



Connecticut Industrial
Energy Consumers

2025-2027 Conservation and Load Management Plan: Comments of CIEC

November 21, 2024

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Who Is CIEC?

- ▶ Founded in 1979, CIEC is an unincorporated association of large industrial and commercial energy consumers with facilities located throughout Connecticut
- ▶ CIEC members represent a diverse cross-section of Connecticut's business community that share a common interest in ensuring that electric and gas utility services are reliable and affordable
- ▶ CIEC members support cost-effective energy efficiency opportunities, and actively engage in reducing their energy usages and carbon footprints
- ▶ Couch White serves as counsel to CIEC

Why Affordability Of Utility Services Is Important

- ▶ For large and energy-intensive C&I customers, electric and gas utility service costs are a significant portion of annual operating costs
 - ▶ Can total many millions of dollars annually
- ▶ Many C&I businesses are leaders in energy reduction and conservation
 - ▶ Necessary to lower costs and maintain competitiveness in global marketplace
 - ▶ Necessary to achieve corporate decarbonization and sustainability initiatives
- ▶ It is our experience that C&I businesses generally support clean energy, environmental, and GHG emissions reductions goals and cost-effective efforts to achieve them
- ▶ The revenues used to fund the C&LM Plan is collected directly from customers on a volumetric basis

INCENTIVES AND REBATE SUPPORT FOR NEW NATURAL GAS EQUIPMENT

- ▶ The draft C&LM Plan proposes to eliminate incentive support for new natural gas combustion heating, hot water, and commercial kitchen equipment beginning in 2025 (p. 50)
- ▶ Important to understand that in the manufacturing space there are difficult or near-impossible to electrify processes/equipment
- ▶ Eliminating incentives for replacement of equipment that uses natural gas with new, more efficient equipment will have unintended consequences of continued use of inefficient equipment
- ▶ If electrification is not possible (i.e., business case or operationally infeasible), the Plan should not foreclose opportunities for greater gas usage reductions through continued incentives



EVERSOURCE ADR PROGRAM CHANGES

- ▶ The draft C&LM Plan proposes that starting in 2025, fossil fuel generators will not be eligible to participate in Eversource ADR offerings, including Daily Dispatch or Targeted Dispatch (p. 135)
- ▶ Abruptly eliminating existing fossil generation from the ADR program will have the unintended consequence of increasing carbon emissions
- ▶ Implementation of capital investments, such as a battery energy storage system, will take time to get in place
 - ▶ A transition period is needed
- ▶ As generation supply margins get tighter, the State should look to how they can more effectively engage demand side load during peak periods, not create further barriers to ADR participation

Phase-Out of Non-Controlled Lighting

- ▶ The draft C&LM Plan proposes to eliminate incentives for non-controlled lighting from express rebates (p. 109)
- ▶ Historically, the Plan has incentivized customers to install enhanced LED-lighting offerings to leverage higher incentives
- ▶ For early adopters of LEDs, there are concerns surrounding when such fixtures/controls must be replaced at end-of-life without the availability of incentives/rebates
 - ▶ Life expectancy 10 years
 - ▶ This will be a challenge as whole-building or group replacements are still capital intensive

Questions?

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