

Thursday, November 21, 2024 | 10:00 AM– 4:30 PM

2025-2027 Conservation and Load Management (C&LM) Plan Technical Meeting Minutes

[Meeting Recording](#)

Discussion

1. DEEP Introduction

The Department of Energy & Environmental Protection (DEEP) reviewed the meeting agenda and housekeeping items. DEEP provided background information regarding the 2025-2027 C&LM Plan and the goals of the meeting.

- The Energy Efficiency Board (EEB) voted to approve the 2025-2027 Conservation and Load Management Plan, which was filed with DEEP November 1st.
- DEEP is required by statute to issue a Final Determination on the proposed Plan, but there are multiple steps to issuing a determination, including: hosting a technical meeting, issuance of a request for information and written comment, data and information requests to the Companies and other stakeholders, and issuing a draft determination for public comment. DEEP is also required to issue a decision on program budgets before the end of the year.
- Home Energy Solutions (HES) and Home Energy Solutions-Income Eligible (HES-IE) program changes were not on the agenda for this meeting. DEEP is reviewing this issue through a separate public process. DEEP noted it is their expectation that contractors, technical consultants, and the Companies will continue to work together to reach a solution. DEEP also noted that achieving savings is the priority, and while full consensus may not be reached, finding common ground may be possible.
- Ensuring that programs are delivered equitably to ratepayers is a top priority. DEEP released the Equitable Energy Efficiency Decision 3 years ago, which required the development of meaningful, actionable, program metrics to track and benchmark program performance. DEEP noted that Illume, the Companies, and the EEB will be wrapping up and voting on equity metrics next month, and thus, DEEP held off on discussions around equity metric and associated Performance Management Incentives (PMI) during the meeting.
- DEEP reviewed the agenda, which included the Utilities' presentation on the Plan followed by DEEP questions and stakeholder discussion. Then, the Technical Consultants would present on outstanding recommendations, which would also be followed by DEEP questions and stakeholder discussion. Finally, the Connecticut Industrial Energy Consumers would present, again followed by DEEP questions and open discussion.

2. Public comment 00:08:50

No public comment.

3. Utility Presentation on 3-Year Plan 00:10:00

Steve Bruno, Ghani Ramdani, Diane Del Rosso, and Ricky Jordan of Eversource, and Amy Mclean, Marriott Dowden, and Jillian Winterkorn of Avangrid presented the 2025-2027 C&LM plan. The presentation featured process and plan priorities, residential programs, commercial and industrial programs, education, workforce and community outreach, revenue, budget, savings, and Performance Management Incentives (PMIs). The presentation included:

Developing the 2025-2027 C&LM Plan

- The Companies reviewed their timeline for developing the plan, as well as when they held public input sessions and requested written comments.
- Review of 2025-2027 Plan Savings and Benefits, highlighting that every \$1 invested in energy efficiency results in \$3.30 in lifetime benefits.
- Plan priorities, including decarbonization, equitable access, and energy affordability. The Companies also reviewed associated programs and how they plan to support these three priorities.

2025-2027 Residential Programs

- 2025-2027 Residential Programs include Retail Products, HVAC and Water Heating Equipment, Residential New Construction, Behavioral Strategies (Avangrid only), Home Energy Solutions (HES), Home Energy Solutions-Income Eligible (HES-IE), Multifamily Initiative, Residential Active Demand Response, and Residential Financing. The Companies reviewed their intended delivery of these programs and associated benefits.

2025-2027 Commercial and Industrial (C&I) Programs

- 2025-2027 C&I Programs include the Energy Conscious Blueprint, Energy Opportunities, Small Business Energy Advantage, Business & Energy Sustainability, C&I Active Demand Response, and C&I Financing. The Companies reviewed each program's structure and planned results.

2025-2027 Education Workforce Development, and Community Outreach

- The Companies reviewed their plan for K-12 education program offers, including eesmarts (energy efficiency curriculum), career/technical trainings through Green STEP (Sustainable Technical Education Program), and E-Houses (onsite learning laboratories).
- The Companies reviewed their plan for workforce development with the intent to provide the Connecticut energy efficiency workforce with the training, networking, and resources needed for employment and economic development.
- The Companies reviewed their community outreach programs, including the Community Partnership Initiative, Community Grants, and Energize CT Energy in Action Mobile Exhibit.

Revenue, Budget, and Savings Tables

- The Companies reviewed 2025 Revenues/Budget for both Electric and Natural Gas.
- The Companies reviewed 2024-2027 Electric and Natural Gas Revenues, 2020-2027 Annual MMBtu Savings, 2022-2027 CO₂e Savings, and 2024-2033 Projected Electric Savings.

- The Companies' presentation also included 2025, 2026, and 2027 Residential, C&I, and Load Response Budgets, as well as Education and Other Program Budgets.
- The Companies also included how PMI is calculated, 2025 PMI Weighting, 2025 Residential Secondary Metrics, and 2025 C&I Secondary Metrics.

4. DEEP questions and discussion 1:09:45

a. Overarching Topics

Ben McMillan, DEEP Bureau of Energy and Technology Policy Research Analyst Supervisor, questioned the themes and priorities the Companies included in the plan. Steve Bruno of Eversource justified the themes used in the plan and felt that the other themes considered could be categorized into the chosen strategies. There was also discussion surrounding the exclusion of reliability and resilience from the plan; the Companies described that reliability and resilience are included in the benefits of energy efficiency. Discussion continued on which benefits drive the cost effectiveness of the programs, which the Companies described as being a mix, but most of the benefits on the residential side come from fossil fuel and oil and propane savings. On the Commercial and Industrial (C&I) side, it's mostly electrically driven. Discussion then moved onto how the strategies described drive participation.

For Overarching topics, the discussion then moved on to some discussion of savings and budget for both residential and C&I programs. The topics covered included the slightly lower C&I budget and MMBtu savings, and using gas budgets to support heat pumps in natural gas homes within the same parent Companies. DEEP also asked the Companies about the potential of expanding resources for the bundling of weatherization and heat pumps for small and microbusinesses, known as the microbusiness HES strategy and small and medium-size business weatherization strategy.

b. Residential Programs 1:35:11

Elizabeth Lodge, DEEP Bureau of Energy and Technology Policy Research Analyst Connecticut Careers Trainee, questioned the Companies' strategy for implementing a "moderate income" definition within the HES program. Diane Del Rosso of Eversource explained the creation of a moderate-income sector that is over 60% State Median-Income (SMI) and below 80% Area Median-Income (AMI) to bring IRA benefits to customers without constraining Conservation and Load Management benefits to people of low-income in Connecticut. Also, regarding federal funding, Elizabeth Lodge asked if there would be rent protections for low-income housing when it comes to the Home Energy Rebate (HER) application. Discussion followed regarding the structuring of the moderate-income segment and potential data analyses and processes to inform decisions. Discussion continued to HES-IE upgrades and potential customer contributions for 1–4-unit homes in certain scenarios.

Elizabeth Lodge of DEEP then facilitated questions and discussion surrounding the Bring Your Own Thermostat (BYOT) program participation as part of demand response. Discussion included future research into thresholds or number of opt-outs to receive incentives and the potential to align the Companies' programs.

Discussion then moved on to the transition away from fossil fuel incentives, particularly for low-income and environmental justice communities. The Companies described challenges for customers as well as financing options. DEEP also asked the Companies about methodologies for capturing fuel

switch savings through the Residential New Construction program. The final question from DEEP on residential topics was regarding the appliance recycling incentives, which the Companies had to halt due to provider issues.

DEEP Facilitated Discussion & Stakeholder Questions 2:07:30

Edgardo Mejias, Efficiency for All, expressed his concern for environmental justice communities and the impact of any additional financial burden these communities might face. Mr. Mejias also described his concerns over the definition of equity, which led to conversation around participation and access. Mr. Mejias also expressed that workforce development and funding is very important, which led to conversation among stakeholders regarding workforce development budgets.

Amanda Trinsey, representing the Connecticut Industrial Energy Consumers (CIEC), raised a point on heat pump utilization and access from the Commercial and Industrial (C&I) perspective. Ricky Jordan provided an explanation from the Eversource C&I perspective. The Companies are making an exception for process related equipment. Large systems can be integrated not just for heating, but also for process. Eversource has a designated team, and programs designed around identifying appropriate solutions for process recommendations.

Daniel Robertson, Artis Energy Solutions, highlighted a few items for discussion. Mr. Robertson mentioned that a new incentive program rewards you for more comprehensive measures, which he believes to be a very valuable program. Mr. Robertson also asked for clarification regarding the phase out of fossil fuels and if it makes sense to completely eliminate fossil fuel incentives. Mr. Robertson also had a question about the Commercial & Industrial budget. Finally, Mr. Robertson commended the Companies for their collaboration with contractors.

5. Lunch Break 02:40:23

6. Energy Efficiency Board Technical Consultant Presentation 02:47:00

Lead technical consultant Stacy Sherwood, and technical consultants Richard Faesy and George Lawrence presented comments regarding the C&LM three-year plan. Their presentation consisted of the EEB approval timeline, a summary of additional Performance Management Incentives (PMI), a technical response to C1902 evaluation study recommendation, HVAC and weatherization conditions, and the public input process. The presentation highlighted:

Performance Management Incentive Changes

- Elimination of the Residential New Construction (RNC) secondary metric from the 2025 PMIs.
 - Proposal to develop a new secondary metric applicable to both Residential and C&I sectors, equivalent to 1.5% of the PMI with the remaining 0.5% allocated to the residential equity PMI metric
 - Develop a plan by October 1, 2025, to offer residential and C&I customers in Q1 2026 a coordinated initiative for solar PV, electric vehicles chargers, and battery storage combination with the C&LM program offerings.
- New equity metric with the assistance of DEI consultants.
- PMI metrics will be finalized succeeding year end program results to develop the 2025 baseline.

Delay C1902 Energy Conscious Blueprint (ECB) Net to Gross (NTG) Evaluation Study

- A study completed to evaluate C&I New Construction programs and the measured influence of programs on the customer, or NTG.
- Projects completed by a customer, savings to the customer can be calculated. These savings to the customer are gross savings but are not necessarily claimed savings by the Companies in net savings, or final savings. One of the factors that is calculated into Net Savings is NTG.
- Interview participants did not have an even spread of Pathway experience. The goal for 2025 is to study at least 20 Pathway 1 and Pathway 2 participants, in addition to market actors who have a large influence in the Net to Gross results.
- The consultants agreed with the utilities that the NTG ratio found in the previously completed evaluation should not be applied to all new construction pathways since the sample size of the study was insufficient to distinguish between the four pathways. It was recommended that the NTG ratio for each pathway should be re-evaluated after further data is collected.

Heat Pumps and Weatherization

- DEEP 2024 Plan Determination requires the Companies to evaluate best practices and strategies for encouraging customers to pair cost effective weatherization measures with heat pump investments. The evaluation and proposals shall be in the 2025-2027 Plan
- Evaluation includes whether the current heat pump bonus incentives are adequate for achieving widespread adoption of weatherization in homes receiving a rebate for a heat pump, and a proposal from the Companies of other programmatic changes which will further encourage weatherization in households installing heat pumps.
- The Companies are planning to use the results of the optimization plan and a future evaluation study to look at this question of bundling weatherization and heat pumps. This will help in developing incentives and deciding the best approach forward for encouraging weatherization as part of a pairing with heat pumps.
- A current study underway, Evaluation M2595, will evaluate whether the current heat pump bonus incentives are adequate for achieving widespread adoption of weatherization in homes receiving a rebate for a heat pump.
- The Technical Consultants questioned whether the Companies have gone far enough with internal assessments while waiting for the evaluation study to come out. Questions asked by the consultants included:
 - Is a \$500 bonus incentive for weatherization and heat pumps the right amount?
 - Were best practices in other jurisdictions fully explored?
 - The Pilot focused on ductless. Central ducted is predominant now. Does this matter?
 - Can supplemental research occur before the evaluation completes in 2026?

a. DEEP Questions 3:12:40

i. Commercial & Industrial Program

Sarah Lewis, DEEP Bureau of Energy and Technology Policy Research Analyst, questioned the Companies on C&I Programs regarding active demand response programs. Ghani Ramdani and Steve Bruno provided background on the differences between Connected Solutions and Energy Storage

Solutions (ESS). The Companies assume if the programs are in sync in terms of events, timing and hours, the benefits would be the same. DEEP made a data request to analyze the differences and benefits of ESS and the Connected Solutions battery storage program, which had been paused in December 2023.

Other questions regarding market segmentation, and refrigerant and natural gas leak repairs were addressed by Ricky Jordan of Eversource and George Lawrence, C&I Technical Consultant. Differences between Eversource and UI Energy Utilization Assessments (EUAs) were also brought to the Utilities' attention requiring a follow-up on the topic.

DEEP questioned the best practices of engaging large size facilities with weatherization. Jillian Winterkorn of Avangrid shared that large C&I customers tend to focus on mechanical system upgrades, but if there is any offering that can be scaled from a small customer to a large customer, the Companies will try to do so. The timeline of natural gas rebates and incentives phase out as well as non-controlled lighting phase out were addressed. Steve Bruno stated the Companies would have to create a formal document of what would constitute as an exemption for both Eversource and Avangrid.

i. Budget, Savings, and Performance Management Incentives (PMI) 3:45:33

DEEP's Office Director of Building and Transportation Decarbonization, Becca Trietch, requested the Utilities and Technical Consultants respond to questions regarding budget, savings, and PMI. The topics included metric request timelines, winter peak reductions, budget adherence incentives, and the history of pilot budgets .

DEEP explained that if electrification takes off, the grid may become a winter peaking system. Further questioning was provided about whether the utilities have started tracking this. Bill O'Connor and Ghani Ramdani responded that winter peaking was originally part of the Connected Solutions program but was determined that there were not enough benefits to continue. Mr. Ramdani noted that it is projected by the Avoided Energy Supply Cost (AESC) study and ISO New England that there will be a swap to winter KW by mid-2030, but currently the Utilities have not investigated this as part of ADR.

The low Utility pilot budget was addressed with concern for insufficient investment in innovation. George Lawrence clarified that originally Connecticut had the Policy Working Group and Massachusetts had the Massachusetts Technology Assessment Committee (MTAC). The two had an agreement on reciprocity but were duplicating efforts. Connecticut decided to use MTAC results with Eversource and Avangrid participation.

b. DEEP Facilitated Discussion & Stakeholder Questions 4:01:15

i. Public Comment

Edgardo Mejias, Efficiency for All, shared concerns regarding evaluation process and statistical standards to ensure study validity. Ghani Ramdani stated that ISO requires an 80% confidence interval, and 10% of precision to test for study acceptance. This also led to discussion of how the Utilities calculated emission factors based on AESC forecasts. The Companies factor in every fuel source, whether it's electricity, oil, propane, and the benefit or the detriment to it, which then gets converted to a net greenhouse gas impact.

Mr. Mejias shared additional comments that addressed equity, resiliency, meeting participation, and request for a budget breakdown by measure. Richard Faesy, Technical Consultant, cautioned that this question has come up regularly for decades. There are certain costs that are difficult to categorize and classify, such as providing technical assistance, which is not a widget. DEEP made a data request for measure mix per program, with the recognition that the numbers are estimated forecasts.

7. Connecticut Industrial Energy Consumers Presentation 04:34:06

Amanda Trinsey of Couch White Law Firm presented Connecticut Industrial Energy Consumers (CIEC) comments to the 2025-2027 C&LM Plan. Topics included affordability of utility services and efficiency, C&I electrification challenges, incentives for natural gas equipment, C&I Active Demand Response (ADR) fossil fuel generator changes, and the phase-out of non-controlled lighting.

Comments noted by Ms. Trinsey for DEEP to consider within the C&I program.

- There are circumstances similar to the gas incentives where some facilities find it is impossible to do controlled lighting.
- The implementation of a transparent process for rule exceptions to be examined.
- Customers who have participated in this facility management revenue stream, for uses such as Cogen resiliency or backup generation, should have a longer lead time to make a capital investment and shift from fossil fuel generators. There is risk of unintended consequences increasing emission. Nancy Chafetz, CPower curtailment service provider, explained that generation is not going away, it's going to remain at the existing customer sites, but it will be utilized differently if the customer is not in the Connected Solutions program.

a. DEEP Questions 4:49:20

DEEP Office of Building and Transportation Decarbonization director, Becca Trietch, added follow up questions to the CIEC comments, including questions to the Utilities regarding large C&I customer ISO New England participation, their process for defining C&I electrification capabilities, and ADR.

b. DEEP Facilitated Discussion & Stakeholder Questions 5:18:16

i. Public Comment

No public comment.

8. Adjourn 05:20:00

Announcements

1. On October 9, 2024, the EEB voted to approve the 2025-2027 Conservation and Load Management (C&LM) Plan, with conditions proposed by EEB technical consultants. This approval included the Savings and Budget Tables along with the 2025 Program Savings Document (PSD)
2. On November 13, 2024, the EEB voted to approve the Evaluation, Evaluation Administrator, and DEI Consultant Budgets
3. DEEP will be issuing an RFI for stakeholders to provide feedback. The RFI will be inclusive of both Part A & Part B Optimization Plan proposals.

4. On December 11, 2024, the EEB will be hosting a special session regarding a vote for DEI metrics including 2025 PMI metrics and the overall DEI framework.
5. Following public process, DEEP will be issuing determinations on both the budget and 2025-2027 C&LM Plan, inclusive of optimization plan proposals.
6. February 19, 2025, the Companies will be providing their plan for the EEB approval for the filing March 1, 2025. This will include an update to the PMIs and the three-year Plan, reflecting the actual 2025 budget based on revenue.