



Empowering you to make
smart energy choices

Connecticut Energy Efficiency

**Technical Meeting
2020 C&LM Plan
Year-End Forecast - provided 8/31**

October 21, 2020

Agenda

- **YTD Spending presented at 10/14/20 EEB Meeting**
- **Companies Forecast filed with DEEP on 8/31/20**
- **CAM Process**
- **CAM Timeline**
- **Recommended Carryover**
- **Incentives Discussion**
- **Appendix**

Eversource - YTD as of September 30, 2020

ES - Electric Summary

- **Revenue:** \$137.0 M (81% of Budget*)
- **Spending:** \$84.2 M (50% of Budget*)
- **Annual Savings:** 133,807 MWh (53% of Goal*)
- **Lifetime Savings:** 1,340,000 MWh (48% of Goal*)
- **Summary:** Revenue on target; Spending, Annual Savings, and Lifetime Savings below budget

ES – Natural Gas Summary

- **Revenue:** \$14.2 M (62% of Budget*)
- **Spending:** \$11.7 M (51% of Budget*)
- **Annual Savings:** 0.9 M ccf (34% of Goal*)
- **Lifetime Savings:** 14.7 M ccf (39% of Goal*)
- **Summary:** Revenue collections from the CAM; Spending, Annual Savings, and Lifetime Savings below budget

*Goals are based on 2020 Plan Update filed 3/1/2020

Avangrid - YTD as of September 30, 2020

UI - Electric Summary

- **Revenues:** \$28.1 M (67% of Budget)
- **Spending:** \$18.8 M (44% of Budget*)
- **Annual Savings:** 25,872 MWh (47% of Goal*)
- **Lifetime Savings:** 264,891 MWh (45% of Goal*)
- **Summary:** Spending, Annual Savings, and Lifetime Savings below budget

SCG – Natural Gas Summary

- **Revenues:** \$9.7 M (56% of Budget)
- **Spending:** \$9.97 M (58% of Budget*)
- **Annual Savings:** 0.73 M ccf (39% of Goal*)
- **Lifetime Savings:** 12.2 M ccf (45% of Goal*)
- **Summary:** Spending, Annual Savings, and Lifetime Savings below budget

CNG – Natural Gas Summary

- **Revenues:** \$10.7 M (60% of Budget)
- **Spending:** \$7.7 M (43% of Budget*)
- **Annual Savings:** 0.68 M ccf (36% of Goal*)
- **Lifetime Savings:** 11.9 M ccf (45% of Goal*)
- **Summary:** Spending, Annual Savings, and Lifetime Savings below budget

8/31/2020 – Year-End Revenue Forecast

2020 Revenue Forecast vs. Budget*

In \$ Millions	2020 Year-End Forecast 8/31/2020	2020 Budget 3/1/2020	Variance Over/(Under)	Variance - % Over/(Under)
Eversource - Electric	\$166.6	\$169.6	(\$3.0)	(1.8%)
UI – Electric	\$42.5	\$42.3	\$0.3	0.7%
Eversource – Gas	\$21.6	\$22.8	(\$1.2)	(5.3%)
CNG	\$16.5	\$18.0	(\$1.5)	(8.3%)
SCG	\$16.1	\$17.3	(\$1.2)	(6.9%)
Total	\$263.3	\$269.9	(\$6.6)	(2.4%)

8/31/2020 – Year End Spending Forecast

2020 Spending Forecast vs. Budget*

In \$ Millions	2020 Year-End Forecast 8/31/2020	2020 Budget 3/1/2020	Variance Over/(Under)	Variance % Over/(Under)
Eversource - Electric	\$145.4	\$169.6	(\$24.2)	(14.3%)
UI – Electric	\$33.5	\$42.3	(\$8.8)	(20.8%)
Eversource – Gas	\$19.6	\$22.8	(\$3.2)	(14.0%)
CNG	\$14.3	\$18.0	(\$3.7)	(20.6%)
SCG	\$14.8	\$17.3	(\$2.5)	(14.5%)
Total	\$227.6	\$269.9	(\$42.3)	(15.7%)
*These numbers reflect spending due to program activity and forecasted activity through mid-August 2020; this is approximately 45 days after program resumption. If program activity continues to ramp up, the underspending would decrease.				

8/31/2020 – Year-End Revenues vs. Budgets

2020 Revenues vs. Budgets*

In \$ Millions	2020 Y/E Revenues versus Y/E Spending (8/31/2020)	2020 Budget (3/1/2020)	Variance Over/(Under)
Eversource Electric	\$21.2	\$0.0	\$21.2
UI – Electric	\$9.0	\$0.0	\$9.0
Eversource – Gas	\$2.0	\$0.0	\$2.0
CNG	\$2.2	\$0.0	\$2.2
SCG	\$1.3	\$0.0	\$1.3
Total	\$35.7	\$0.0	\$35.7

\$35.7 million is 13% of the 2020 Budget filed on March 1, 2020.

*Totals may vary due to rounding.

CAM Process

- Annual CAM filing is due on or about February 1st each year
- The Components of the CAM include:
 - C&LM Plan Annual Update budget filed March 1st each year less
 - Estimates of funding related to RGGI and ISO Forward Capacity Market Credits (Electric Only)
 - Prior period true-up of conservation costs and revenues recovered in the prior period including interest
 - The sum of these components divided by forecasted sales produce the CAM Factor
- The electric companies (ES, UI) reconciles CAM factor to the cap of 6 mills per kWh including Gross Earnings Tax (GET)
- The natural gas companies (ES, CNG & SCG) reconciles CAM factor to the cap of 4.6 cents per ccf including GET



CAM Timeline - Options

Steps	1. Existing (based on 2020 Actual Revenues & Spending)	2. Alternate Approach (based on 2020 estimated Revenues & Spending; Adjust CAM in two phases to allow for true-up to actual spending)
C&LM Plan Filing	11/1/20	11/1/20
DEEP Approval of the 2021 C&LM Plan (or Budgets)	Typically by 12/31/20	Needed by 11/15/20 for CAM Filing (Typically by 12/31/20)
PURA ensures the balance of the revenues required to fund the Plan is included in a fully reconciling CAM	Within 60 days after DEEP approval	Within 60 days after DEEP approval
CAM filing to PURA	2/1/21	12/1/20 (contingent on DEEP Approval)
Effective Date of Change in Rates	3/1/21	1/1/21 (50% return); balance of 50% - 3/1/21 (contingent on PURA approval)

Recommended Carry Over

- Previously the Companies have added the full amount of carry (under) / carry over funds to the next years budget.
- Based on feedback from DEEP, stakeholders, etc. - the Companies are open to returning the amount of carryover in the form of a reduced CAM rate specific to each operating company.
 - Option 1 is recommended – based on today's date and the timing needed for DEEP and PURA Plan and Funding Approvals;
 - If Option 2 is selected – the Companies recommend only for the Electric Distribution Companies (based on forecasted amounts)
- Note: Carrying a percentage of the unspent funds into the following year C&LM Plan has the following benefits:
 - The ability to maintain COVID-19 level (or slightly reduced COVID-19 incentives) into 2021 to continue to support customer investment in EE.
 - The ability to serve more customers and provide energy savings



Incentives

- Planned 2021 Incentives
 - Residential - Raise HES copay to \$50 (~ April, after heating season)
 - Residential - Continue with HP and HES & HES-IE insulation and window incentives through a portion of the year (informed by market response)
 - C&I - Decrease incentives by mid-year
- Benefit of current increased incentives
 - Increased customer participation relative to the COVID-19 period when participation dropped
 - Increased weatherization adoption (HES, Insulation)
 - Increased savings per participant
 - Increase Large C&I Pipeline
- Costs of current increase incentives
 - Less total savings
 - Increased cost per participant
 - Less customers serviced statewide – (Res: ~7,000; C&I: ~800) (relative to 3/1/20 filing)
 - Goals; Actuals are different since customer would probably not participate with a combination of COVID-19 and pre-COVID-19 incentives
 - Example: ~\$4M allocated towards insulation (1,200 more customers) would be covered by 4,000 less receiving HES

Appendix

8/31/2020 – Year-End Forecast to DEEP Revenues

Statewide EE Revenues	2020 Eversource CT Electric Forecast Revenues 08/31/2020	2020 UI Forecast Revenues 08/31/2020	2020 Eversource CT Gas Forecast Revenues 08/31/2020	2020 CNG Forecast Budget 08/31/2020	2020 SCG Forecast Budget 08/31/2020	2020 Statewide Combined Total 08/31/2020
ISO-NE Forward Capacity Market Revenues	\$ 28,061,782	\$ 6,227,061	\$ -	\$ -	\$ -	\$ 34,288,843
Class III Renewable Energy Credits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
RGGI	\$ 10,241,112	\$ 2,560,278	\$ -	\$ -	\$ -	\$ 12,801,390
CAM (Net of Gross Receipts Tax)	\$ 111,000,458	\$ 27,593,594	\$ 22,192,479	\$ 14,740,108	\$ 13,229,034	\$ 188,755,673
Prior Period Over/(Under) Collections	\$ 7,644,871	\$ 4,285,087	\$ (884,020)	\$ (469,530)	\$ (278,081)	\$ 10,298,327
Prior Period Under/(Over) Budget	\$ 9,618,672	\$ 1,652,971	\$ 250,741	\$ 2,073,351	\$ 2,905,328	\$ 16,501,063
Estimated Interest Due to Company/Other Revenues	\$ -	\$ 222,245	\$ -	\$ 189,328	\$ 222,140	\$ 633,713
Total - EE Revenues	\$ 166,566,895	\$ 42,541,237	\$ 21,559,200	\$ 16,533,257	\$ 16,078,421	\$ 263,279,010
% of Budget	98%	101%	94%	92%	93%	98%

8/31/2020 – Year-End Forecast to DEEP

Change in Revenues versus 3/1/20 filing

Statewide EE Revenues	2020 Eversource CT Electric Filed Revenues 08/31/2020	2020 UI Filed Revenues 08/31/2020	2020 Eversource CT Gas Filed Revenues 08/31/2020	2020 CNG Filed Budget 08/31/2020	2020 SCG Filed Budget 08/31/2020	2020 Statewide Combined Total 08/31/2020
ISO-NE Forward Capacity Market Revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Class III Renewable Energy Credits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
RGGI	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CAM (Net of Gross Receipts Tax)	\$ (2,984,208)	\$ 243,464	\$ (1,265,861)	\$ (1,416,743)	\$ (1,221,579)	\$ (6,644,927)
Prior Period Over/(Under) Collections	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Prior Period Under/(Over) Budget	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Estimated Interest Due to Company/Other Revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total - EE Revenues	\$ (2,984,208)	\$ 243,464	\$ (1,265,861)	\$ (1,416,743)	\$ (1,221,579)	\$ (6,644,927)

8/31/2020 – Year-End Spending Forecast

Statewide EE FORECAST	2020 Eversource CT Electric Forecast 08/31/2020	2020 UI Forecast 08/31/2020	2020 Eversource CT Gas Forecast 08/31/2020	2020 CNG Forecast 08/31/2020	2020 SCG Forecast 08/31/2020	2020 Statewide Combined Total 08/31/2020
RESIDENTIAL						
Residential Retail Products	\$ 8,332,996	\$ 2,271,954	\$ -	\$ -	\$ -	\$ 10,604,950
Residential New Construction	\$ 3,007,254	\$ 331,566	\$ 704,792	\$ 292,298	\$ 291,753	\$ 4,627,664
Home Energy Solutions - Core Services	\$ 15,374,464	\$ 2,622,373	\$ 2,432,511	\$ 2,317,518	\$ 1,484,218	\$ 24,231,083
Home Energy Solutions - HVAC, Water Heaters	\$ 9,276,539	\$ 1,678,090	\$ 3,183,345	\$ 2,567,462	\$ 3,891,313	\$ 20,596,749
HES Income Eligible	\$ 15,815,220	\$ 3,791,415	\$ 3,799,055	\$ 2,784,983	\$ 2,643,800	\$ 28,834,473
Residential Behavior	\$ -	\$ 225,125	\$ -	\$ 173,872	\$ 193,016	\$ 592,013
Subtotal Residential	\$ 51,806,473	\$ 10,920,523	\$ 10,119,703	\$ 8,136,133	\$ 8,504,100	\$ 89,486,932
COMMERCIAL & INDUSTRIAL						
C&I LOST OPPORTUNITY						
Energy Conscious Blueprint	\$ 5,864,894	\$ 4,245,052	\$ 2,668,332	\$ 2,409,843	\$ 2,044,226	\$ 17,232,347
Total - Lost Opportunity	\$ 5,864,894	\$ 4,245,052	\$ 2,668,332	\$ 2,409,843	\$ 2,044,226	\$ 17,232,347
C&I LARGE RETROFIT						
Energy Opportunities	\$ 45,986,503	\$ 8,284,176	\$ 4,012,832	\$ 1,204,997	\$ 1,845,600	\$ 61,334,108
Business & Energy Sustainability (O&M, RetroCx, BSC, PRIME)	\$ 1,224,981	\$ 858,593	\$ 614,641	\$ 484,936	\$ 238,050	\$ 3,421,202
Total - C&I Large Retrofit	\$ 47,211,484	\$ 9,142,770	\$ 4,627,473	\$ 1,689,933	\$ 2,083,650	\$ 64,755,310
Small Business	\$ 11,461,818	\$ 3,417,129	\$ 115,135	\$ 240,149	\$ 238,170	\$ 15,472,401
Subtotal C&I	\$ 64,538,196	\$ 16,804,951	\$ 7,410,940	\$ 4,339,925	\$ 4,366,046	\$ 97,460,058
OTHER - EDUCATION & ENGAGEMENT						
Educate the Public	\$ 739,750	\$ 444,474	\$ 70,165	\$ 94,806	\$ 94,806	\$ 1,444,001
Customer Engagement	\$ 1,968,000	\$ 275,000	\$ 270,612	\$ 100,000	\$ 100,000	\$ 2,713,612
Educate the Students	\$ 412,236	\$ 101,242	\$ 43,340	\$ 45,164	\$ 45,164	\$ 647,147
Educate the Workforce	\$ 540,422	\$ 140,901	\$ 35,359	\$ 67,473	\$ 67,473	\$ 851,628
Subtotal Education & Engagement	\$ 3,660,408	\$ 961,617	\$ 419,476	\$ 307,444	\$ 307,443	\$ 5,656,388
OTHER - PROGRAMS/REQUIREMENTS						
Residential Loan Program (Includes ECLF and OBR)	\$ 2,913,553	\$ 149,381	\$ 80,075	\$ 86,292	\$ 86,292	\$ 3,315,593
C&I Financing Support	\$ 2,528,933	\$ 85,000	\$ 78,256	\$ 20,000	\$ 75,000	\$ 2,787,189
Research, Development & Demonstration	\$ 164,016	\$ 65,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 379,016
Subtotal Programs/Requirements	\$ 5,606,503	\$ 299,381	\$ 208,331	\$ 156,292	\$ 211,292	\$ 6,481,799
OTHER - LOAD MANAGEMENT						
Residential Demand Response	\$ 3,485,330	\$ 1,377,228	\$ -	\$ -	\$ -	\$ 4,862,558
C&I Demand Response	\$ 4,078,069	\$ 283,218	\$ -	\$ -	\$ -	\$ 4,361,288
Subtotal Load Management	\$ 7,563,399	\$ 1,660,446	\$ -	\$ -	\$ -	\$ 9,223,845
OTHER - ADMINISTRATIVE & PLANNING						
Administration	\$ 902,597	\$ 265,833	\$ 136,109	\$ 154,854	\$ 154,855	\$ 1,614,249
Marketing Plan	\$ 321,900	\$ 89,100	\$ 31,100	\$ 31,100	\$ 31,100	\$ 504,300
Planning	\$ 703,170	\$ 202,967	\$ 74,993	\$ 141,980	\$ 141,980	\$ 1,265,091
Evaluation Measurement and Verification	\$ 1,920,000	\$ 480,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 3,000,000
Evaluation Administrator	\$ 192,000	\$ 48,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 300,000
Information Technology	\$ 1,466,837	\$ 225,000	\$ 110,335	\$ 139,037	\$ 139,038	\$ 2,080,247
Energy Efficiency Board Consultants	\$ 416,000	\$ 104,000	\$ 43,333	\$ 43,333	\$ 43,333	\$ 649,999
Audits - Financial and Operational	\$ 60,000	\$ 24,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 114,000
Performance Management Incentive (PMI)	\$ 6,232,026	\$ 1,435,942	\$ 841,994	\$ 612,304	\$ 632,513	\$ 9,754,779
Admin/Planning Expenditures	\$ 12,214,530	\$ 2,874,842	\$ 1,467,864	\$ 1,352,609	\$ 1,372,820	\$ 19,282,665
TOTAL	\$ 145,389,510	\$ 33,521,760	\$ 19,626,314	\$ 14,292,403	\$ 14,761,701	\$ 227,591,687
% of Budget	86%	79%	86%	80%	85%	84%

8/31/20 – Change in Year-End Spending Forecast versus 3/1/20 filing

Statewide EE BUDGET	2020 Eversource CT Electric Forecast 08/31/2020	2020 UI Forecast 08/31/2020	2020 Eversource CT Gas Forecast 08/31/2020	2020 CNG Forecast 08/31/2020	2020 SCG Forecast 08/31/2020	2020 Statewide Combined Total 08/31/2020
RESIDENTIAL						
Residential Retail Products	\$ 85,561	\$ (79,159)	\$ -	\$ -	\$ -	\$ 6,402
Residential New Construction	\$ (215,062)	\$ (405,248)	\$ (236,084)	\$ (501,681)	\$ (875,257)	\$ (2,233,332)
Home Energy Solutions - Core Services	\$ (6,219,083)	\$ (1,415,156)	\$ 382,391	\$ (733,748)	\$ (604,257)	\$ (8,589,853)
Home Energy Solutions - HVAC, Water Heaters	\$ 655,353	\$ (544,524)	\$ (118,103)	\$ 63,234	\$ 75,519	\$ 131,479
HES Income Eligible	\$ (781,114)	\$ (1,474,439)	\$ (229,363)	\$ (1,856,655)	\$ (1,028,144)	\$ (5,369,715)
Residential Behavior	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Subtotal Residential	\$ (6,474,345)	\$ (3,918,526)	\$ (201,159)	\$ (3,028,850)	\$ (2,432,139)	\$ (16,055,019)
COMMERCIAL & INDUSTRIAL						
C&I LOST OPPORTUNITY						
Energy Conscious Blueprint	\$ (7,979,388)	\$ (1,011,349)	\$ (1,851,667)	\$ 56,665	\$ (53,318)	\$ (10,839,057)
Total - Lost Opportunity	\$ (7,979,388)	\$ (1,011,349)	\$ (1,851,667)	\$ 56,665	\$ (53,318)	\$ (10,839,057)
C&I LARGE RETROFIT						
Energy Opportunities	\$ 2,276,859	\$ (1,213,395)	\$ (201,022)	\$ (139,287)	\$ 468,519	\$ 1,191,674
Business & Energy Sustainability (O&M, RetroCx, BSC, PRIME)	\$ (2,615,567)	\$ (596,002)	\$ (77,204)	\$ (294,555)	\$ (378,112)	\$ (3,961,439)
Total - C&I Large Retrofit	\$ (338,708)	\$ (1,809,397)	\$ (278,225)	\$ (433,842)	\$ 90,407	\$ (2,769,765)
Small Business	\$ (6,936,152)	\$ (1,382,876)	\$ (706,965)	\$ (124,066)	\$ (63,944)	\$ (9,214,004)
Subtotal C&I	\$ (15,254,248)	\$ (4,203,622)	\$ (2,836,858)	\$ (501,243)	\$ (26,855)	\$ (22,822,826)
OTHER - EDUCATION & ENGAGEMENT						
Subtotal Education & Engagement	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
OTHER - PROGRAMS/REQUIREMENTS						
Research, Development & Demonstration	\$ -	\$ (86,250)	\$ -	\$ -	\$ -	\$ (86,250)
Subtotal Programs/Requirements	\$ -	\$ (86,250)	\$ -	\$ -	\$ -	\$ (86,250)
OTHER - LOAD MANAGEMENT						
Residential Demand Response	\$ (500,000)	\$ -	\$ -	\$ -	\$ -	\$ (500,000)
C&I Demand Response	\$ (500,000)	\$ -	\$ -	\$ -	\$ -	\$ (500,000)
Subtotal Load Management	\$ (1,000,000)	\$ -	\$ -	\$ -	\$ -	\$ (1,000,000)
OTHER - ADMINISTRATIVE & PLANNING						
Planning	\$ -	\$ 40,600	\$ -	\$ 30,000	\$ 30,000	\$ 100,600
Information Technology	\$ (392,548)	\$ (230,301)	\$ (22,986)	\$ -	\$ -	\$ (645,834)
Performance Management Incentive (PMI)	\$ (1,040,452)	\$ (377,914)	\$ (137,746)	\$ (157,504)	\$ (109,305)	\$ (1,822,921)
Admin/Planning Expenditures	\$ (1,433,000)	\$ (567,615)	\$ (160,731)	\$ (127,504)	\$ (79,305)	\$ (2,368,156)
TOTAL	\$ (24,161,593)	\$ (8,776,013)	\$ (3,198,747)	\$ (3,657,597)	\$ (2,538,299)	\$ (42,332,250)
	-14%	-21%	-14%	-20%	-15%	-16%





Connecticut Industrial
Energy Consumers

Presentation for the
**DEEP Technical Meeting on the
C&LM Plan
Budget Over-Recovery**

October 21, 2020

Presentation by:
Amanda De Vito Trinsey
Couch White, LLP

Who is CIEC?

- Founded in 1979, CIEC is an unincorporated association of large industrial and commercial energy consumers with facilities throughout Connecticut.
- Members of CIEC represent a diverse cross-section of Connecticut's business community that share a common interest in ensuring that the State's energy markets provide access to reliable, affordable energy supplies
- CIEC members support cost-effective energy efficiency opportunities, and actively engage in reducing their energy usages and carbon footprints

PURA Precedent Caps Carryover

- In the May 20, 2014 final decision in Docket Nos. 13-11-14 and 14-03-01, the Authority allowed “a maximum carryover not to exceed five percent of the current annual budget.”
- This 5% threshold is a maximum. No precedent set by PURA on minimum C&LM Plan carryover when a budget surplus exists.
- **All of the approximately \$36 million over-recovery should be returned to ratepayers for immediate rate relief**

Ratepayers Need Relief

- The COVID-19 Pandemic has caused severe, unprecedented hardship for all ratepayers
- Ratepayers continue to fund the C&LM Plan at levels above possible program expenditures
- Increased electric surcharges have added a material burden to already distressed customers:
 - Millstone Contract Charges (double digit increases for all customers)
 - Additional costs from RAM and RDM true-ups and future COVID-related collections through true-up mechanisms
 - Uncertain Winter 2020/2021 electric supply charges
- The unemployment rate in CT for September was 7.8%
- This is an unprecedented and uncertain business climate for manufacturers and suppliers

Energy Efficiency Sector Received Substantial Relief

- Vendors were provided with relief during the pandemic
 - Incentives were artificially increased to drive up demand for C&LM programs
 - Provided with additional funding for administrative work
- This relief was funded through the C&LM budget, which is ultimately ratepayer money
 - No consideration was given to provide ratepayers with electric rate relief
- September 2020 Connecticut Clean Energy Industry Survey Results do not support a return to normalcy, which impacts the accuracy of the 2021 anticipated plan budget

Additional C&LM Funding for 2021 Is Not Needed

- No demonstration has been made that the proposed 2021 budget is insufficient to meet 2021 program needs.
 - In fact a reduction in collections should be mandated to reflect the commensurate decrease in program activity from 2020.
- Anecdotal “uptick” in demand in certain sectors from increased incentives is not indicative of all sectors and is not indicative of what the 2021 markets will look like
- If there is a 2021 budget shortfall, the increased incentives should be adjusted downward to pre-COVID levels mid-year (June 2021) to smooth out total budget impacts

Return Over-Collection to Ratepayers

- Returning the entirety of the \$36 million in customer over collections to ratepayers now, would provide much needed immediate relief
- Funds should be returned in the manner in which they were collected
- The proposed budget carryover percentage is too high
- In the alternative, if DEEP requires a percentage of the over-recovery to carry forward, it should either be based on a lower total budget percentage, or as a percentage of the total surplus available.
 - For example, 1-2% of the total C&LM budget
 - For example, 5% of the \$36 million over-recovery



Connecticut Industrial
Energy Consumers

Questions/Comments?

Additional questions can be directed to:

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CTAC Technical Meeting - Projected CLM Over-Recovery

October 21, 2020

HCP and the impact of enhanced insulation incentives

Lorenzo Wyatt, Home Comfort Practice

Why focus on insulation?

- \$2.20/square foot rebate, up to 100% of cost
- incentives require HES/HES-IE Core Services
- building science fundamentals: air sealing & insulation
- gateway to deeper upgrades ***with incentives***

The COVID-19 pandemic is not over

- shutdown, stay-at-home orders, ongoing restrictions
- PPE, distancing until vaccine
- ...well into 2021

Why DEEP extend enhanced insulation incentives?

- the pandemic is not over
- incentives are working: demand, awareness, jobs!
- Avoid disrupting economic recovery

Incentives are working: demand, awareness, jobs!

- 6/22 to 9/22: 775 new HES (only 584 in all 2019)
- 6/22 to 9/22: \$334k of rebates (only \$233k in all 2019)
- 51% HES to insulation conversion (25% pre-COVID)



Incentives are working: demand, awareness, jobs!

- HCP has hired 9 field technicians
 - added 3 HES/HES-IE audit crews
 - Added 3 insulation upgrade crews
- growing customer service, sales team

Why DEEP extend enhanced insulation incentives?

- the pandemic is not over
- avoid disrupting economic recovery
- happy ratepayers + word-of-mouth = broad adoption
- energy demand reduction



Efficiency For All

CT C&LM budget overage and potential extension of the “Special Covid rebates beyond the 2020 program year.”

Wednesday, October 21, 2020

Time: 9:30 AM – 12:00

Removing barriers to participation



- ❑ Low copay has increased interest and participation in the programs and connected ratepayers with deeper savings and services provided by EnergizeCT.
- ❑ Low copays help communities spread the word on the value of demand reduction services.
- ❑ Programs have been able to revive work even in these difficult times.

Residential Usage is 17% of CT Energy Demand



- ❑ 17% of Connecticut's energy demand is directly residential.
- ❑ This demand includes heating, cooling, DHW, and electricity.
- ❑ Our C&LM programs have continued to drive down peak demand and our overall demands for energy in CT.
- ❑ To meet our current state goals we must go deeper and reach more homes.
- ❑ Communities are enjoying deeper savings due to the deeper supports.

The Pandemic is not over



- ❑ Unfortunately, the pandemic is not over. Connecticut residents still are recovering from necessary stay-at-home orders and the shutdown of non-essential businesses.
- ❑ Many social and commercial activities remain restricted. As cooler months approach people will be more cautious.
- ❑ We must remain supportive of the ratepayers, and workers, and continue to support PPE use, and safe processes while we work to draw down energy demands.
- ❑ These deeper supports are supports for the ratepayer and for the economy.

Rebuilding our economy



- ❑ The additional supports for ratepayers are getting CT back to work!
- ❑ We have begun to rebuild our workforce.
- ❑ Contractors are hiring to meet the demand. To maintain the growth we need stability.
- ❑ With so many unknown in the pandemic, stable incentives will keep work flowing, workers working, and we can keep driving down energy demands statewide.

Keeping people safe at home



- ❑ HES and HES-IE keep people safe at home.
- ❑ Through our work we locate dangers and hazards. We keep people safe while they shelter at home.
- ❑ We keep them warm in the winter and cool in the summer.
- ❑ We keep the lights on longer for less cost.
- ❑ We lower peak demands saving on expenses for all ratepayers.
- ❑ The state PPE requirements have allowed us to serve CT safely.

Time to make up for losses by ensuring we keep the programs stable, accessible, and forward thinking!

The program budget has been raided five times by the state. Most recently, the fund lost 176 million dollars in 2017 and 2018. Each of these raids by the state have harmed our workforce, businesses, and caused us to fall short on the state mandate for energy reduction and service to 80% of the state.

We are seeing a 25% increase



Most contractors are reporting increases from 25% uptake to 50% uptake on deeper measures.

This means CT residents are saving more on energy while spending less.

Let's own our success!



Enhanced incentives combined with word-of-mouth referrals represent a proven, cost-effective method for:

1. promoting comprehensive home upgrades,
2. maximizing the dollar value of energy efficiency investments per ratepayer,
3. achieving greater energy savings per household, and
4. reducing new customer acquisition costs.

Extend incentives to Dec 31, 2021



Extending enhanced incentives through December 31, 2021. During the fury of health concerns, economic uncertainties, and social disruption, many ratepayers still remain ignorant of these enhanced incentives that facilitate home upgrades, lower their household energy bills, and reduce air and water pollution. Thousands of ratepayers will only just learn of these incentives and opportunities by December 31, 2020, and then be denied their enhanced benefits due to limited industry capacity under an abrupt deadline.

Extend the supports or we will lose opportunities



Not extending rebates will result in lost opportunity. Just as local businesses have ramped up capacity and increased local employment to satisfy increased ratepayer demand, and customers are happily spreading the word about how they are being helped with energy burdens, it would be an economic tragedy to terminate the very incentives that have stimulated the ratepayer demand, and begun to rebuild our clean energy economy.

Learn more at www.encyforall.org

Create Confidence, Stabilize programs, Support Ratepayers



The 36 million dollars could be used to create confidence in our CT programs and services, stabilize the programs during the pandemic, and to support ratepayers with continued incentives that effectively lower energy burdens.

Additionally, there is a need to remove indoor health hazards, and excess funds could be utilized to address that long standing issue.

Each dollar invested in the C&LM program has resulted in a return of \$3 to \$7 dollars to the state's economy.



Smart-E Loan Health & Safety Financing

Technical Meeting – C&LM Budget

October 21, 2020



Smart-E Loans

Key Points



- **Unsecured, personal loan for energy improvements** at 1-4 unit, owner-occupied residential properties **statewide** in CT
- Available through **9 local lenders** and a network of eligible contractors
- Borrower qualifications:
 - 580+ FICO score
 - 50% debt-to-income ("DTI") maximum
 - DTI screen waived for 680+ FICO
- **40+ eligible measures**
- Loan amounts: **\$500 - \$40,000**
 - **Health & Safety** loans up to **\$25,000**
- Up to **25%** of the loan can be used for related energy improvements like electric service upgrades, ENERGY STAR appliances
- **No money down**
- **Fixed monthly payments**
- **No prepayment penalty**

Terms	5 Years	7 Years	10 Years	12 Years
Rates	4.49%	4.99%	5.99%	6.99%
Special Offers*	2.99%	2.99%	2.99%	

* Effective 7/1/20: EV chargers, heat pumps, solar battery storage



www.ctgreenbank.com/smart-e

Smart-E Health & Safety

Project Qualification



Achieve a nexus to energy under the following three (3) scenarios:

- **Option 1 – HES/HES-IE Channel**

- If asbestos or mold are detected via an incomplete HES assessment, the homeowner is required to sign a form committing to completing HES/HES-IE within 90 days of loan closing.

- **Option 2 – Health & Safety Channel**

- If the homeowner is already aware of the presence of asbestos or mold, they are required to sign a form committing to completing HES/HES-IE within 90 days of loan closing.

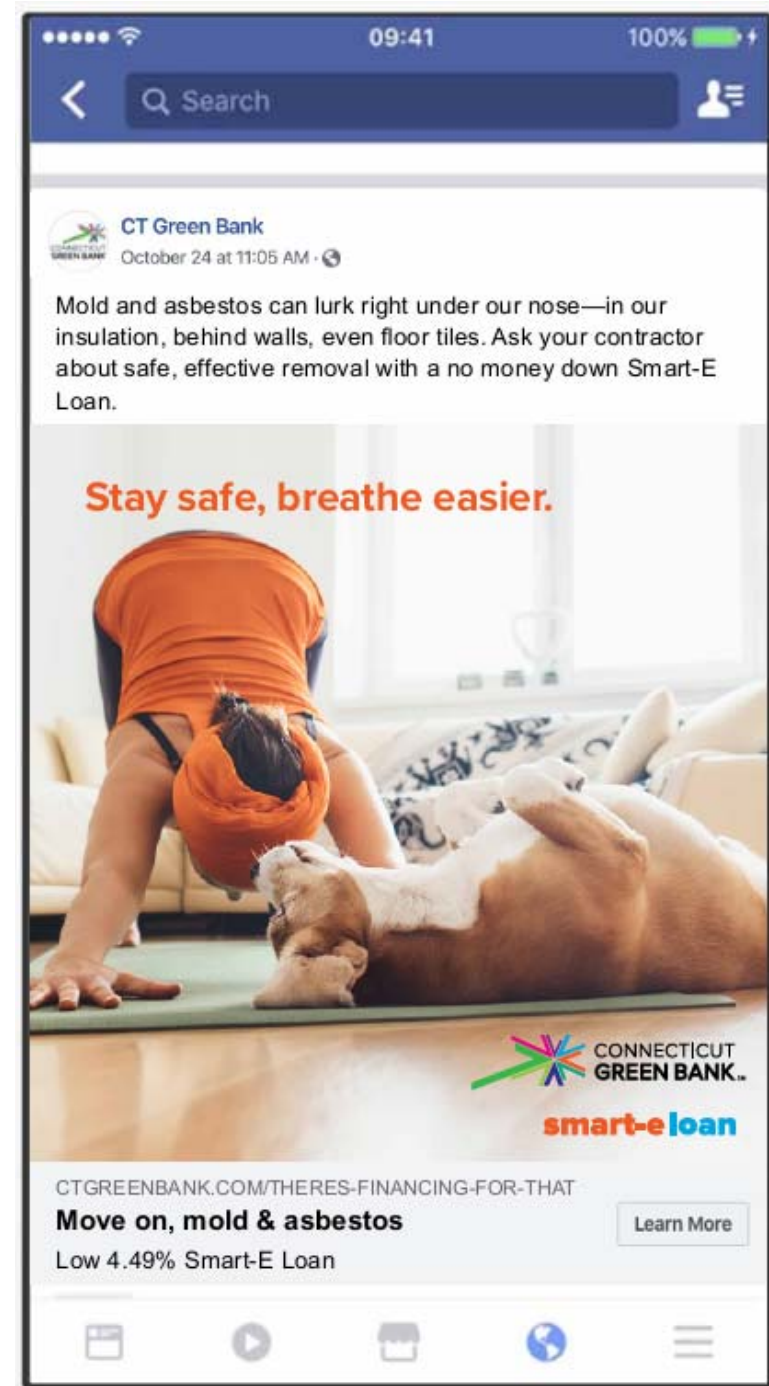
- **Option 3 – Non-HES / EE Channel**

- Homeowners can bundle a second energy measure (e.g., HVAC or insulation) with their asbestos or mold remediation or provide proof of a second improvement through a cash purchase or alternate financing (e.g., HES Micro Loan or CT Heat Loan)

Smart-E Health & Safety

Data as of 09/30/20

- **Total Portfolio**
 - 4,627 closed loans
 - \$70.3MM financed
- **Health & Safety Loans (since Sept 2019)**
 - 9 closed loans
 - \$52,000 financed
- **25% Health & Safety Measures**
 - Electric service upgrades, knob and tube, lead removal
 - 28 closed loans
 - \$91,050 financed



Smart-E Health & Safety

Interest Rate Buydown to 0%



Budget: \$1,000,000

IRB cost:

Loan Amount	5 Years (4.49%)	7 Years (4.99%)	10 Years (5.99%)
\$1,000	\$107	\$159	\$252
\$5,000	\$536	\$797	\$1,259
\$10,000	\$1,072	\$1,594	\$2,519
\$15,000	\$1,607	\$2,391	\$3,778
\$20,000	\$2,143	\$3,187	\$5,037
\$25,000	\$2,679	\$3,984	\$6,230

Customers
Served &
Monthly Loan
Payment:

Loan Amount	5 Years (4.49%)	7 Years (4.99%)	10 Years (5.99%)
\$1,000	9,333 / \$17	6,275 / \$12	3,970 / \$8
\$5,000	1,867 / \$83	1,255 / \$60	794 / \$42
\$10,000	933 / \$167	627 / \$119	397 / \$83
\$15,000	622 / \$250	418 / \$179	265 / \$125
\$20,000	467 / \$333	314 / \$238	199 / \$167
\$25,000	373 / \$417	251 / \$298	159 / \$208

Thank You!

<https://ctgreenbank.com/smarthealthsafety/>

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