



## MINUTES

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

Wednesday, September 21, 2022  
1:30 - 3:00 p.m.

Due to COVID-19, all participants joined via the conference call.

#### **In Attendance**

Voting Members: Lonnie Reed, John Viglione, Brenda Watson, Shubhada Kambli on behalf of Victoria Hackett

Non-Voting Members: Stephen Bruno, Bryan Garcia, Bert Hunter

Members Absent: Victoria Hackett (DEEP), John Harrity

Others: Ron Araujo, Giulia Bambara, Sergio Carrillo, Hank Cullinane, John DiModica, Kate Donatelli, Mackey Dykes, Richard Faesy, Cheryl Lumpkin, Donald Mauritz, Ralph Mesite, Douglas Presley Madeline Priest, Larry Rush, Ariel Schneider, Stacy Sherwood, Mike Uhl,

Unnamed Callers: 01

1. Call to Order
  - Brenda Watson called the meeting to order at 1:32 pm.
2. Public Comments
  - None
3. Review and approval of Meeting Minutes from the June 29, 2022 meeting.

#### **Resolution #1**

Motion to approve the meeting minutes of the Joint Committee for June 29, 2022.

**Upon a motion made by John Viglione and seconded by Lonnie Reed, the Joint Committee voted to approve Resolution 1. None opposed and Shubhada Kambli abstained. Motion approved.**

4. Opportunities and Challenges
  - a. Healthy Housing

- Ron Araujo summarized the C&LM programs that encompass healthy housing including HES-income eligible which covers weathering measures as well as a safety check that covers several energy-related areas. He reviewed some proposed incentives for 2023 that apply to different types of heat pumps.
  - Brenda Watson asked for clarification about equipment discount of \$250/ton for the average consumer. Ron Araujo answered that the average household use 2-3 tons of heating, though some may use more. Brenda Watson then asked what the cost of the install would be with that rebate in mind. Ron Araujo answered that the costs vary, though with a pilot test the cost typically ranged from \$1800-\$2400 per home. However, ductless heat pump systems can cost more depending on the configuration and heat load of the home.
  - Bryan Garcia asked if both the equipment discount and fuel optimization savings could be gained and Ron Araujo answered that yes. The equipment discount is instant and applied at the point of purchase by the contractor, and then the fuel optimization rebate is still earned by the customer via mail or online form. The goal is to motivate the customer as well as distributors. He noted that since CT has been using this methodology, MA has begun to use it as well.
  - Bryan Garcia commented that Inflation Reduction Act and provisions within it would also help provide more support. Bert Hunter added that the Electric Home Rebate Act is also within the Inflation Reduction Act, and it appears that it would be supplementary to the incentives proposed. Ron Araujo agreed and noted that work is also being done in tandem with MA and NH to have a regional approach. Bert Hunter also pointed out there are some low-income household boosters also within the Inflation Reduction Act.
  - Richard Faesy commented that the EEP consultants and DEEP will be working through to find the best strategies to make it easy for customers to take advantage of existing and new opportunities. He said they are also planning to look at heat recovery systems and their potential role in these types of systems. The goal would be to tighten up buildings even more while maintaining healthy indoor air.
  - Brenda Watson posed the question of what it would look like to come up with a definition for Healthy Housing. She also asked who is willing to take the lead to make an IRA workshop in collaboration with the energy companies.
- Mackey Dykes summarized the introduction of the RRES (Residential Renewable Energy Solutions) program, which is the successor to the RSIP program. He noted that Affordable Multifamily Housing is now covered by RRES due to new legislation (i.e., PA 21-48), so to go back to Healthy Housing, it should make the units more affordable for tenants by reducing energy costs and giving the building greener power. There is a group working to make a recommendation to PURA about what the sharing of benefits should be, which should be ready by the end of September. Bryan Garcia reviewed some other program options via SCEF and ESS. He noted that currently low-income houses aren't being targeted by installers, but work is being done to change that by ramping up an installer that was focused on low-income houses through an open RFP the Green Bank has.
- Bryan Garcia summarized energy efficiency opportunities that have become available due to the newly passed Inflation Reduction Act, including the investment tax credit for clean energy properties, the Home Owner Managing Energy Savings (HOMES) program, and the High Efficiency Electric Home Rebate program. Richard Faesy noted in relation to the heat pump standards, the IRA specifically calls out CEE standards which aligns with Energy Star, which in turn aligns with the qualifying heat pumps in the program currently, so while they aren't exactly the same they are all converging and lining up. He also commented that while some programs will be available soon, others

still have to be determined and have the rules written, so there is a timeline that should be kept in mind when developing the messaging and marketing, especially in terms of receiving benefits from multiple programs.

- Bryan Garcia asked if the Requests for Information would come through DEEP or a different agency. Richard Faesy answered that DEEP would be leading it, and Kate Donatelli added that there is still a lot that needs to be figured out, but DEEP is paying close attention to the opportunities and preparing to respond to the RFIs. As well, there is plenty to consider with the bill as it is now.
- Mike Uhl asked in chat “Are the new standards utilizing the AHRI 2017 or 2023 ratings?” Richard Faesy answered that the IRA specifically references the CEE standard, and his understanding is that the CEE has been working with EPA to move the heat pump standards to the HSPF 2 and CR 2 standards, though he is unsure of the exact timing. Ron Araujo confirmed the change to the new standards starting January 1.
- Bryan Garcia reviewed the renewable energy opportunities through the IRA including the investment tax credit for solar and/or storage and green house gas reduction fund. Kate Donatelli noted that there is also funding being added to HUD. Richard Faesy added that the EPA is administering the green house gas reduction fund while the DOE is administering the others, and the EPA has a shorter legislative timeframe to develop it. He suggested that CGB lend a hand to the EPA, as they could benefit from CGB’s experience. Bryan Garcia agreed noting that the Fund was the result of the green bank model Connecticut Green Bank pioneered. Bert Hunter commented that there are a lot of good incentives in the bill and with respect to the tax credit, it gives solid support and visibility to the market in the 10 year period. Previously, the credits would be falling off and without support the market decelerates, so it is appreciated.
- Bert Hunter reviewed some elements of the structure of the ITCs and other mechanisms within the new law.

Mike Uhl asked in chat “Is there any more clarity on products like PowerWalls (Tesla) being included in the ConnectedSolutions program today for Pay4Performance and upfront incentives? Is CGB or other groups going to manage communication to the market to know which products will not be eligible for these state programs but still might receive 30% ITC? How much does EnergyHub integration limit the ability for residents to execute these projects?”

Mike Uhl asked in chat “How can/will the tax credits of low-income residents for home improvements related to HVAC/Insulation/Windows/DHW/etc be shared? In various programs across the state, non-profits or other agencies may facilitate funding these projects, but neither the low-income residents or the non-profit can monetize these tax credits. Is there another solution?”

## 5. 2022 Conservation & Load Management Plan Update

- Richard Faesy summarized the changes to the Energy Efficiency Board, as there are two vacancies available and a new Vice Chair will be voted on in October. As well, the Technical Consultant and Evaluation Administrators RFP were awarded; the Energy Futures Group team was selected for Technical Consultants and that SERA was selected to continue their role as the Evaluation Administrators.
- Richard Faesy reviewed the 2022-2024 Plan Priorities, including energy affordability, decarbonization, and equity. He briefly reviewed the 2023 C&LM Plan update activities and progress timeline. He also brought up some areas for coordination with the Green Bank such as joint evaluation of financing activities, electrification funding levels, and coordination with IRA funding opportunities.

## 6. Other Business

### a. C&I – Government

- Stephen Bruno summarized that for the SBEA and Muni program for 2022, for the first 6 months of the year, \$7.2 million in loans has been generated and since its inception in 2018, \$79 million in loans have been generated, so it's going really well. He noted that the interest rate and inflation has changed the rate but hopefully it will lower again. Mackey Dykes added that in terms of loan eligibility, the principal amounts has expanded. As well, the terms have expanded to allow for longer payback periods.
  - Bryan Garcia noted that in relation to the impact perspective of rising interest rates, the impact of the buydown may be an area for coordination with the C&LM Plan.

### b. C&I – Small & Medium/Large Businesses

- Stephen Bruno stated that for the medium and large C&I customers not part of the SBEA program, Eversource and Avantgrid went through an RFP to get a third-party lender process, though the uptake is still in development. The third-party lender has a portal to train contractors to put projects through, but it's not as active as the SBEA program.
- Mackey Dykes commented that SBEA serves project up to a certain amount, but C-PACE can pickup projects without a size limit and provides very long term attractive financing, so it is an area to perhaps look at the impact and options for customers in the medium and large business size. Stephen Bruno added the idea to investigate whether or not a niche needs to be filled via a survey report.
  - Bert Hunter added that in relation to interest rates, the Green Bank is working with various partners in the market to explore options for residential programs. As for the C&I side, the cost of energy has been going up and to counteract that, the Green Bank is trying to focus on smaller projects of \$500,000 and below to offer them lower rates, with no plans to increase rates for the foreseeable future to continue to incentivize those smaller businesses to install measures that will save on energy expenses.

### c. Residential – Single & Multi-Family Homes

- Ralph Mesite gave an update to Smart-E in that the special offer is still going, and as of Monday, September 19, 2022, approximately 155 jobs have been financed for \$3.293 million which cost approximately \$375,000 in interest rate buydown funds. With the remaining funds, there is an expected 50-100 projects to close before it ends. Most have been some form of heat pump with a small amount of geothermal projects.
  - Brenda Watson asked how the amount of projects compares to years past. Ralph Mesite said it is on pace with years past, though it's a bit hard to say until it's fully closed. With supply chain issues and increased cost there may be fewer projects for the same amount of money, however.
  - Bryan Garcia asked in terms of data collection if heat pumps are included in HVAC definition. Ralph Mesite answered yes. Bryan Garcia asked if the heat pump versus not-heat pump data can be calculated for all Smart-E projects and Ralph Mesite answered yes it can be done. Madeline Priest added that to keep in

mind that Capital For Change does see a lot of volume for heat pumps, so their data will need to be added in.

- Ralph Mesite continued that in addition to the Summer Special Offer, regular check-ins will be scheduled with Eversource and UI on their heat pump efforts and outreach to better align moving forward. As well, work is being done with UI to define advanced duct ceiling to potentially get it added in under the Smart-E umbrella.
- Bryan Garcia noted that the team can also look at the Heat Pumps to Solar PV to see if Solar PV customers are taking heat pumps too to determine any correlation. He also commented that with respect to interest rate buydowns was offer it to geothermal systems to subsidize metering to see the energy consumption and other MMBTU energy savings benefits from those systems. There are about 20 installed systems that have about a year's worth of data to be shared with the DEEP team.
  - Richard Faesy asked for ground source heat pumps, does the maximum loan amount of \$40,000 feel sufficient to cover those projects? Ralph Mesite answered it should cover the majority of the projects for the average consumers, especially when coupled with the rebates. Bryan Garcia suggested developing an average ground source heat pump installation cost per ton. The group discussed various data points to examine.
  - Richard Faesy asked if for 2 to 4 unit houses, is there something available to serve that multifamily class, primarily for income properties. Madeline Priest answered that Capital for Change offers a Landlord Loan where the measures are similar to the Smart-E loans to serve that audience, which must be rental property only and not occupied by the owner.

d. Shared Clean Energy Facilities – Potential Opportunity for Additional Energy Efficiency

- Bryan Garcia summarized the updates to the proposal for the SCEF program. There was a PURA filing as Docket 22-08-04 and the next scheduled event is that written comments are due by September 30, 2022 and a technical meeting is scheduled for October 12, 2022.

e. Other Business

Mike Uhl commented in chat “No, \$40K does not cover a GSHP installation.”

Mike Uhl commented in chat “Please include size (sqft) of home with the tonnage and total costs. These evaluations could be easily aligned with the comparisons that Abode does for all the ASHP comparisons for customers.”

7. Adjourn

**Brenda Watson adjourned the Joint Committee Meeting at 3:01 pm.**

Respectfully submitted,

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Brenda Watson, Chairperson