sector, using financing where effective to leverage ratepayer funds and achieve deeper and more savings.
- Offer and promote attractive and convenient financing options to customers that achieve the greatest energy savings at the lowest cost to ratepayers
- Identify strategy for comprehensive loans for 2016-2018 period. Calibrate incentive and buy-down levels to achieve more comprehensive projects while reducing program costs.
- Explore options for expanding alternative underwriting (utility bill repayment) and simple approvals, as currently used in some programs, to reach more customers while reducing hassle and delays, including for 80% AMI/credit-challenged customers.
- Develop solutions to address health and safety or other remediation issues.
- Explore the fast growing residential solar market as a channel for driving efficiency.
- Consider opportunities to promote solar through the HES channel.
- Secure low-cost capital sources to ensure the continuation of existing loan products and reduce the costs of continuing to provide low-interest loans.

Coordinated Goals and Objectives

- A. Maximize cost-effective energy efficiency in the residential sector, using financing where effective (and a simplified approval process where possible and appropriate) to leverage ratepayer funds and achieve more and deeper savings.
- B. Increase financing in the HES/HPwES channel to meet the market needs and drive deeper energy savings and more projects, increasing the amount of private sector capital utilized.
 - Increase HES projects with completed follow-ons per the C&LM Plan, using financing as one of the tools to increase completed follow-ons.
 - Increase the adoption of the Smart-E bundle and CHIF comprehensive loans.
- C. Transition HES/HPwES channel of financing customers to Smart-E loans for market rate customers.
- D. Maximize uptake of Smart-E loan customers using the on-bill repayment option.
- E. Increase the number and effectiveness of all financed projects by XX% each year.
- F. Increase the number and effectiveness of financed comprehensive projects by XX% each year.
- G. We are working to identify projections for improvements we can make in the coming years. In 2014, there were XX financing projects, of which YY were comprehensive financing projects. Projections are AA financing and BB comprehensive financing projects for 2015, CC and DD for 2016, EE and FF for 2017, and GG and HH for 2018.)

- Achieve savings/project of XX MMBtu and cost/MMBtu of \$XX in financed projects overall, with savings/project of XX MMBtu and cost/MMBtu of \$XX in comprehensive financed projects.
- H. Develop financing solutions targeted to reach a greater number of customers who are under 80% of the Area Median Income and/or are credit-challenged.
- I. Explore and develop strategies for driving efficiency through the solar channel and vice versa.

Determine Ways to Measure Progress

- ctenergydashboard.com
- Steve Bruno's 2 spreadsheets:
 - Combined Residential Financing Template – that looks at various costs and uptake for each program
 - Forecasting template – that looks specifically at the HES channel and penetration of recommendations, upgrades, financing, etc.
- Continue to coordinate on EM&V and market studies for financing programs
- Develop metrics for tracking increases in follow-ons and comprehensive projects that are related to financing.
- Develop metrics around the percentage of financing projects that are comprehensive.
- Develop cost metrics that include program costs in addition to incentives and interest-rate buy-downs.
- Develop metrics for solar and efficiency cross-promotion and cross-selling.
- Explore ways to connect financial performance and energy savings data at the household level to support analyses that helps drive down the cost of capital.

Identify Possible Disagreements and Pathways to Resolve Disagreements

- Disagreement: branding of financing products under the umbrella of Energize CT vs. individual financing product brands.
- Pathways:
 - Residential Finance Coordination Work Sessions
 - EEB/CGB Joint Committee
 - Respective Boards
 - Marketing Services Committee

Lead by Example (LBE) Coordination on Goals

Draft 7-15-15

Identifying Gaps and Opportunities

- a. Technical Support. A process for obtaining this support needs to be defined. A project to undertake is to update the existing webpage to clarify the services that are available to municipalities, e.g., technical services support through the utility companies (Eversource and United Illuminating).
- b. Outreach to Municipalities. Close gaps by providing outreach to municipalities through regular (eg., every 6 months) communication to support energy saving performance contracts (ESPCs) and demonstrating the support available from CGB, the utilities, and the Department of Energy and Environmental Protection (DEEP).
- c. Clarify importance and role of CT Green Bank in supporting the state's Green Bank to fill gaps that aren't being filled or can't be filled by private sector.

Coordinated Goals and Objectives

1. Issue Green Bond [revenue bonds] for DOC project.
2. Develop standard process of issuing Green Bonds for future government projects.
3. Develop and implement sustainable ESPC funding sources to achieve energy savings in the government and quasi-public sectors.
 - In support of statutory mandate to reduce energy consumption by 20% by 2018.
 - CEEF support for ESPC owner's representative via internal or contracted support.
 - Both utilities can increase internal support when needed via contractor support.
4. Update the Master Agreement for state agencies to provide improved flexibility.
5. Develop a financing vehicle for aggregating smaller, long-term, comprehensive energy saving projects for multiple municipalities that don't fit the Small Business Energy Advantage (SBEA) financing mechanism that ensures that energy savings from one town do not offset financing measures for another town.
6. Liberate and execute on the Bank of America interest rate buy-down.

Determine ways to measure progress

- Develop steps during project execution to measure progress.
- Measure reduction in reduced consumption [in British Thermal Units (BTUs)].
- Develop a toolkit/improved information for financing options for municipalities.

Identify pathways to resolve disagreements.

- Establish a project sharing mechanism to regulate CT GB, CEEF administrators, others. Possibly set aside time during regular Commercial and Industrial sector (C&I) meetings to provide updates and resolve any pending issues.

EEB-CGB JOINT COMMITTEE RECOMMENDATIONS - MULTIFAMILY HOUSING DRAFT

GAPS AND OPPORTUNITIES

- Opportunity and need to dramatically reduce building energy costs for owners and tenants, particularly for tenant spaces in properties serving low-income households where the tenant pays for utilities. Some deeper cost effective energy measures are sometimes not being included in multifamily project scopes for a variety of reasons, resulting in lost cost-effective opportunities to reduce energy and maintenance costs.
- Need for easy to use and cost-effective financing solutions for energy efficiency and renewable energy upgrades that are targeted/customized for multi-family properties.
 - Need to better target and serve certain sectors – rural areas and non-subsidized, non-rent restricted multifamily housing that is privately owned and serving low-income tenants (also referred to as naturally occurring affordable properties).
- Need to increase financing options for health and safety issues impeding weatherization and implementation of other cost effective energy upgrades.
- Need to identify % of projects completed in 2014 in HUD/CHFA/CHIF financed properties. Need to produce and consolidate list of such properties and provide to utilities to compare data.

COORDINATED GOALS AND OBJECTIVES


- Reduce energy consumption and costs in multifamily properties by at least x (or 20?)% on average, consistent with CGB and Conservation and Load Management Plan. [MMBTUs per unit]. [Possibly target # of units served for market rate and for naturally occurring affordable sectors.]
- Establish, align and fund financing programs to fill current unmet needs and gaps including projects driven by energy efficiency improvements where capital improvements are a subcomponent, per the recommendations and intent of the May 15th LEAN streamlining of multifamily financing event.
- Fund and complete a market analysis of certain sectors to quantify and qualify this segment and identify gaps, opportunities and best ways to serve by the end of 2016. Hard to reach sectors include certain rural areas and non-subsidized, non-rent restricted multifamily housing that is privately owned and serving low-income tenants (also referred to as naturally occurring affordable properties).

WAYS TO MEASURE PROGRESS

- Achievement of key performance indicators (KPI's) established during May 2015 LEAN event [focused on DOH/CHFA units]:

Key Performance Indicators (Metrics)

- 1) Completed financed affordable multifamily projects will achieve at least X % Average Cost Savings per Unit
- 2) Completed financed affordable multifamily projects will achieve at least X % of Energy Savings per Unit
- 3) 100 % of completed DOH/CHFA financed/funded projects include identified energy improvements
- 4) 100 % of the Letters of Agreement for utility incentives are issued by the time of the financing application.
 - LOA included with application form.
 - Delivered at 40 % design for CHFA/DOH applications
- 5) Increase the number of affordable multifamily units served by financing



Connecticut Department of Energy and Environmental Protection

- Any others?

IDENTIFY POSSIBLE DISAGREEMENTS AND PATHWAYS TO RESOLVE DISAGREEMENTS

DISAGREEMENTS

- Usage data for all individual units vs Providing aggregated usage data for buildings with tenant paid utilities.

RESOLUTION PATHS

- Ongoing collaboration and mutual problem solving through various interagency working groups
- Residential Finance Coordination Work Sessions
- CEEF/CGB Boards' Joint Committee
- Respective Boards

Commercial Property Assessed Clean Energy (C-PACE)

Coordination on Goals

Draft 7-15-15

Identify Gaps and Opportunities

The opportunity in C&I is to use programs – including financing, incentives, marketing and customer relationship management – to acquire all cost-effective energy efficiency in the C&I sectors, using financing where effective to leverage up ratepayer funds and achieve deeper and more savings.

The following are the key gaps toward capitalizing on this opportunity:

- Identify “quick payback” upgrades (e.g. natural gas conversions, lighting) that present an opportunity to underwrite deeper energy conservation measures and develop tactics for leveraging the implementation of these upgrades into comprehensive projects.
- Identify gaps and areas of overlap in financing offerings for the commercial ‘mid-market’ and work to develop financing solutions for this sector that can underwrite equipment replacement of longer-term payback measures.
- Identify areas where Utility and Green Bank program administrators can engage in joint marketing and streamline customer intake processes in order to provide customers with a seamless package of incentives and financing that enable cost-effective comprehensive energy efficiency projects for the customer.
- Need for better understanding of the marketplace for deep efficiency improvements and the role of CPACE and other financing tools in helping to achieve these improvements.
- Identify and address any gaps in how C&LM and CGB approach project economics, cost-effectiveness and eligibility in order to best meet the needs of customers, while continuing to pursue all cost-effective energy efficiency in a manner consistent with statewide statutes.¹

Determine Coordinated Goals and Objectives

1. Build on available knowledge and analysis to better understand the market for deep efficiency improvements and the opportunities for financing to help to meet all cost-effective energy efficiency goals.
 - a. Over the next 3 to 6 months, engage in a collaborative exercise through the C&I Committee to better understand the market for deep energy efficiency improvements in the “middle market” (e.g., Quartiles 2 and 3) and assess how existing financing options are driving deeper energy savings and where gaps exist where additional or improved financing offerings could drive deep projects while making the best overall use of all available resources. Use findings to support Goals # 2 and #3.

¹ Integrated Resource Plan Statute CGS § 16a-3a(c): “Resource needs shall first be met through all available energy efficiency and demand reduction resources that are cost-effective, reliable and feasible. The projected customer cost impact of any demand-side resources considered pursuant to this subsection shall be reviewed on an equitable basis with non-demand-side resources.”

- b. Increase knowledge sharing among EEB/C&I administrators and CGB. For example, mutual awareness, communication, and coordination on selecting key sectors of focus; sharing publicly available data on segmentation, aggregate project data, etc.; and other information.
 - c. Improve our understanding of the marketplace for deep efficiency improvements, the barriers associated with such investments, the tools necessary to mitigate those barriers, and where such tools are currently available
 2. Increase customer savings and benefits from the C&I Programs by a) driving more projects with b) deeper energy savings, supported with increased financing options to help ensure comprehensive investments.
 - a. Use financing, where effective, to increase the proportion of CEEF projects that achieve greater comprehensiveness.
 - b. Increase the proportion of C-PACE projects that include deep, comprehensive energy efficiency, including renewable projects.
 - c. Work toward quantitative goals for items “a” and “b” that at a minimum develop projections for a) C-PACE projects that include energy efficiency measures (XX projects, YY savings, and ZZ costs).
 - d. Focus especially on comprehensive opportunities in the commercial business “middle-market” (e.g., Quartiles 2 and 3).
 - e. Identify and develop solutions for financing market gaps, especially in the middle C&I market.
 3. Cross-leverage CEEF and CGB programs to help achieve the state goal of acquiring all cost-effective energy efficiency and renewables as cost efficiently as possible.
 - a. Work toward a common understanding of what ‘comprehensive projects’ means and use that to frame coordination efforts on how customers should use available programs to achieve comprehensive projects as cost-effectively as possible.
 - b. Develop coordinated program services to best meet the needs of individual customers, addressing any gaps in approaches to project economics, cost-effectiveness and eligibility while remaining consistent with statewide statutory policies regarding all cost-effective energy efficiency.
 - c. Run targeted experiments that explore how the strategic combination of CEEF and CGB programs can achieve cost-effective deep energy efficiency while increasing program benefits and customer value.
 - d. Improve marketing, messaging and customer intake experience to ensure seamless promotion of all opportunities that drive deeper savings and increased comprehensiveness

Determine Ways to Measure Progress

- CEEF and CGB to develop metrics that allow measurement of progress toward the coordinated goals:
 - A joint definition for ‘comprehensiveness’ that will allow tracking of these projects across all programs.
 - Metrics to track financing’s impact on achieving deeper and more projects as cost-effectively as possible.
 - A metric for collaboration that will allow the tracking of joint efforts on both project lead generation and administration.
- Continue to coordinate on EM&V and market studies for financing programs.

Identify Possible Disagreements and Pathways to Resolve Disagreements

- Continue long-standing coordination and issue resolution through the EEB C&I Committee.²
- Timely cross-coordination of marketing efforts, project leads, and customer service.
- Ensuring seamless and comprehensive CEEF/CGB services for C&I customers.

Recommendations and action plan [also included in goals 1-3 above]

- i. Identify most broadly marketable quick payback" upgrades - both efficiency and clean energy, and develop appropriate marketing material(s) to make pitch up-front on all projects where applicable;
- ii. Develop a comprehensive and clear chart or spreadsheet identifying financing gaps
- iii. Develop a proposal for utility and CGB engagement in joint marketing as well as a system for a streamlined, uniform and seamless customer engagement platform whereby regardless of the point or mode of entry, customers have a positive and personalized experience
- iv. Develop a proposal for acquiring a high understanding of the marketplace for deep efficiency improvements, the barriers associated with such investments, the tools necessary to mitigate those barriers, and identifying whether such tools are currently available.
- v. Conduct additional cross-training among EEB
- vi. Increased coordinated planning on key sectors to focus on for maximizing energy goals and savings to customers
- vii. Clearly define "cost-effective" with respect to each organization and identify the extent to which they overlap.

² Note: the C&I Committee consists of participants including representatives from the major Connecticut business, manufacturing and agricultural associations; the EEB, the CGB, the CEEF Program Administrators, DEEP, and others.