CONNECTICUT
MUNICIPAL ELECTRIC
ENERGY COOPERATIVE

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June 4, 2009

Mr. S. Derek Phelps
Executive Director
Connecticut Siting Council
Ten Franklin Square
New Britain, CT 06051

Dear Mr. Phelps:

The Connecticut Municipal Electric Energy Cooperative (CMEEC) herewith submits an original and twenty (20) copies to the Connecticut Siting Council of responses to Interrogatories 1 through 6 from the Connecticut Siting Council in conjunction with Docket No. F-2009 - *Connecticut Siting Council Review of Connecticut Electric Loads and Resources*.

Should you require any additional information, please feel free to contact me.

Very truly yours,

Julie Cammarata, Director
Government and Regulatory Affairs
Connecticut Municipal Electric Energy Cooperative

Enclosures

Witness Responsible: Charles J. Carpinella

RESPONSE TO CSC DATA REQUEST Dated May 14, 2009

Q-CSC-1-CMEEC Does the Connecticut Municipal Electric Energy Cooperative (CMEEC) prepare a "90/10" forecast that assumes extreme summer weather conditions and the impact such conditions would have on the load of the CMEEC system?

A-CSC-1-CMEEC CMEEC developed its extreme weather forecast peak values by using the historical summer peak forecast error to simulate a range of outcomes and selecting the 90th percentile of these results. The 90/10 forecast presented below was NOT part of our March 1, 2009 forecast submittal to the Connecticut Siting Council.

Year	50/50 Peak Forecast	90/10 Peak Forecast
2009	370.97	395.08
2010	372.03	396.22
2011	382.89	407.79
2012	387.00	412.16
2013	394.08	419.70
2014	402.82	429.02
2015	404.93	431.36
2016	407.37	433.86
2017	410.10	436.77
2018	413.02	439.87

Witness Responsible: Charles J. Carpinella

RESPONSE TO CSC DATA REQUEST Dated May 14, 2009

Q-CSC-2-CMEEC

What types of energy efficiency devices are installed as part of CMEEC's conservation and load management (C&LM) program?

A-CSC-2-CMEEC

The majority of the Conservation and Load Management measure center around lighting retrofits. Since the CMEEC programs began in 2006, nearly 500,000 Compact Fluorescent Lights (CFL's) have been distributed and/or installed in the residential sector. This equates to approximately 5 CFL's per CMEEC residential customer.

In the commercial/industrial sector, the majority of the measures consist of replacing inefficient fluorescent and incandescent systems with high efficiency T-8 lamps and electronic ballasts. In addition to these measures, CMEEC continues to offer incentives for installation of high efficiency air conditioning equipment (up to $300 per ton) as well as installation of high efficiency motors, compressors, etc. The program also offers residential customers a rebate of up to $60 towards the purchase of Energy Star qualified appliances.

For a more complete description of the CMEEC C&LM programs, please see Attachment A, CMEEC's 2009-2010 plan which was submitted to the Energy Conservation Management Board.

Witness Responsible: Charles J. Carpinella

RESPONSE TO CSC DATA REQUEST Dated May 14, 2009

Q-CSC-3-CMEEC

Describe any new and/or innovative C&LM energy savings measures that CMEEC has recently put into use or is considering.

A-CSC-3-CMEEC

CMECC and the municipal systems are piloting several approaches to load management/demand response. In one installation of controllable fluorescent lighting system is being installed. This system employs the use of dimmable, electronic ballasts, that CMEEC can use to reduce load in times of high grid demand.

CMEEC and the municipal systems are also offering enhanced incentives for the installation of extra high efficiency commercial air conditioning systems that have remote load control capability. This will allow for cycling of air conditioning systems as a CMEEC-controllable means of load shedding during high demand periods.

Witness Responsible: Charles J. Carpinella

RESPONSE TO CSC DATA REQUEST Dated May 14, 2009

Q-CSC-4-CMEEC Is CMEEC's load response program separate from ISO-New England's load response program?

Q-CSC-4-CMEEC CMEEC has its own independent Load Response programs one of which is a year round program and a second summer program. We currently have one customer involved in the year round program. Participation in CMEEC's summer program varies on a year to year basis.

CMEEC is currently an active participant in the ISO-New England Load Response program, with 28 Load and emergency generation customers enrolled for approximately 48 MW. Almost all of these customers declined to bid into the FCM Demand Response program. CMEEC will be working to fold most of the emergency generation customers and some of the load customers into the CMEEC year round and summer programs starting on June 1, 2010, when the existing Real Time Demand Response programs are discontinued.

Witness Responsible: Charles J. Carpinella

RESPONSE TO CSC DATA REQUEST Dated May 14, 2009

Q-CSC-5-CMEEC Provide a break-down of the projected number of megawatts (MW) of load reduction for CMEEC's territory due to conservation, load response/load management and distributed generation for each year from 2009 through 2018. Include any assumptions associated with CMEEC's forecast of distributed generation, if applicable.

A-CSC-5-CMEEC The following Table shows a breakdown of the projected potential annual peak load reductions attributable to conservation, load response/load management and distributed generation for the period from 2009 through 2018. Note that these load reductions are not currently reflected in the Annual Peak Demand Forecast for CMEEC.

Year	Annual Peak (MW)	Conservation Reductions (MW) [1]	Load Response Load Management Reductions (MW) [2]	Distributed Generation Reductions (MW) [3]	Total Load Reductions (MW)
2009	371	5	48	0	43
2010	372	7	11	32	42
2011	383	9	11	50	71
2012	387	11	3	50	64
2013	394	13	3	50	66
2014	403	15	3	50	67
2015	405	17	3	50	70
2016	407	19	3	50	72
2017	410	21	3	50	74
2018	413	23	3	50	76

1. Reflects impacts from budgeted conservation and load management activities for 2009. Conservation and load management budgets are expected to increase by roughly 5% per year in 2010 and 2011 and remain constant thereafter.

2. For 2009, customers participating in the ISO-NE Real-Time Demand Response program and CMEEC administered program total 48 MW. For 2010 and beyond, customers totaling only 3 MW have agreed to participate in the ISO's Forward Capacity Market as Demand Resources. Customers totaling 9 MW have agreed to participate in the CMEEC administered load response program for 2010 and 2011. The extent that customers that formerly participated in the ISO-NE Real-Time Demand response program will want to participate in the CMEEC-administered programs in 2010 and beyond remains to be determined and has not been included in this response.

3. CMEEC has committed to seek installation of up to 50 MW of small (less than 2 MW) distributed generation resources at municipal and customer sites within the municipal systems' service territories over the next 5 years. These resources would be used to reduce the municipal system peaks during hours coincident with the regional monthly and annual peaks. Permits for 32 MW have been received or are pending from the council and the DEP. CMEEC expects full implementation of these resources by summer of 2011.

Witness Responsible: Charles J. Carpinella

RESPONSE TO CSC DATA REQUEST Dated May 14, 2009

Q-CSC-6-CMEEC

Is CMEEC subject to the Renewable Portfolio Standards (RPS) as specified in Section 40 of Public Act 07-242? If yes, provided the status of CMEEC's compliance with RPS.

A-CSC-6-CMEEC

CMEEC and the municipal systems are not subject to the RPS requirement. However, Section 41(a) of Public Act 07-242 (codified at Conn. Gen. Stat. Section 7-233z) requires CMEEC to submit a comprehensive report on the activities of the State's municipal electric utilities with regard to promotion of renewable energy resources, including identification of standards and activities of the municipal electric utilities in the promotion, encouragement and expansion of the deployment and use of renewable energy sources within the service territories of the municipal electric utilities over the previous year. This year's report was submitted to the Renewable Energy Investments Board ("REIF")/Renewable Energy Investment Advisory Committee ("REIAC") by CMEEC on March 31, 2009 and summarizes CMEEC's activities during calendar year 2008, as well as on-going initiatives which CMEEC intends to carry-forward in 2009. The Report is attached as Attachment B.

To summarize, CMEEC is pursuing both grid-scale and small-scale renewable projects. As part of its on-going power supply procurement activities, CMEEC staff is exploring procurement of long-term contract or ownership arrangements' totaling between 30 MW and 50 MW (which represents between 8% and 14% of the CMEEC peak load) in resources whose fuel price is not tied with the cost of oil or natural gas.

ATTACHMENT A

CMEEC
CONNECTICUT MUNICIPAL
ELECTRIC ENERGY COOPERATIVE

ENERGY EFFICIENCY SERVICES

2009-2010 PLAN

PREPARED FOR:

Energy Conservation Management Board (ECMB)

Energy Key℠

Connecticut's Municipal Electric Utilities

HELPING CUSTOMERS UNLOCK THEIR ENERGY SAVINGS

June 2009

Page

1. EXECUTIVE SUMMARY

The CMEEC energy efficiency mission is to reduce emissions, reduce energy and peak demand, and offset to the extent possible the need to build new generation. CMEEC member utilities fill the role of complete energy managers for their customers, helping them to reduce costs by reshaping their energy use.

As a cooperative of municipal electric energy utilities, CMEEC maintains a diverse portfolio of products and services to meet the needs of all customers served. Although some aspects of implementation may vary, member utilities are responsive to their respective local constituents and benefit from the collaborative, system-wide approach to supporting diverse customer needs. All CMEEC customers can take advantage of available energy efficiency programs, and have direct access to cross-trained utility personnel.

CMEEC also recognizes the advantages of program consistency on a statewide basis, thus ensuring maximum program reach and eliminating potential confusion among customers. CMEEC's programs are designed to be compatible with the Energy Conservation Management Board's (ECMB) programs in all instances where that can be done effectively. Consistency has been achieved with Home Energy Savings (HES), Low Income and Lighting programs for residential customers, and with Existing Facility Retrofit and Equipment Replacement programs for commercial and industrial customers. Effective in 2009, and as part of the ECMB process, CMEEC's information is being incorporated online into www.ctsavesenergy.com, the Connecticut Energy Efficiency Fund's website for citizens, businesses, and state and local governments.

Our energy efficiency mission:	To reduce peak demand, energy use and emissions while providing for program equity among customers.
Focus areas:	(1) Reducing customer bills through efficiency measures. (2) Reducing capacity and peak energy related generation cost to all customers through demand response. (3) Continued compatibility and consistency with ECMB's statewide programs, with all systems offering all programs with variations subject to the customer mix of each system.
CMEEC strengths:	Local knowledge; understanding of demographic and energy usage profiles of customer base; customer relationships; decision-making and accountability in offices nearby; civic alliances.

CMEEC's energy efficiency offerings are coordinated with ECMB and the Office of Policy and Management (OPM) for federally-funded programs. This ensures that every customer will have access to all programs for which they are eligible. This coordination is the cornerstone of CMEEC's HES program, particularly as HES is deployed for low income customers.

CMEEC continues in its development of a portfolio of customer focused programs. For 2009, the focus will be broadened to include elements that both reduce specific customer bills through efficiency measures and reduce transmission and generation cost to all customers through demand response. A time-of-use ratemaking pilot will be conducted during the course of this plan.

Truly localized, customer-driven service is a hallmark of the CMEEC organization, with participating utilities maintaining a high level of accessibility and interaction with area customers and other constituents. Monthly public meetings with local utility commissioners and interested residents ensure ongoing, two-way communication, and provide opportunities for timely updates and discussions of utility programs.

CMEEC programs will continue to feature local contact and direct one-on-one promotion. Program effectiveness relies upon the many relationships with customers developed through local offices and employees, local utility boards, and many indirect connections through municipal and civic organizations.

1. EXECUTIVE SUMMARY (CONTINUED)

Because of the CMEEC utilities' local knowledge and presence, services can be accurately targeted according to key demographic and energy usage profiles, and tailored to discrete customer segments. Additional local benefits are derived from direct access to facilities and decision-makers across the entire spectrum of municipal departments and agencies. Programs also benefit from the local utilities' ability to combine electric efficiency efforts with like programs in gas, water and wastewater services.

Consistent with the new economic and energy policies of national and state leaders, CMEEC will leverage available stimulus funding to deepen the impact and attractiveness of key programs such as HES and Cool Choice. For example, HVAC upgrades will be encouraged through the use of financial incentives specifically targeting older air conditioning equipment. This constitutes a far more aggressive approach than waiting for existing equipment to reach the end of its useful life. The HES program will evolve to excite and entice residential customers with newly-bundled discount offers, rebates and better familiarity with available homeowner tax credits (e.g., storm windows, roofing, etc.).

Rather than a "one size fits all" approach, CMEEC utilities have a robust cooperative portfolio of localized energy efficiency solutions consistent and compatible with statewide programs.

Program Highlights of the 2009-2010 Plan:

CMEEC utilities are reasonably, fairly and thoroughly offering and implementing the following initiatives:

- Increased program awareness and cross-selling of existing products and services for **multi-project** engagement across all customer segments.
- The **residential lighting program** will evolve from direct distribution of compact fluorescent lightbulbs (CFLs) to negotiated cooperative purchase agreements with retail vendors. The program will also shift focus to specialty bulbs.
- **Home Energy Savings (HES)** will be the primary residential program for 2009-2010. HES offers a whole-house approach and will be available in all systems delivered through a single contractor or local utility staff.
- Local utility **websites** will link to Energy Depot® and provide access to interactive energy tools, self-guided audits and downloadable information.
- The **ENERGY STAR® appliance rebate program** will continue for 2009 and 2010.
- Local **websites** will link to EnergyDepot.com and provide access to interactive self-guided audits, program information and downloadable forms.
- Ongoing **customer communications** will continue and be enhanced during the year with feedback mechanisms to help foster energy efficient behaviors.
- Support for **new residential construction** will be expanded with a menu of developer incentives.
- Strong one-on-one efforts will connect **commercial and industrial customers** with parallel funding for heating and cooling equipment, with prescriptive and custom incentives for both retrofit and new construction projects.
- **Renewable generation resources** will be developed directly through the local utilities in collaboration with the Connecticut Clean Energy Fund (CCEF).
- Specific **demand response** measures are being initiated for larger customers.
- **Upcoming ISO requirements** will necessitate revamping program measurement and verification processes and procedures.
- **Marketing** for all programs will be undertaken by each local utility through direct mail and newsletters, website resources, outreach to community groups and by utilizing the local utility offices and employees.

2. RESIDENTIAL PROGRAMS

2.1 Home Energy Savings

CMEEC's Home Energy Savings program (HES) will be the primary residential program for 2009 and 2010. All member systems will participate through a CMEEC-wide contractor or local utility staff. The program addresses the entire spectrum of energy use involving shell construction, and space and water heating and cooling.

Program elements include:

- Blower door testing leading to weatherization measures
- Duct testing and sealing
- Installation of CFLs wherever practicable
- Domestic and hot water efficiency devices and pipe insulation
- Assisting customer with procurement and providing quality control

Target market:	All residential customers beginning with a focus on single family homes, low income, and high use customers.
Program add-ons:	CMEEC systems will work with Yankee Gas to coordinate available gas company incentives. CMEEC is coordinating HES with the OPM programs for customers with oil heat. Norwich Public Utilities will offer a gas equipment component.

The CMEEC utilities are exploring ways to place even greater emphasis on cross-selling of multiple programs and to offer bundled incentives to new and recent HES customers. With every in-home service visit, efforts are made to familiarize customers with the Energy Depot® and how to access this valuable online resource, and to make sure customers know about money-saving offers available through the national Energy Star® program.

The importance of saving energy and reducing related costs will continue to be a priority for all customers, even more so in the current tough economic climate.

2.2 Low Income Customers

Target market:	Low-income customers, including those with unpaid bills and higher-than-average energy use.
Customer participation:	The systems will utilize existing community contact networks including community assistance agencies (e.g., social service or housing authorities) and the utility customer service staff.
Special factors:	Activities implemented through landlords may require a co-pay from the landlord.

The primary program objective is to reduce energy costs for low-income customers through the direct installation of efficiency measures, primarily weatherization.

The Low Income program will be offered through the Home Energy Savings program beginning in 2009. The program will be delivered by all municipal systems and will be implemented through a common third-party contractor or local utility staff.

Efficiency measures include efficient lighting, water heating and pipe insulation, low-flow water devices, blower-door tests and subsequent air sealing and weatherization, and related measures.

CMEEC utilities cover 100% of the efficiency measure costs for low-income customers, and ensure that bill-payment and assistance plans are utilized when needed.

2. RESIDENTIAL PROGRAMS (CONTINUED)

2.3 New Residential Construction

A 2008 pilot program, conducted in one system, offered a menu of incentives for new residential construction, primarily in the multi-family sector. Beginning in 2009, both the Groton and Norwich systems will offer a menu of incentives including:

- ENERGY STAR appliances
- Cool Choice for cooling equipment
- Qualifying CFL lighting fixtures, high-efficiency ceiling fans
- CFLs for each light and lighting fixture
- Low-flow shower and sink devices
- High-efficiency CFL exterior area lighting with photo sensors or timers as applicable
- Natural gas instantaneous (tankless) water heaters
- High-efficiency natural gas boilers and furnaces (92.5% A.F.U.E.)
- Geothermal and/or high-efficiency air to air heat pumps
- ENERGY STAR heating system programmable thermostats
- Enhanced shell insulation

Target market:	The utilities will target developers and builders involved in the new construction market, through well-developed community contacts such as building officials and new service utility staff.
Program add-ons:	CMEEC systems will work with Yankee Gas Company to coordinate the available gas company incentives. CMEEC is coordinating HES with the OPM programs for customers with oil heat. Norwich Public Utilities will offer a gas equipment component.

Target market:	Mainly residential customers, but all customers in participating member service territories are eligible.
Program outreach:	Ongoing through local offices and staff, websites, and the HES and New Residential Construction programs.

2.4 Appliances

CMEEC members will continue to provide rebates for qualifying appliance models in 2009 and 2010. The program includes ENERGY STAR clothes washers, water heaters, refrigerators, dishwashers, dehumidifiers and window air conditioners.

The program operates through point-of-purchase coupons and includes both regional and local retail outlets.

2. RESIDENTIAL PROGRAMS (CONTINUED)

2.5 Lighting

Over the past several years CMEEC members have pursued residential lighting measures as a key savings strategy, primarily by distributing low- or no-cost CFLs to municipal customers. In 2009, CFL direct distribution will be at a substantially reduced level.

The program will transition from standard to specialty bulbs, and the primary residential lighting effort beginning in 2009 will be through the Negotiated Cooperative Purchase Program, which operates statewide.

CMEEC systems will promote this program in their service centers. In-store promotions at local retail outlets will be added to increase public outreach. The lighting program will be re-evaluated in 2009 and may be modified in 2010.

Target market:	All customer segments with new energy-saving opportunities for those who already have CFLs.
Program goal:	To transition from standard to specialty bulbs, through lighting rebates and incentives targeted to encourage market transformation to electronic lighting technologies.

While some of the previous direct-to-customer external marketing efforts have been discontinued, several low- and no-cost initiatives with proven results are ongoing:

- Online lighting catalogs will provide customers with reduced-cost, efficient lighting fixtures and specialty replacement bulbs.
- Direct installation of CFLs will continue to be an important component of the New Residential Construction, HES and Low Income programs.
- School-based fundraisers and other innovative partnerships will continue to be part of the CMEEC systems' community involvement.
- CMEEC will also continue to honor any orders from municipal customers who participate in lighting fairs.

Overall, nearly 500,000 CFLs have been distributed to date to local customers (representing a market saturation level of roughly one-third).

3. COMMERCIAL & INDUSTRIAL PROGRAMS

3.1 Existing Facility Retrofit – Commercial, Industrial and Municipal

The Commercial and Industrial (C&I) retrofit program for existing facilities has provided the greatest share of energy and demand savings in prior years. The objective of the program is to lower energy use and cost at larger commercial and industrial facilities. The program is also utilized for municipal retrofit projects.

The program offers both technical and financial assistance to customers. Many projects result from utility outreach efforts. Frequently, however, customers obtain proposals directly from vendors. Utility staff reviews proposals for savings claims and cost-effectiveness, and offers financial incentives generally based on a percentage of project cost or a fixed unit rate for energy saved.

Target market:	Existing facilities in commercial, industrial and municipal sectors.
Program outreach:	Leverages relationships between CMEEC member utilities and the target group's decision-makers.

Zero-interest financing is also available with some CMEEC utilities, where incentive payments are used to buy down interest rates and establish loan terms to provide positive cash flows to customers.

Target market:	C&I customers with projects involving eligible energy-efficient equipment and design practices.
Program outreach:	Leverages relationships with building officials, contractors and customers.

3.2 New Construction

This program will continue to offer a combination of technical assistance, both through in-house staff and independent technical assistance firms, and through financial incentives for eligible energy-efficient equipment and design practices.

Incentives will be offered for equipment and lighting to encourage upgrading to higher than standard efficiency.

Incentives will be based on the incremental cost associated with upgrading to higher efficiency products. Prescriptive incentives may be available on the same basis as available for equipment replacement projects. Financing will be offered on the same basis as available for retrofit projects.

The CMEEC utilities are redoubling efforts to bring innovative energy efficiency solutions to C&I customers, including:

1. Facilities audits focused on near-term efficiency upgrades to rooftop HVAC units and any other major equipment that affect peak load.
2. Opportunities to partner with Yankee Gas and Norwich Public Utilities on gas equipment upgrades for added energy savings.
3. Tiered savings discounts for doing multiple efficiency projects at the same time.
4. Ongoing support of state and local economic retention efforts aimed at preserving the business base in our communities.

3. COMMERCIAL & INDUSTRIAL PROGRAMS (CONTINUED)

3.3 Equipment Replacement ~ Prescriptive

CMEEC's prescriptive programs are available for the replacement of motors and air conditioning equipment. Prescriptive incentives are intended to capture efficiency at the time of investment in new equipment, whether for planned replacement or time-dependent emergency replacement.

Eligible motors, efficiency levels and incentives will be consistent with those offered statewide.

Qualifying commercial air conditioning products will have efficiency levels consistent with those requirements promoted by energy efficiency programs throughout New England.

Program goal:	*(Prescriptive)* To promote the installation of premium efficiency motors and air conditioning.
Program outreach:	Primarily through ongoing customer contact. Contractors operating in the service territory are made aware of the incentive program through utility staff's ongoing discussions.

3.4 Equipment Replacement ~ Custom

The market for the custom offering is the end-use customer base. The program provides technical assistance, financial incentives, and financing available to customers to support investment in higher-efficiency equipment and systems.

Program incentives are based on the incremental cost for upgrading efficiency for all types of customer equipment.

Program goal:	*(Custom)* To maximize the energy efficiency of new equipment being installed at our C&I customers' facilities.
Program outreach:	Leverages ongoing relationships with C&I customers.

3.5 For Small Businesses

The objective of the Small Business program is to help small businesses lower their energy use and cost.

The program focuses on promoting the installation of energy-efficient equipment, primarily lighting and refrigeration technologies. It's designed to overcome barriers to energy efficiency that are unique to the small business market.

Utility staff will make small businesses aware of these opportunities through their existing channels of communication, and will respond to requests for assistance.

Target market:	Small business customers eligible for custom and prescriptive incentives based on the same incentive package available to all C&I customers.
Program outreach:	Funding for the Small Business program is included in the various C&I programs.

Prescriptive incentives are generally designed to cover 50% to 100% of the costs for high-efficiency lighting measures. Custom incentives are the same as those offered under the C&I retrofit program described previously. The same incentive levels are provided for retrofit and lost-opportunity projects.

4. OTHER CUSTOMER INITIATIVES

4.1 Energy Efficiency Financing

CMEEC members have developed a financing pilot with local banking institutions. It allows commercial and industrial customers to amortize energy efficiency project costs and obtain positive cash flow as one strategy for overcoming the first-cost barrier. The pilot program will be expanded in 2009 to additional systems.

The program offers financing through local banks where utility customers are most likely to have ongoing banking relationships.

The target market is CMEEC's larger C&I customer base, although the program is open to all C&I customers.

The program provides a zero interest loan for up to 60 months for approved commercial and industrial customers.

Program goals:	(1) To offer attractive financing options that encourage customers to undertake efficiency improvements that otherwise would not be completed. (2) To employ innovative financing strategies whereby the customer funds the efficiency project through its positive savings and gains the savings for the long term.

Customer credit is approved by the lender and is supported by a technical and financial analysis developed jointly by the utility and the customer.

Target market:	Area educators, school board members and other municipal officials interested in energy efficiency initiatives.
Focus areas:	• Building Code Officials Training program * • Green Campus Initiative * • Conn. Energy Education program for high school science teachers * • Conn. Energy Efficiency Fund's *ee*Smarts program for elementary schools * Offered by the Institute of Sustainable Energy

4.2 Energy Education

The CMEEC systems will continue to collaborate with area educators and support various energy efficiency initiatives in our local communities.

CMEEC will engage with local school boards and other municipal officials and encourage their participation in key programs offered by the Institute for Sustainable Energy (ISE) at Eastern Connecticut State University.

In 2009 and 2010, CMEEC will focus on ISE's Connecticut Energy Education program for high school science teachers, and expand ISE's Green Campus Initiative from the college level to appropriate school campuses in the CMEEC communities.

ISE's Building Code Officials Training program will also be available to ensure the most energy-efficient building construction in CMEEC's service areas.

The systems will also continue to offer the Connecticut Energy Efficiency Fund's *ee*Smarts program to elementary grades in their respective communities.

4. OTHER CUSTOMER INITIATIVES (CONTINUED)

4.3 Renewable Energy Development

CMEEC has established a contract with the Connecticut Clean Energy Fund (CCEF) for technical support and project administration of renewable energy projects undertaken in the CMEEC systems service territories. Incentives will be available for photovoltaic as well as solar thermal projects. Residential and commercial / industrial projects are included under the agreement.

Incentive funding will be provided by the CMEEC systems. Incentive levels will generally be consistent with CCEF's current levels. If the CCEF incentives change in the future, CMEEC will evaluate whether to make the same changes, leave the levels unchanged, or establish a new incentive protocol.

Current guidelines for Renewable Energy customer incentives are listed below.

Incentives Guidelines

- Projects may be initiated by customers or third party vendors.
- Incentive eligibility will require that a vendor be utilized from CCEF's pre-approved vendor list.
- Once a project proposal is developed, it will be submitted to the CCEF for standard project processing.
- At the local utility level, the process will be controlled by the customer / vendor contract.
- The customer will be responsible for all project payments to the vendor.
- Upon successful completion of the project, the incentive payment may be made to the customer or directly to the vendor depending on the local utility. Incentive payments for some systems may also be made through the CCEF.
- CMEEC will retain the rights to the renewable energy credits.

The target market for the program is all residential and commercial / industrial customers with viable renewable energy potential.

Funding for this effort will come from existing C&LM budgets as well as other sources such as RGGI, ISO - FCM payments and ARRA.

4. OTHER CUSTOMER INITIATIVES (CONTINUED)

4.4 Demand Response

Control and reduction of CMEEC's overall peak demand is an important element in managing energy use for end-use customers. Since CMEEC is both the wholesale purchaser of energy for the systems and the coordinator of the energy efficiency programs, a unique opportunity exists to reduce both individual customer costs and overall CMEEC costs through demand reduction, lowering customer costs yet again. Demand reduction is an inherent part of the energy efficiency programs already. In 2009 CMEEC will begin to add measures to the program which are specifically targeted at demand reduction.

Pilot Programs

- Some CMEEC utilities will offer and market a demand response pilot program for ballast targeted fluorescent lighting control to be activated during high demand periods.
- Groton Utilities is also working on a residential A/C control pilot for military housing, designed to reduce peak demand.
- Time of use ratemaking, both at the wholesale and retail levels, with appropriate customer metering will be introduced as a third pilot effort in 2010 for the larger C&I customers in some systems.

Funding for this effort will come from existing C&LM budgets.

4.5 Program Evaluations

CMEEC reviews all programs for effectiveness after each program year has been completed.

CMEEC participates in ISO New England's Forward Capacity Market with a variety of resources, including On-Peak, Energy Efficiency Demand Resources. In mid-2007, CMEEC filed a plan for measurement and verification of demand reduction from its energy efficiency programs. The plan provides a detailed review of the processes which will be undertaken for measurement and verification of the energy efficiency demand reduction contributed by the efficiency programs for the Forward Capacity Market.

The procedures outlined in this plan are designed to comply with the requirements and standards set forth by the ISO in Market Rule 1 and the Manual for Measurement and Verification of Demand Reduction Value from Demand Resources (Manual M-MVDR; April 13, 2007).

During the 2009 year, the measurement and verification plan will be implemented in order to meet the ISO requirements for the 2010 auction.

The ISO process, for the most part, will control the evaluation methodology in future years. However, CMEEC also has the need to evaluate non-demand related aspects of its energy efficiency programs. Over the next two program years, CMEEC will continue to participate with others in regional evaluation efforts, not only for ISO auction purposes but also to inform program design.

4. OTHER CUSTOMER INITIATIVES (CONTINUED)

4.6 Communicating with Customers

The CMEEC systems will continue to use a variety of direct customer contact methods for the 2009-2010 planning period. These proven communication vehicles will keep customers' attention focused on energy efficiency and further increase awareness of available programs.

All of the systems employ targeted tools which are frequently updated to communicate with specific customer groups. Examples include:

- Monthly or quarterly newsletters with informative articles on energy efficiency
- Direct mailings to promote energy savings strategies in general or announce specific offers
- On-hold messages for callers
- Lobby signage and brochures on display at customer service centers and other municipal building locations
- Information and custom answers provided in-person by utility staff.

Outreach tools:	• Direct phone calling and direct mail • Local utility websites and links • Message on-hold announcements for callers • In-lobby displays and informational materials • Websites and web links to the online energy resources of Energy Depot®

The CMEEC systems continue to update their respective websites and also provide local customers with a direct link to Energy Depot®. This comprehensive resource provides interactive tools to perform home energy audits and includes an online library of energy conservation information. Beginning in 2009, the CMEEC utilities will proactively manage their overall web presence and be part of various external websites that promote statewide energy efficiency programs. Working with CEEF and other organizations, CMEEC's goal is to help ensure seamless informational resources for all Connecticut citizens regardless of who their electricity provider is.

On the road and on-site, CMEEC staff members regularly visit medium and large customers, and will continue to use drop-off and direct install efforts to connect with small business and residential customers.

Several enhancements to these communications tools are under way for 2009 and include strategies to achieve consistency across all CMEEC systems.

The CMEEC systems reach every single customer every single month. Through strategic, creative and cost-effective efforts, continuous improvements are already being seen in this area and will remain a priority through 2010.

CMEEC Demand-Side Management Data

BUDGETS

ABBREVIATIONS:
Bozrah Light & Power (BLP)
Groton Utilities (GU)
Jewett City Dept. of Public Utilities (JCDPU)
Norwich Public Utilities (NPU)
South Norwalk Electric & Water (SNEW)
Norwalk Third Taxing District Electric Dept. (TTD)
Wallingford Electric Division (WED)

Tables 1a and 1b below outline the planned spending by utility and by program for 2009 and 2010. Total budgets are $3,120,000 and $3,605,000 for the two years, respectively. In both program years, approximately 55% of spending is in the commercial and industrial (C&I) programs and 45% is in residential programs. This breakdown is consistent with budgets from prior periods.

The program budgets are considered guidelines for the member utilities. The utilities have ample flexibility to choose the programs on which they wish to focus. Modifications to the 2010 year will be made in the 2010-2011 plan.

Note: The budgets include the costs of planning and evaluation activities.

Table 1a. Program Budgets by Municipality for 2009

Program	2009 Budget Forecast	BLP	GU	JCDPU	NPU	SNEW	TTD	WED
Residential								
Low Income Program	$221,000	$14,000	$115,000	$3,000	$41,000	$11,500	$8,000	$28,500
Home Energy Savings Program	$751,000	$17,000	$108,000	$16,000	$242,000	$68,000	$44,000	$256,000
Efficient Products								
Lighting	$300,000	$15,000	$30,000	$4,000	$58,000	$17,000	$11,000	$165,000
Appliances	$111,000	$6,000	$32,000	$2,000	$30,000	$8,500	$6,000	$26,500
Subtotal - Residential	$1,383,000	$52,000	$285,000	$25,000	$371,000	$105,000	$69,000	$476,000
Commercial & Industrial (C&I)								
New Construction	$70,000	$0	$50,000	$1,000	$13,000	$4,000	$2,000	$0
Equipment Replacement								
Prescriptive	$225,500	$2,500	$147,000	$1,000	$18,000	$5,000	$3,000	$49,000
Custom	$209,000	$0	$29,000	$3,000	$54,000	$15,000	$10,000	$98,000
Existing Facility Retrofit	$1,232,500	$33,500	$289,000	$14,000	$224,000	$63,000	$41,000	$568,000
Demand Response	$0	$0	$0	$0	$0	$0	$0	$0
Subtotal - C&I	$1,737,000	$36,000	$515,000	$19,000	$309,000	$87,000	$56,000	$715,000
Renewables	$0	$0	$0	$0	$0	$0	$0	$0
Total - All Programs	$3,120,000	$88,000	$800,000	$44,000	$680,000	$192,000	$125,000	$1,191,000

Table 1b. Program Budgets by Municipality for 2010

Program	2010 Budget Forecast	BLP	GU	JCDPU	NPU	SNEW	TTD	WED
Residential								
Low Income Program	$257,000	$17,000	$125,500	$3,000	$53,000	$15,500	$10,000	$33,000
Home Energy Savings Program	$870,000	$19,500	$110,500	$19,000	$288,000	$82,000	$53,000	$298,000
Efficient Products								
Lighting	$350,000	$17,500	$35,000	$4,000	$69,000	$19,500	$13,000	$192,000
Appliances	$129,000	$7,000	$37,000	$3,000	$35,000	$10,000	$6,000	$31,000
Subtotal - Residential	$1,606,000	$61,000	$308,000	$29,000	$445,000	$127,000	$82,000	$554,000
Commercial & Industrial (C&I)								
New Construction	$80,000	$0	$57,000	$1,000	$15,000	$4,000	$3,000	$0
Equipment Replacement								
Prescriptive	$260,000	$3,000	$169,000	$1,000	$20,000	$6,000	$4,000	$57,000
Custom	$240,000	$0	$34,000	$4,000	$61,000	$17,000	$10,000	$114,000
Existing Facility Retrofit	$1,419,000	$39,000	$332,000	$16,000	$254,000	$72,000	$46,000	$660,000
Demand Response	$0	$0	$0	$0	$0	$0	$0	$0
Subtotal - C&I	$1,999,000	$42,000	$592,000	$22,000	$350,000	$99,000	$63,000	$831,000
Renewables	$0	$0	$0	$0	$0	$0	$0	$0
Total - All Programs	$3,605,000	$103,000	$900,000	$51,000	$795,000	$226,000	$145,000	$1,385,000

CMEEC Demand-Side Management Data (CONTINUED)

PROJECTED SAVINGS BY PROGRAM

CMEEC continues the development and implementation of the CENCON energy efficiency data tracking system. To project savings for 2009 and 2010, the savings yields (i.e., kWh per dollar spent and kW per dollar spent) for most programs were estimated from the 2008 program results. The Home Energy Savings (HES) program and the Low Income program (delivered under the HES platform) are both too new to yield data sufficient for projecting future years' results. In the case of these two programs, program yields were utilized from the equivalent programs delivered by United Illuminating in Connecticut.

The projected savings for each program are shown below in Tables 2a and 2b. Total annualized energy savings are 13,373 and 15,445 MWh, respectively, for the two years. Total summer peak demand reduction is about 2.0 and 2.3 MW, comparable to the savings from 2008 activities. While the budget has increased, savings are projected to increase at a lower rate, as the growth in spending is attributable largely to increases in spending on the HES and Low Income programs. These provide fewer kWh per dollar spent than other programs.

Note: All energy and demand savings are at the customer meter.

Table 2a. Program Savings by Program for 2009

Program	Program Budget 2009	Proj. Annual Savings (MWh)	Lifetime Savings (MWh	Proj. kW Impact (Year End)	Demand Costs $/kW	Cost Rate $/kWh Annualized	Utility Cost Ratio $/LT kWh
Residential							
Low Income Program	$220,903	574	4,016	90	$2,447	$0.39	$0.055
Home Energy Savings Program	$750,672	753	6,351	165	$4,545	$1.00	$0.118
Efficient Products			0				
Lighting	$299,869	2,659	18,615	211	$1,419	$0.11	$0.016
Appliances	$110,952	162	2,264	23	$4,795	$0.69	$0.049
Subtotal - Residential	$1,382,396	4,148	31,246	490	$2,822	$0.33	$0.044
Commercial & Industrial (C&I)							
New Construction	$69,969	74	1,482	25	$2,809	$0.94	$0.047
Equipment Replacement							
Prescriptive	$225,401	572	13,206	181	$1,248	$0.39	$0.017
Custom	$208,909	1,104	10,053	394	$531	$0.19	$0.021
Existing Facility Retrofit	$1,231,962	7,475	80,680	929	$1,326	$0.16	$0.015
Demand Response							
Subtotal - C&I	$1,736,241	9,225	105,422	1,528	$1,136	$0.19	$0.016
Total - All Programs	$3,118,637	13,373	136,668	2,018	$1,545	$0.23	$0.023

Table 2a. Program Savings by Program for 2010

Program	Program Budget 2010	Proj. Annual Savings (MWh)	Lifetime Savings (MWh	Proj. kW Impact (Year End)	Demand Costs $/kW	Cost Rate $/kWh Annualized	Utility Cost Ratio $/LT kWh
Residential							
Low Income Program	$256,838	667	4,669	105	$2,447	$0.39	$0.055
Home Energy Savings Program	$869,452	873	7,356	191	$4,545	$1.00	$0.118
Efficient Products			0				
Lighting	$349,780	3,102	21,713	246	$1,419	$0.11	$0.016
Appliances	$128,919	188	2,631	27	$4,795	$0.69	$0.049
Subtotal - Residential	$1,604,988	4,829	36,369	570	$2,818	$0.33	$0.044
Commercial & Industrial (C&I)							
New Construction	$79,950	85	1,694	28	$2,809	$0.94	$0.047
Equipment Replacement							
Prescriptive	$259,836	660	15,223	208	$1,248	$0.39	$0.017
Custom	$239,849	1,267	11,542	452	$531	$0.19	$0.021
Existing Facility Retrofit	$1,418,106	8,604	92,871	1,069	$1,326	$0.16	$0.015
Demand Response							
Subtotal - C&I	$1,997,741	10,616	121,330	1,758	$1,136	$0.19	$0.016
Total - All Programs	$3,602,729	15,445	157,699	2,328	$1,548	$0.23	$0.023

CMEEC Demand-Side Management Data (CONTINUED)

COST-EFFECTIVENESS

Tables 3a and 3b project the cost-effectiveness of the 2009 and 2010 programs. All programs are cost-effective from a total resource (or societal) perspective, with total net benefits of approximately $7.0 million and $8.2 million for the two years, respectively. Total resource benefit/cost ratios (BCRs) were 2.1 and 2.2, respectively. This is slightly lower than the realized cost-effectiveness in 2008, again due to the shift in program spending to programs with lower benefit-cost ratios (i.e., Home Energy Savings and Low Income programs).

All programs are also cost-effective for the Electric System (i.e., for the utilities), with total net benefits of $10.1 million for 2009 and $11.6 million for 2010. The benefit-cost ratio for both years is 4.2, meaning that each dollar spent will result in over four dollars in utility-system benefits.

Commercial programs have higher BCRs from a utility perspective, but slightly lower BCRs from a total resource perspective. In general, commercial programs offer lower incentives than do residential programs, resulting in higher utility BCRs. In addition, residential programs often generate greater fossil fuel savings than do commercial programs, which increases the total resource benefits (but not the utility benefits) of these installations.

The lowest BCR (both utility and total resource) is for the Home Energy Savings program. This is to be expected, for several reasons: the whole-house retrofit measures are relatively expensive, the utility pays for a large portion of the cost of the measures, there are substantial non-electric benefits, and the measures typically have longer paybacks.

Table 3a. Program Benefits and Cost Effectiveness for 2009

Program	Utility Costs	% of Budget	Electric System Benefits	Electric System Net Benefits	Electric System B/C Ratio	Total Resource Costs	Total Resource Benefits	Total Resource Net Benefits	Total Resource B/C Ratio
Residential									
Low Income Program	$220,903	7.1%	$497,283	$282,691	2.3	$214,592	$497,283	$282,691	2.3
Home Energy Savings Program	$750,672	24.1%	$928,512	$199,288	1.2	$853,896	$928,512	$74,616	1.1
Efficient Products									
Lighting	$299,869	9.6%	$1,809,570	$1,518,269	6.0	$324,159	$1,809,570	$1,485,411	5.6
Appliances	$110,952	3.6%	$204,815	$97,033	1.8	$260,642	$371,080	$110,438	1.4
Subtotal - Residential	$1,382,396	44.3%	$3,440,181	$2,097,282	2.5	$1,653,289	$3,606,446	$1,953,157	2.2
Commercial & Industrial (C&I)									
New Construction	$69,969	2.2%	$141,881	$73,910	2.0	$100,256	$141,881	$41,624	1.4
Equipment Replacement									
Prescriptive	$225,401	7.2%	$1,209,788	$990,827	5.4	$940,722	$1,209,788	$269,066	1.3
Custom	$208,909	6.7%	$1,021,062	$818,123	4.9	$684,044	$1,021,062	$337,018	1.5
Existing Facility Retrofit	$1,231,962	39.5%	$7,327,148	$6,130,385	5.9	$2,868,836	$7,327,148	$4,458,311	2.6
Demand Response									
Subtotal - C&I	$1,736,241	55.7%	$9,699,879	$8,013,245	5.6	$4,593,859	$9,699,879	$5,106,020	2.1
Total - All Programs	$3,118,637	100.0%	$13,140,060	$10,110,527	4.2	$6,247,148	$13,306,325	$7,059,177	2.1

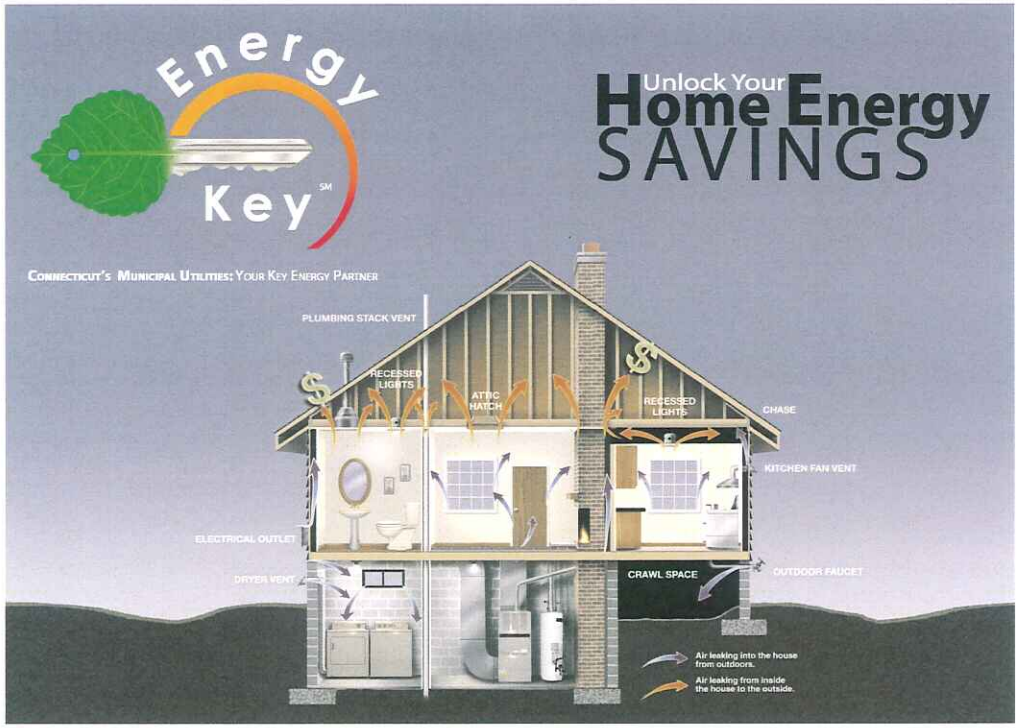
CMEEC Demand-Side Management Data (CONTINUED)

COST-EFFECTIVENESS CONTINUEDS

Table 3b. Program Benefits and Cost Effectiveness for 2010

Program	Utility Costs	% of Budget	Electric System Benefits	Electric System Net Benefits	Electric System B/C Ratio	Total Resource Costs	Total Resource Benefits	Total Resource Net Benefits	Total Resource B/C Ratio
Residential									
Low Income Program	$256,838	8.2%	$581,304	$338,933	2.3	$242,371	$581,304	$338,933	2.4
Home Energy Savings Program	$869,452	27.9%	$1,084,056	$263,577	1.2	$960,752	$1,084,056	$123,303	1.1
Efficient Products									
Lighting	$349,780	11.2%	$2,104,554	$1,774,476	6.0	$367,309	$2,104,554	$1,737,245	5.7
Appliances	$128,919	4.1%	$236,077	$114,419	1.8	$294,197	$423,747	$129,551	1.4
Subtotal - Residential	$1,604,988	44.5%	$4,005,991	$2,491,406	2.5	$1,864,630	$4,193,661	$2,329,032	2.2
Commercial & Industrial (C&I)									
New Construction	$79,950	2.6%	$160,608	$85,162	2.0	$111,283	$160,608	$49,325	1.4
Equipment Replacement									
Prescriptive	$259,836	8.3%	$1,380,386	$1,135,185	5.3	$1,053,453	$1,380,386	$326,933	1.3
Custom	$239,849	7.7%	$1,157,939	$931,600	4.8	$762,915	$1,157,939	$395,024	1.5
Existing Facility Retrofit	$1,418,106	45.5%	$8,328,757	$6,990,528	5.9	$3,207,955	$8,328,757	$5,120,802	2.6
Demand Response									
Subtotal - C&I	$1,997,741	55.5%	$11,027,690	$9,142,475	5.5	$5,135,606	$11,027,690	$5,892,083	2.1
Total - All Programs	$3,602,729	100.0%	$15,033,680	$11,633,880	4.2	$7,000,236	$15,221,351	$8,221,115	2.2

Data Source: Optimal Energy, Inc.



Energy Key℠

Unlock Your Home Energy SAVINGS

Connecticut's Municipal Utilities: Your Key Energy Partner

- Energy efficient appliances
- Home weatherization
- Energy conservation
- Energy Depot® Online Resources

Home Energy Savings Program — Mail-in Rebate for Appliances

Energy Key℠

$60 OFF

ENERGY STAR® Qualified Appliances
For Connecticut Municipal Electric Utility Customers Only

ENERGY STAR
www.energystar.gov

Get $60 back from your municipal electric utility on your purchase of an eligible ENERGY STAR qualified refrigerator, freezer, dishwasher, clothes washer, dehumidifier or water heater. This rebate is good for purchases made between July 1, 2008 and December 31, 2009. LIMIT: One rebate per municipal electric utility account.

To receive your rebate:
1) Fill out this form completely.
2) Enclose a copy of your dated sales receipt and recent electric bill.
3) Mail to: **CMEEC – CT Municipal Appliance Rebate, 30 Stott Avenue, Norwich, CT 06360**

Please DO NOT include this rebate request with your utility bill payment. All rebate requests must be postmarked no later than December 31, 2009. Incomplete information may delay or disqualify your rebate.

Customer Information

Please fill out completely. All information below is required.

Name	Phone		
Installation Address	City	State	Zip
Mailing Address *If different than Installation Address*	City	State	Zip
Email			

Appliance Information

Qualifying appliances must be ENERGY STAR® rated. Provide the following information for each purchase.

Appliance	*Manufacturer*	*Model #*	*# Purchased*		*Total Rebate*
❍ Refrigerator				X $60 =	$
Specify type: ❍ Top-mount freezer ❍ Bottom-mount freezer ❍ Side-by-side ❍ Ice maker through door					
Specify size of refrigerator's freezer: _____ cubic feet					
❍ Freezer				X $60 =	$
❍ Dishwasher				X $60 =	$
Clothes washer:					
❍ Front loading				X $60 =	$
❍ Top loading				X $60 =	$
❍ Water heater				X $60 =	$
Requirements: 59-gallon or smaller tank must have an energy factor of .93 or higher; 60-gallon or larger tank must have an energy factor of .91 or higher					
❍ Dehumidifier				X $60 =	$

Name and address of store where you purchased the appliance(s)	Purchase Price	Purchase Date

Customer Signature _____ Date _____

ENERGY STAR® qualified appliances save energy and money, and help protect the environment.

ENERGY STAR
www.energystar.gov

Join the national effort to help use energy wisely. Buy appliances that have earned the ENERGY STAR rating. Only products delivering the highest level of energy efficiency are awarded the ENERGY STAR from the U.S. Environmental Protection Agency and the U.S. Department of Energy.

What's so important about ENERGY STAR qualified appliances?

Saving energy also saves money. By using energy efficient products, the average household can save up to $400 per year on utility bills. (Savings are estimated. Actual savings may vary.)

According to the U.S. EPA, if just 10% of us used ENERGY STAR appliances, together we would reduce carbon dioxide pollution by the equivalent of planting 1.7 million acres of new trees.

Rebate Requirements

This rebate offer is available to all customers of the Connecticut municipal electric utilities listed below. Limit: One rebate application per municipal electric utility account. Eligible appliances must be installed at a location in the Connecticut municipal electric utilities' service territories. Valid for purchases between July 1, 2008 and December 31, 2009. All rebate requests must be postmarked no later than December 31, 2009. The municipal electric utilities reserve the right to conduct field inspections to verify installations. Please allow 60 days for payment; payment process may take longer if information is missing on application.

Bozrah Light & Power • Groton Utilities • Jewett City Dept. of Public Utilities
Norwich Public Utilities • City of Norwalk Third Taxing District
South Norwalk Electric & Water • Wallingford Electric Division

Warranties: YOUR PARTICIPATING MUNICIPAL ELECTRIC UTILITY DOES NOT WARRANT THE PERFORMANCE OF INSTALLED EQUIPMENT, EXPRESSLY OR IMPLICITLY. The participating municipal utility makes no warranties or representation of any kind, whether statutory, expressed or implied, including, without limitations, warranties of merchantability or fitness for particular purpose regarding the equipment or services provided by a contractor or vendor. Consult your contractor or vendor for details regarding performance and warranties.

1008

Home Energy Savings Program — Mail-in Rebate for Attic Insulation

UP TO $1.00 PER SQUARE FOOT

Rebate On Attic Insulation
For Connecticut Municipal Electric Utility Customers Only

Get a rebate of up to $1.00 per square foot for attic insulation, if your home has electric or natural gas heat and/or central air conditioning.* This rebate is good for purchases and installations completed in 2008 through 2010. Rebate requests must be postmarked by December 31, 2010. LIMIT: One rebate per municipal electric utility account.

Insulation must be installed by a licensed contactor and inspected by your Home Energy Savings (HES) technician when installation is completed. Not valid for homeowner-installed insulation.

To receive your rebate:

1) Fill out this form completely. (Be sure to have the HES technician do a post-inspection and fill out the last section.)
2) Enclose a copy of the contractor's invoice.
3) Mail to: **CMEEC - CT Municipal Insulation Rebate, 30 Stott Avenue, Norwich, CT 06360**

Please DO NOT include this rebate request with your utility bill payment. All rebate requests must be postmarked no later than December 31, 2010. Incomplete information may delay or disqualify your rebate.

Customer Information

Please fill out completely. All information below is required.

Name	Phone		
Installation Address	City	State	Zip
Mailing Address *If different than Installation Address*	City	State	Zip
Email	Social Security Number		

Insulation Information

HES Technician completes this section.

Area Name	Material	Existing Insulation R Value	Recommended R Value	Ventilation Type or NSF	Square Footage
Example: Attic	***Fiberglass***	***19***	***38***	***Attic***	***900***

Note: Be sure to enclose contractor invoice

*The final rebate amount cannot exceed the actual cost of the completed attic insulation and will be determined by the technician at the time of post-installation inspection.

Multiply Square Footage by $0.50 if home has electric or natural gas heat ..... $_____
Multiply Square Footage by $0.50 if home has central air conditioning ..... $_____

ESTIMATED REBATE $

Please Print Name
HES Technician's Name _____ Job Number _____

Technician's Signature _____ Date _____

By signing this form, I certify that I purchased the insulation noted above for use in the above residential address. I have read and understand the terms and conditions on the back of this form. The information I have provided is true and correct and the product(s) for which I am requesting a rebate meets the requirements in this application.

Customer Signature _____ Date _____

Consumers may be eligible for a federal tax credit. Please refer to www.energystar.gov for more information.

TO BE COMPLETED BY HES TECHNICIAN AT POST-INSTALLATION INSPECTION:

Technician's Signature _____ Date _____

Calculations/Comments:

FINAL REBATE $

Rebate Requirements

Application Offer: This Rebate covers products purchased and installed in 2008 through 2010. Details of this Rebate are subject to change or cancellation without prior notice. This application form with required documentation must be postmarked by December 31, 2010. Call Competitive Resources, Inc. (CRI) toll-free at 1-888-403-3500 for additional details.

Completed and signed applications must be submitted within 60 days of installation to be eligible for Rebates.

Eligibility: Rebates are available only to residential electric services customers. Materials must be installed in the service territory of the participating municipal electric utility.

Proof of Purchase: An itemizing invoice must accompany each Rebate application form. **The invoice copy must indicate the type of insulation, amount, areas insulated and ventilation installed, and date of installation.**

Application Form: This application must be filled out completely, truthfully and accurately. Customer must sign, date, and submit the application along with the invoice.

Payment: Please allow 60 days for payment. Payment process may take longer if information is missing on application. Call 1-888-403-3500 for details.

Approval and Verification: Pre-approval from your participating municipal electric utility will be required if the rebate total is greater than $5,000. Your participating municipal electric utility requires a post-installation inspection.

Tax Liability: Customers of the Home Energy Savings (HES) Insulation Rebate program may be subject to tax liability for the value of the Rebate received through the program pursuant to state and/or federal income tax codes. Please consult with a tax advisor on whether to include the amount of the Rebate on your income tax filing. All customers must supply their Social Security number in order to receive a Rebate.

Endorsement: Your participating municipal electric utility does not endorse any particular manufacturer, product or system design in promoting this Rebate.

Warranties: YOUR PARTICIPATING MUNICIPAL ELECTRIC UTILITY DOES NOT WARRANT THE PERFORMANCE OF INSTALLED MEASURES, EXPRESSLY OR IMPLICITLY. The participating municipal utility makes no warranties or representation of any kind, whether statutory, expressed or implied, including, without limitations, warranties of merchantability or fitness for particular purpose regarding the material or services provided by a contractor or vendor. Consult your contractor for details regarding performance and warranties.

Limitations of Liability: The liability of your participating municipal electric utility is limited to paying the Rebate specified. The participating municipal electric utility is not liable for any consequential or incidental damages or for any damages in tort connected with or resulting from participation in this Rebate.

Assignment: The customer may assign the Rebate payment to a qualified contractor.

Owner's Certification: Owner certifies that he/she purchased and had installed by a licensed contractor the material listed above at the defined location. Owner agrees that all information is true and that he/she conformed to all requirements listed. Owner has verified that the material listed above has been installed correctly.

ISO-NE Capacity Payments: Customer agrees and acknowledges that this installation of energy efficiency measures by Contractor may result in financial incentives or environmental attributes related to Customer's participation in the Program which may benefit CMEEC and/or Utility. Customer hereby agrees to assign to CMEEC on behalf of Utility any and all right, title and interest in Customer's portion, if any, of such financial incentives and/or environmental attributes.

0509

Home Energy Savings Program — Mail-in Rebate

www.energystar.gov

$50 off

ENERGY STAR® Qualified Air Conditioner

For Third Taxing District of the City of Norwalk Electrical Department Customers Only

The Energy Star® Mail-in Rebate.

Get $50 back from your municipal electric utility when you purchase an eligible Energy Star® qualified window air conditioner. This rebate is good for purchases made from May 1, 2009 - December 31, 2009. **LIMIT: There is a limit of 3 air conditioners per electric utility account.**

To receive your rebate:

1. Fill out this form completely.
2. **Enclose a copy of a dated sales receipt showing model # of appliance(s), a copy of the yellow energy guide label, and a copy of your recent electric bill.** Incomplete or missing information may delay or disqualify your rebate.
3. Mail to: CMEEC-Appliance Rebate, 30 Stott Avenue, Norwich, CT 06360

Please **DO NOT** include this rebate form with your utility bill payment. All rebate requests must be postmarked no later than December 31, 2009.

Customer Information

Please fill out completely. Except where noted, all information below is required.

Name | Email (optional)

Mailing Address | Phone #

City | State Connecticut | Zip Code

Installation Address (if different from mailing address) | Electric Account Number (at the Installation Address)

Appliance Information

Qualifying appliances must be Energy Star rated. Provide the following information for each purchase

Air Conditioner Manufacturer | Model #

Air Conditioner size/BTU

Air Conditioner Manufacturer | Model #

Air Conditioner size/BTU

Air Conditioner Manufacturer | Model #

Air Conditioner size/BTU

TTD reserves the right to conduct field inspections to verify installations.

Rebate Amount (Number of units x $50) | Date of Purchase

Customer Signature | ***Date:***

Reset Form | Print Form

ENERGY STAR® qualified appliances save energy and money, and help protect the environment.

Join the national effort to help use energy wisely. Buy appliances that have earned the Energy Star® rating. Only products delivering the highest level of energy efficiency are awarded the ENERGY STAR® from the U.S. Environmental Protection Agency and the U.S. Department of Energy.

What's so important about ENERGY STAR® qualified appliances?

Saving energy also saves money. By using energy efficient products, the average household can save up to $400 per year on utility bills. (Savings are estimated - actual savings may vary.)

According to the U.S. EPA, if just 10% of us used ENERGY STAR® appliances, together we would reduce carbon dioxide pollution by the equivalent of planting 1.7 million acres of new trees.

For more information about Energy Star® , visit www.energystar.gov.

Rebate Requirements

This rebate offer is available to all Third Taxing District Electric Department customers. Limit: Three qualifying air conditioner units per municipal electric utility account. Eligible appliances must be installed at a location in the Third Taxing District's service territory. Valid for purchases made between May 1, 2009 and December 31, 2009. All rebate requests must be postmarked no later than December 31, 2009. ***Third Taxing District Electric Department reserves the right to conduct field inspections to verify installations.*** Please allow 30 days for payment; payment process may take longer if application is incomplete or required information is not included.

Warranties: THE THIRD TAXING DISTRICT ELECTRIC DEPARTMENT DOES NOT WARRANT THE PERFORMANCE OF INSTALLED EQUIPMENT, EXPRESSLY OR IMPLICITLY. The Third Taxing District Electric Company makes no warranties or representation of any kind, whether statutory, expressed or implied, including, without limitations, warranties of merchantability or fitness for particular purpose regarding the equipment or services provided by a contractor or vendor. Consult your contractor or vendor for details regarding performance and warranties.

Questions? Contact TTD at (203) 866-9271 or visit our web site at www.ttd.gov

Energy Key℠ is a service mark of the Connecticut Municipal Electric Energy Cooperative. Participants include Norwich Public Utilities, Groton Public Utilities, Bozrah Light & Power Company, Jewett City Department of Public Utilities, South Norwalk Electric & Water, Third Taxing District Electric Department, and Wallingford Electric Division. Visit www.cmeec.com for more information.

Connecticut Municipal Motor Up

GROTON UTILITIES
BOZRAH LIGHT & POWER

CMEEC
CONNECTICUT MUNICIPAL ELECTRIC ENERGY COOPERATIVE
888-606-9787
30 Stott Avenue • Norwich, CT 06360

TTD THIRD TAXING DISTRICT

JEWETT CITY DEPT. OF PUBLIC UTILITIES

SNEW SOUTH NORWALK ELECTRIC AND WATER

Norwich Public Utilities

CUSTOMER INFORMATION

Company Name: Contact:

Address: State: Zip:

Mailing Address: State: Zip:

Electric Account Number: ❑ BL&P ❑ GU ❑ JCU ❑ NPU ❑ SNEW ❑ TTD ❑ WED

Phone: Fax: E-Mail:

Federal ID Number Incorporated? ❑ Yes ❑ No ❑ Exempt

By signing below, customer agrees to the conditions as stated on the back of this application and to any special requirements.

Customer Signature: Date:

CONTRACTOR INFORMATION

Company Name: Contact:

Address: State: Zip:

Mailing Address: State: Zip:

Federal ID Number: Phone: Fax: E-Mail:

By signing below, contractor agrees to the conditions as stated on the back of this application and to any special requirements.

Contractor Signature: Date:

APPLICATION INSTRUCTIONS

- Read Initiative Requirements on the reverse side of this application
- Fill out all applicable spaces on this side of the application.
- Both the customer and contractor must sign the application.
- Attach invoice and manufacturer's specification sheet with equipment make, model, size and ARI efficiency rating.
- Send all documentation to CMEEC at 30 Stott Ave., Norwich, CT 06360. Utility information is provided on the top of the application.

INCENTIVE PAYMENT METHOD

❑ Account Credit ❑ Check to Customer ❑ Check to Contractor

MOTOR INFORMATION

Reason N=New F=Failed S=Stocked	Manufacturer	ODP or TEFC	Model No.	Function (Fan, Pump, Process, Other)	Location (Bldg/Rm)	Size (HP)	Speed (RPM)	NEMA Nominal Efficiency (%)	Annual Run Hours (2000 min)	Rebate Per Motor (See Table)	Qty	Requested Rebate
Example F	Acme	TEFC	RR/C157	HVAC Pump	Mech. Rm #4	30	1800	93.6	4400	$150	1	$150

Rebate Total: $ _____

Measure Information: Please review Eligibility Requirements on reverse. Include invoices, product specification sheets and other documents

For Administrative Use Only:

Project ID:	Database Id No.:	Approved Rebate: $	Approving Program Manager:	
Required Inspections:	Pre-Inspection Date:	Inspector:		
	Post-Inspection Date:	Inspector:		
Approvals:	Pre-Approval Date:	Program Manager:	Pre-Approved Rebate: $	
	Final Approval Date:	Program Manager:	Final Rebate: $	

ELIGIBILITY REQUIREMENTS

Rebates will be provided for the installation of new premium-efficiency, three-phase 1-200 HP open drip proof (ODP) or totally enclosed fan cooled (TEFC) 1200, 1800 or 3600 RPM motors. All other applications must be submitted as custom measures.
Motors must operate a minimum of 2000 hours annually.

PREMIUM-EFFICIENCY MOTOR REBATES — OPEN DRIP-PROOF

NEMA NOMINAL EFFICIENCY

Size (HP)	1	1.5	2	3	5	7.5	10	15	20	25	30	40	50	60	75	100	125	150	200
1200 RPM	82.5%	86.5%	87.5%	88.5%	89.5%	90.2%	91.7%	91.7%	92.4%	93.0%	93.6%	94.1%	94.1%	94.5%	94.5%	95.0%	95.0%	95.4%	95.4%
1800 RPM	85.5%	86.5%	86.5%	89.5%	89.5%	91.0%	91.7%	93.0%	93.6%	94.1%	94.1%	94.1%	94.5%	95.0%	95.0%	95.4%	95.4%	95.8%	95.8%
3600 RPM	77.0%	84.0%	85.5%	85.5%	86.5%	88.5%	89.5%	90.2%	91.0%	91.7%	91.7%	92.4%	93.0%	93.6%	93.6%	93.6%	94.1%	94.1%	95.0%
Rebate	$45	$45	$54	$54	$54	$81	$90	$104	$113	$117	$135	$162	$198	$234	$270	$360	$540	$630	$630

ELIGIBILITY REQUIREMENTS

NEMA NOMINAL EFFICIENCY

Size (HP)	1	1.5	2	3	5	7.5	10	15	20	25	30	40	50	60	75	100	125	150	200
1200 RPM	82.5%	87.5%	88.5%	89.5%	89.5%	91.0%	91.0%	91.7%	91.7%	93.0%	93.0%	94.1%	94.1%	94.5%	94.5%	95.0%	95.0%	95.8%	95.8%
1800 RPM	85.5%	86.5%	86.5%	89.5%	89.5%	91.7%	91.7%	92.4%	93.0%	93.6%	93.6%	94.1%	94.5%	95.0%	95.4%	95.4%	95.4%	95.8%	96.2%
3600 RPM	77.0%	84.0%	85.5%	86.5%	88.5%	89.5%	90.2%	91.0%	91.0%	91.7%	91.7%	92.4%	93.0%	93.6%	93.6%	94.1%	95.0%	95.0%	95.4%
Rebate	$50	$50	$60	$60	$60	$90	$100	$115	$125	$130	$150	$180	$220	$260	$300	$400	$600	$700	$700

TERMS AND CONDITIONS

Application Offer: This Initiative covers products purchased and installed or placed into stock on or after January 1, 2007. Details of this rebate program, including rebate levels, are subject to change or cancellation without prior notice. Contact your utility for the latest program details. This application, with required documentation, must be received by December 31, 2008. Motor project/savings may not be claimed under any other program. Call1-888-606-9787 for additional initiative details.

Completed and signed applications must be submitted within 30 days of the equipment installation to be eligible for Rebates.

Eligibility: Rebates are available to industrial, commercial, institutional and agricultural electric services customers. Motors must be installed or stocked in the service territory of the participating municipal electric utility. Motors covered by this program must be new, three phase, induction motors, NEMA Design A & B, 1 – 200 HP, ODP or TEFC, 1200, 1800, or 3600 RPM. Other motors may be eligible for rebate under other programs. Please contact 1-888-606-9787 for additional information.

Proof of Purchase: A sales slip itemizing the new equipment purchased must accompany each incentive application form. The proof of purchase must indicate type, size, make, and model number of the motor, as well as the date purchased.

Application Form: This application must be filled out completely, truthfully and accurately. An authorized representative of the customer must sign, date, and submit the application along with an itemized proof of purchase or invoice. The efficiency information provided should be the NEMA nominal-efficiency rating from the motor name-plate. Efficiencies are to be full-load nominal efficiencies tested in accordance with IEEE Standard 112, Test Method B.

Payment: Please allow 30 days for payment or account credit. Payment process may take longer if information is missing on application. Call1-888-606-9787 for details.

Assignment: The customer may assign the rebate payment to a qualified contractor.

Approval and Verification: Pre-approval from your municipal electric utility is required if the rebate is greater than $5,000. Your participating municipal electric utility reserves the right to verify sales transactions and to inspect the motor installed or stocked under this program prior to issuing rebates, or at a later time, for monitoring and evaluation purposes.

Tax Liability: Your participating municipal electric utility will not be responsible for any tax liability that may be imposed on the customer as a result of the payment of rebates. All customers must supply their Federal Tax Identification number or Social Security number and a completed and signed W-9 form in order to receive a Rebate.

Endorsement: Your participating municipal electric utility does not endorse any particular manufacturer, product or system design in promoting this program.

Limitation of Liability: YOUR MUNICIPAL ELECTRIC UTILITY DOES NOT WARRANT THE PERFORMANCE OF INSTALLED EQUIPMENT, EXPRESSLY OR IMPLICITILY. Rotational speed differences between premium and EPACT motors can affect savings or performance. Contact your electrical contractor for details regarding equipment performance and warranties.

The liability of your participating municipal electric utility is limited to paying the Rebate specified. The participating municipal electric utility is not liable for any consequential or incidental damages or for any damages in tort connected with or resulting from participation in this rebate program

Specific Requirements: Some utilities have specific requirements or conditions regarding issues such as: motors placed in stock, payment options, and rebate restrictions for facilities using self-generation for non-emergency purposes. Please call1-888-606-9787 for additional details.

Owner's Certification: Owner certifies that he/she has purchased and installed the equipment listed above at the defined location. Owner agrees that all information is true and that he/she conformed to all equipment requirements listed. Owner has verified that the motors listed above have been installed correctly.

ISO-NE Capacity Payments: By signing this document, and as a condition for receiving a rebate pursuant to this program, Customer hereby assigns to its participating municipal electric utility, whichever the case may be, all of its rights, title and interest in and to any and all LICAP, ICAP, or any and all other capacity-related credits or payments for which Customer may be eligible from ISO-NE or such value associated with the settlement of such LICAP, ICAP, or capacity payments as determined through the ISO-NE LICAP, ICAP, or other such like capacity supply auction or market (or its successors or replacements) for any capacity enrolled with ISO-NE.

ATTACHMENT B

Second Annual Report to the Renewable Energy Investment Advisory Committee[1]

submitted by

Connecticut Municipal Electric Energy Cooperative and Connecticut's Municipal Electric Utilities

March 31, 2009

Section 41(a) of Public Act 07-242 (codified at Conn. Gen. Stat. Section 7-233z) requires a municipal electric energy cooperative, created pursuant to chapter 101a of the General Statutes to submit a comprehensive report on the activities of the State's municipal electric utilities with regard to promotion of renewable energy resources, including identification of standards and activities of the municipal electric utilities in the promotion, encouragement and expansion of the deployment and use of renewable energy sources within the service territories of the municipal electric utilities over the previous year. This report is being submitted to the Renewable Energy Investments Board ("REIF")/Renewable Energy Investment Advisory Committee ("REIAC") by the Connecticut Municipal Electric Energy Cooperative ("CMEEC") on behalf of the Connecticut municipal electric utilities in accordance with this requirement. This is the second report submitted by CMEEC pursuant to P.A. 07-242, section 41(a).[2] This report summarizes CMEEC's activities during calendar year 2008, as well as on-going initiatives which CMEEC intends to carry-forward in 2009.

Introduction

CMEEC is a municipal electric energy cooperative created pursuant to chapter 101a of the Connecticut General Statutes. CMEEC provides full requirements power supply service to municipal electric systems in the City of Groton, the City of Norwich, the Borough of Jewett City, the Town of Wallingford, the Second Taxing District of the City of Norwalk and the Third Taxing District of the City of Norwalk. In addition, CMEEC provides full requirements power supply services to the Bozrah Light and Power Company (owned by the City of Groton) and the Mohegan Tribal Utility Authority.

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[1] The specific statutory authority directing CMEEC to prepare and submit this report (Conn. Gen. Stat. Section 7-233z) refers to the Renewable Energy Investment Advisory Committee ("REIAC"), "established pursuant to Conn. Gen. Stat. Section 16-245n" as the entity to whom CMEEC submits the report. No other statutory reference exists creating the REIAC. Conn. Gen. Stat. Section 16-245n established the Renewable Energy Investment Fund ("REIF") "within Connecticut Innovations, Incorporated, for administrative purposes only" (Conn. Gen. Stat. Section 16-245n(c)) and created a Renewable Energy Investments Board (Conn. Gen. Stat. Section 16-245n(d)) to oversee matters related to the REIF.

[2] The first report, dated March 31, 2008, reporting on CMEEC's activities in 2007, is referred to herein as the "First Report."

In 2008, the municipal electric systems participating in CMEEC had an annual coincident peak load of 367 megawatts ("MW") and an annual energy requirement of 1,979,722 megawatthours ("MWh"). These requirements were met by a portfolio of spot and long-term market purchases and operation of power supply resources owned by CMEEC and the municipal electric systems. In addition, the municipal systems have implemented extensive conservation and peak demand management programs. The capacity credit associated with CMEEC conservation and energy efficiency programs that are registered with the Independent System Operator-New England, Inc. ("ISO-NE") has grown from 3.62 MW (2007) to 6.22 MW by the end of 2008. In addition, during the summer of 2008 CMEEC and the municipal systems had over 69 MW of additional customer peak load curtailment resources available during extreme weather conditions and/ or capacity deficiency conditions, comprising approximately 19 % of CMEEC's peak load in 2008.

During 2008, CMEEC's primary emphasis in this area was on evaluation and negotiation of power supply purchase and/or ownership arrangements in potential grid-scale renewable resource projects. From a resource planning perspective, one of the CMEEC power supply portfolio objectives is to procure long term contract or ownership arrangements' totaling between 30 MW and 50 MW (which represents between 8% and 14% of the CMEEC peak load) in resources whose fuel price is not tied with the cost of oil or natural gas. The expectation is that most of such projects will involve renewable resources. While these efforts have failed to produce any definitive agreements to date, and the recent turmoil in the financial markets continues to complicate project development, CMEEC remains optimistic that at least some of the opportunities it is currently pursuing will come to fruition.

CMEEC's primary mission is to develop and maintain a diverse portfolio of resources that will enable the State's municipal electric utilities to remain the long-term competitive provider to the electric customers in their communities and to maintain an electric product and service mix that optimizes electric costs and maximizes value to customers while monitoring, forecasting and managing the impacts of changes taking place in the electric utility industry. CMEEC and the municipal electric systems believe that renewable resources can play an important role in achieving these objectives. Including renewable resources in the CMEEC resource portfolio will help reduce the impact of increasing natural gas prices on the cost of electricity. Installation of "behind the meter" renewable resources at customer sites can reduce exposure to increasing peak demand and high energy market prices. On the other hand, renewable resource projects tend to be characterized by high up-front costs and low or no variable operating costs (including the cost of fuel.) Often such projects operate on an intermittent basis and at low capacity factors compared to traditional dispatchable or base-load generating units.

Cost-Effective Grid-Scale Renewable Resource Projects

The majority of CMEEC activities during 2008 have involved identifying, evaluating and procuring the output from cost-effective grid-scale projects whose costs are not tied to the price of natural gas. From a risk management perspective, the CMEEC Board has directed CMEEC staff to seek opportunities to include at least 30 MW – 50 MW of cost-effective resources whose cost/pricing is not tied to the price of oil or natural gas. This level of resource commitment in aggregate would represent between 8% and

14% of CMEEC's current annual peak demand. The expectation is that such acquisitions will most likely involve renewable resource projects.

During 2008, CMEEC staff was involved in evaluating procurement of unsubscribed capacity in two potential biomass projects and one potential landfill gas supplied project to be developed in the State of Connecticut. After completing review and due diligence, the CMEEC Board decided not to participate in one of the biomass projects due to concerns over project development and the cost effectiveness of including the resource in CMEEC's portfolio. At this point it appears that the other biomass project will not have any unsubscribed capacity to allow CMEEC participation. CMEEC remains involved in the Connecticut landfill gas supplied project, although specific project milestones remain to be achieved. Also, CMEEC recently opened discussions with the goal of achieving in a long-term purchase agreement for the output from another biomass repowering project also located in Connecticut. In addition to these Connecticut specific projects, CMEEC has been selected as preferred bidder to negotiate purchase of the output of a landfill gas project in southern New England. Discussions on this project are still at the beginning stages. CMEEC is also evaluating participation in a biomass repowering project in Northern New England. During 2008, CMEEC also held numerous discussions with developers of potential wind projects in the Northeast, which to date have not resulted in any definitive arrangements. Finally, CMEEC is also responding to an RFP to procure the output of a wind project in Northern New England pursuant to a long-term contract. In order to participate in all of these projects, CMEEC was required to sign confidentiality agreements. As a result, CMEEC is not able to reveal any more details concerning these activities. With that said, predicting development of any power supply project, or the ability of parties to conclude contract negotiations that make sense to both sides, is fraught with uncertainty. Further complicating these deliberations is the impact the the ongoing financial crisis has had on power supply project development, even for projects that might have power supply purchase arrangements in place. Approval of the CMEEC Board of Directors, and possibly the utility commissions of the individual municipal utilities, would be required before any of the purchases outlined herein could become effective.

Small-Scale Renewable Resource Investment Program

As discussed in the 2007 Annual Report, in May 2007, the CMEEC Board of Directors established an Ad Hoc Renewable Resource Committee consisting of senior management and staff from CMEEC and each of the municipal utilities. This Committee reports directly to the CMEEC Board of Directors. The Committee is responsible for developing policy recommendations for the CMEEC Board of Directors, coordinating activities associated with development and implementation of renewable resource investments in the municipal electric systems and development of procedures and guidelines for assuring that funds dedicated to renewable resource development are allocated in a fair and equitable fashion among the municipal systems.

The CMEEC Board has also endorsed the creation of a dedicated fund that would be available to support investment in small scale renewable resource projects within the service territories of the municipal electric systems. The Ad Hoc Renewable Resource Committee was charged with indentifying possible funding sources for such investments, identifying potential technology options for such investments and

developing guidelines and procedures for assuring that such investments are both cost-effective and equitably distributed among the municipal systems. The overarching purpose of this program is to promote development and deployment of small, cost effective renewable resource projects at customer locations within the territories of the municipal electric systems. These projects will also help reduce the portion of the municipal utility needs served off the bulk power system, learn what works best and provide a basis for expanding that commitment over time.

Continuing in 2008, the efforts of the Ad Hoc Renewable Resource Committee have focused on identifying potential funding sources for renewable resource investments and development of guidelines to assure equitable and cost-effective investments in renewable resource technologies. As reported in the 1st Report, the CMEEC Board approved placing all of the revenue credits for Other Demand Resources ("ODRs") associated with CMEEC conservation and energy efficiency programs which CMEEC has been receiving from ISO-NE into a separate reserve fund to be used for a small scale renewable resource investment program, subject to CMEEC Board approval of procedures and guidelines for disbursing these funds in an equitable and cost-effective fashion. By the end of January 2009, these contributions to the renewable resource fund totaled approximately $200,000. Currently, these funds can only be released for specific projects with the approval of the CMEEC Board. CMEEC is seeking to develop more streamlined procedures that would allow a portion of such funds to be made available to each of the municipals systems for appropriate projects without such specific Board approval. Other potential funding sources which have been identified, but not yet secured, include potential grants the federal economic stimulus packages and grant applications for Clean Renewable Energy Bonds ("CREBS") with the federal government.

A broad cross-section of technologies is under consideration as part of the first phase of this project, including: solar photovoltaic, small-scale wind, micro-turbines fueled by methane digester gas, micro combined heat and power projects and thermal storage systems. Attachment 1 contains a brief description of each of these technology options along with an explanation of why CMEEC thinks this approach makes sense as a component of this strategy.

CMEEC's approach is to try and develop a portfolio of projects from this mix of resource technologies that will provide a positive economic payback to the municipal systems in less than 10 years. Specific Guidelines and procedures for allocating and disbursing funds to each municipal system for specific projects, as well as monitoring progress and ongoing operations of the projects are still under development. Once approved by the CMEEC Board, the Ad Hoc Renewable Resource Committee would be able to direct distribution of funds to the individual municipal systems and/or customers within the municipal service territories for projects that are consistent with these guidelines.

Notwithstanding potential availability of funding at the CMEEC level, individual municipal systems have also implemented renewable resource projects on their own. A few of the more notable projects being undertaken by some of the municipal systems are summarized below.

- Groton Utilities (GU) provided funding which allowed the installation of a 1.9 kW SkyStream wind generator that will be used to power the greenhouse on the campus of the Ella T. Grasso

Technical High School. Installation of this project was accomplished by the students at the School. Several other customers, with support from GU, have either installed or are evaluating installation of photovoltaic systems, thermal storage systems and fuel cells.

- Norwich Department of Public Utilities is working with a customer to install a Combined Heat and Power system as part of the expansion of an existing customer's facility. Norwich is also evaluating a potential photovoltaic system at a municipal facility and a potential anaerobic digester project at the Norwich Wastewater Treatment plant.

- The Jewett City Department of Public Utilities is considering installation of a photovoltaic system at a municipally owned facility.

Conclusion

CMEEC and the State's municipal electric systems are committed to environmental stewardship as well as keeping electricity costs as low as is reasonably possible. We believe that fundamentally this environmental stewardship objective starts at the individual retail customer levels, extends to the local community through the municipal electric utilities and ultimately feeds in to larger resource acquisition decisions through CMEEC. The municipal electric systems and CMEEC are developing and implementing strategies to maximize economic efficiencies and cost-effectiveness on an aggregate basis throughout this value chain, and in a manner consistent with delivering reliable and reasonably priced power to customers of the municipal electric systems.

This is the second report prepared by CMEEC and the State's electric municipal electric systems under P.A. 07-242, section 41(a). CMEEC and the State's municipal electric systems intend to pursue the activities described in this report during the next reporting cycle and further develop and refine existing guidelines and procedures for incorporation in future years.

Attachment 1

Renewable Resource Technologies

The following is a high level description of various renewable resource technologies should be considered for the overall long-term municipal renewable resource portfolio:

Solar Photovoltaic (PV) – From a public perception standpoint, PV may be the most widely recognized of the "emerging" renewable resource technologies. Unfortunately, PV also tends to be very expensive, is not very efficient in converting energy from the sun into electricity and has a very low annual capacity factor (17%). The major advantage of PV from a resource planning standpoint is that the maximum output of such systems is highly coincident with the New England summer peak. Based on these considerations, we would recommend supporting a limited amount of PV installations until the installed cost comes down significantly. Possible PV sites should be in locations where there might be the ability to leverage additional benefits for the local community, such as installing a project at a school, a firehouse or a municipal building.

Wind – Throughout the country, large-scale wind power installations are among the most economic renewable resource projects possible provided a developer can acquire access to suitable sites. Unfortunately, based on the government "wind map", there are virtually no sites for large scale wind development in Connecticut. The most likely "onshore" sites are in Northern New Hampshire, Northern Maine and western New York State. The most well known off-shore site is the Cape Wind Project off of Martha's Vineyard. Nonetheless, it may be possible to develop one or two small wind projects at sites in the municipal service territories along the immediate shoreline. Note that the municipal system in Hull Massachusetts has developed several wind projects that appear to have become a source of pride for the local community. The primary negative to wind projects is that even optimal sites have a fairly low capacity factor (35% or less), the majority of energy generation comes in the off-peak hours and the capacity value can be as low as 10% of the nameplate rating.

Micro-turbine/Methane Digester Gas– Several of the municipal systems already have wastewater treatment facilities located in their service territories. One possible application may be to use anaerobic digester gas from one of the Members' sewer treatment plants as a feedstock for a micro-turbine or a fuel cell as part of a cogeneration application. It appears that the Sewer Treatment Plants in two of the municipal systems may be large enough to consider

such a development. Initial emphasis would probably be placed on a micro-turbine application due to the high up-front cost and gas requirements of fuel cells.

Micro-CHP – Residential-scale combined heat and power (CHP) systems have received a lot of attention over the last year. Braintree has implemented a program where the residential customer's gas furnace is replaced by a self-contained Micro-CHP system which uses a 1.2 kW Honda generator to provide heat and displaces electricity purchases when the unit is running. The unit operation is dictated by the household thermal loads, although it is possible to install control systems to run the generator during high load periods as well. Effectively, the gas that was formerly used to run the furnace is now used to provide electricity as well as heat. Again, this is an expensive technology on a $ per kW basis, but may have application for a system such as Norwich which is already providing gas to the customer for heating purposes. In addition, customers facing replacement of their existing gas-fired furnaces may be able to support a substantial portion of the initial cost of such systems.

Thermal Storage – Thermal or ice storage systems bypass the compressor of a central air conditioning unit during the hottest part of the day for up to six hours in order to reduce the system peak demand. The compressor is then run during the early morning off-peak hours in order to freeze the coolant for operation the next day. Because the draw of a compressor is directly proportional to the ambient air temperature, the difference in temperature between daytime hours and early morning hours is often enough to entirely make up for any thermal losses. While an Ice Storage project can produce some energy benefits due to the difference in prices between off-peak and on-peak periods, the major advantage to such projects is in eliminating monthly and annual peak demand-based charges during the summer months. Obviously, except in unique applications, there is also little or no benefit to an Ice Storage project during the winter months when air conditioners are not running.