Connecticut Department of
ENERGY &
ENVIRONMENTAL
PROTECTION

Energy and Technology Policy

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TENTATIVE DETERMINATION TO ISSUE AN APPROVAL WITH CONDITIONS of the

Connecticut Energy Efficiency Fund's
Electric and Natural Gas Conservation and Load Management Plan for 2016 through 2018

Via Electronic Mail

December 14, 2015

Christopher Bernard
Manager - Regulatory Policy & Strategy, CT
As Agent for CL&P and Yankee Gas
doing business as Eversource Energy
107 Selden Street
Berlin CT 06037

Re: **Connecticut Energy Efficiency Fund's Electric and Natural Gas Conservation and Load Management Plan for 2016 through 2018, submitted pursuant to Connecticut General Statutes Section 16-245m(d)**

Dear Mr. Bernard:

On October 1, 2015 the Bureau of Energy and Technology Policy of the Connecticut Department of Energy and Environmental Protection (DEEP) received the *2016-2018 Electric and Natural Gas Conservation and Load Management (C&LM) Plan* (Plan), dated October 1, 2015. This Plan was submitted by Eversource Energy (Eversource), The United Illuminating Company (UI), Connecticut Natural Gas Corporation (CNG) and The Southern Connecticut Gas Company (SCG), together, "the Companies," pursuant to Connecticut General Statutes section 16-245m, in consultation with the Connecticut Energy Conservation and Management Board [aka Connecticut Energy Efficiency Board, or "the Board"].

On October 14, 2015 the Board submitted to DEEP a letter of support for the Plan, reflecting the Board's approval of the Plan at its September 24, 2015 meeting.

DEEP has completed its review of the Plan. **The Connecticut Energy Efficiency Fund's *2016-2018 Electric and Natural Gas Conservation and Load Management Plan* and its associated *Connecticut Program Savings Document, 11th Edition for 2016 Program Year,* is approved with the conditions and schedule of compliance identified in Attachment A.** DEEP's approval is based on the findings below:

Finding 1: Statutory Consistency

DEEP has reviewed the Plan and finds that it is consistent with Connecticut General Statutes Section 16-245m, Connecticut's Comprehensive Energy Strategy, and Connecticut's Integrated Resources Plan. In approving with conditions this energy efficiency investment plan the Department is seeking to reduce capacity and energy costs for all customers to advance Connecticut's Comprehensive Energy Strategy. Consistent with Connecticut's 2012 and 2014 Integrated Resources Plans, this Plan advances Connecticut's progress in ensuring that energy resource needs are first met "through all available energy-efficiency and demand reduction resources that are cost-effective, reliable, and feasible." CGS 16a-3a. DEEP is specifically authorized to review and approve the Plan to ensure that the Plan includes "a detailed budget sufficient to fund all energy efficiency that is cost effective or lower cost than acquisition of equivalent supply." CGS 16-245m(d)(1).

Finding 2: Concurrence with Plan and DEEP policy priorities

The Plan reflects DEEP's policy priorities, provides details about refined program designs, strategies for reaching targeted customer segments, and emerging technologies that will advance Connecticut's energy efficiency goals. The *2016-2018 C&LM Plan* emphasizes action in three critical areas including:

- a commitment to high-quality program performance to achieve savings and benefits for residents and businesses;
- comprehensive customer energy solutions and whole building approaches focused on meeting customer needs; and
- marketing, outreach, and web-based customer engagement through Energize Connecticut to reach customers with tailored information and services, and targeted program offerings based on market segment analyses.

We concur with these areas of focus and appreciate the Plan's prioritizations of DEEP's policy priorities for the Plan, which includes specifically actionable items that will:

- Maintain continuity, momentum, and continuous improvement;
- Close gaps to scale and broaden reach of programs to provide services to new or underserved markets and achieve comprehensive and deeper savings;
- Tailor program offerings to enhance customer engagement;
- Increase program effectiveness to advance Connecticut's climate change action plan and the integration of efficiency with community and corporate sustainability efforts;
- Ensure functional connections between energy efficiency and renewables;
- Mainstream energy efficiency and continue market transformation; and
- Advance the capacity of our clean energy workforce through training and education.

Finding 3: Completion of Program Cost-Effectiveness Review

Pursuant to Connecticut General Statues Section 16-245m(d)(3), DEEP has reviewed the cost-effectiveness of the programs in the Plan, and summarized our review in Attachment B. In the Plan, the Companies provide detailed information on the development of their programs' savings goals,

as well as their individual benefit/cost ratio models, demonstrating that they are seeking to acquire all cost-effective energy efficiency resources.

Benefit/Cost testing for the 2016-2018 Plan continues the use of the Utility Cost Test, Modified Utility Cost Test, and Total Resource Cost Test. The Companies primarily use the Utility Cost Test that emphasizes the benefits associated with reduced demand on the energy supply system. In the case of the low-income program, DEEP has determined that a Total Resource Cost (TRC) test that weighs the impact of societal benefits and costs associated with implementation of services to low-income households satisfies the requirement for cost-effective programs.

DEEP concurs with the approach described in Chapter 7 of the Plan for calculating cost effectiveness. This includes the use of the Companies' Program Savings Document and the application of the results of the regional *Avoided Energy Supply Costs in New England: 2015 Report* which was completed on March 27, 2015 and revised on April 3, 2015. (R. Hornby et al.)

The Companies have estimated that based on the *Avoided Energy Supply Costs in New England: 2015 Report*, total benefits for the electric programs will decrease by approximately 10 percent. DEEP acknowledges that lower avoided costs, as well as other market factors, including more stringent codes and standards, the mainstreaming of energy efficient lighting, and the saturation of certain markets will lead to increasingly challenging savings goals and higher costs to achieve additional savings.

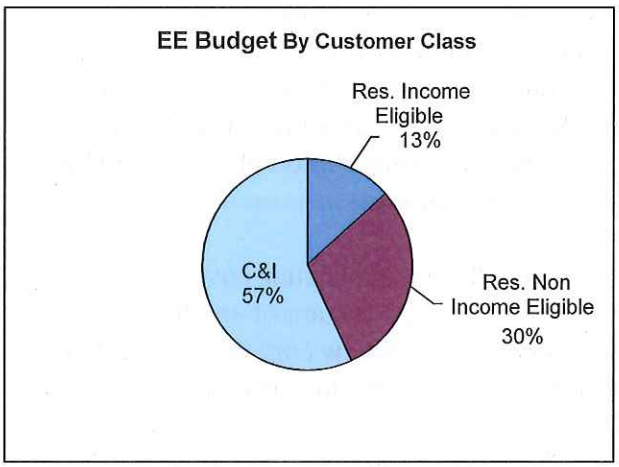
Finding 4: Determination of Equitable Distribution

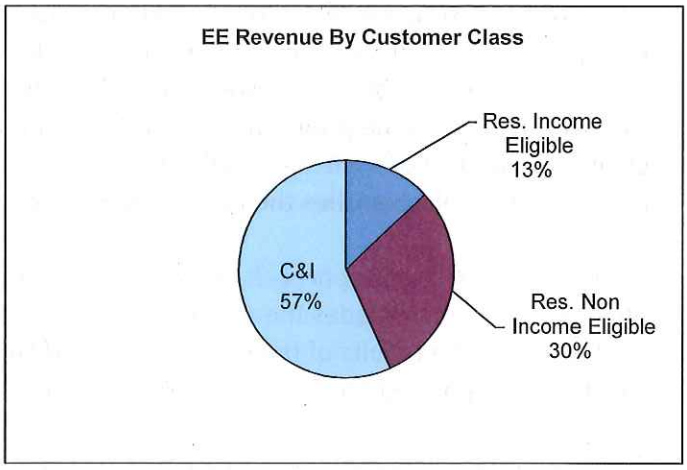
Pursuant to Connecticut General Statutes Section 16-245ee, before approval of any C&LM Plan submitted by the Companies and the Board, DEEP must determine that an equitable amount of the Connecticut Energy Efficiency Fund is "deployed among small and large customers with a maximum average monthly peak demand of one hundred kilowatts in census tracts in which the median income is not more than sixty percent of the state median income." DEEP's review of the 2013 data found that the overall distribution of the Connecticut Energy Efficiency Fund was equitably deployed in 2013. DEEP is currently reviewing data from 2014 and will analyze data from 2015 when it becomes available in 2016. The distribution proposed in the 2016-2018 Plan is similar or better focused on ensuring an equitable distribution and therefore DEEP has determined that the Plan proposes an equitable deployment of the Connecticut Energy Efficiency Fund.

Finding 5: Parity Among Customer Classes

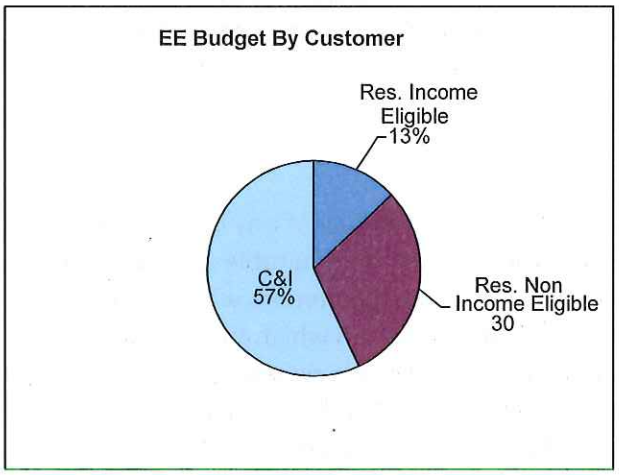
DEEP also notes that the Plan included a budget and parity analysis between the residential customer class and the commercial and industrial class, demonstrating that budget distributions are closely commensurate with estimated contributions. This means that the allocation of revenues is proportionate to the consumption of each class. See charts below:

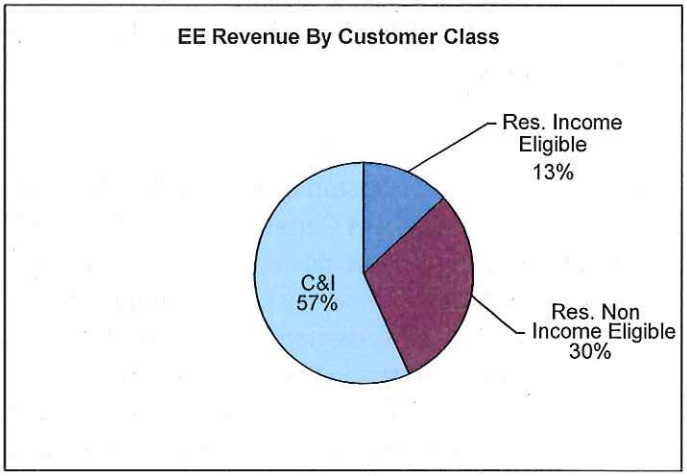
Statewide (Eversource CT Electric and UI) 2016 EE Budget and Parity Analysis



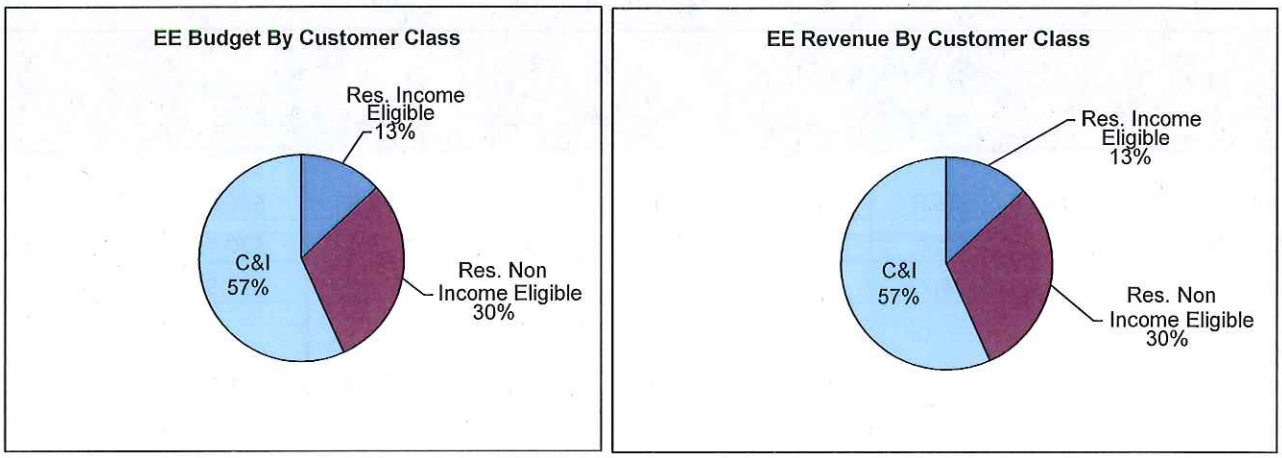


Statewide (Eversource CT Electric and UI) 2017 EE Budget and Parity Analysis





Statewide (Eversource CT Electric and UI) 2018 EE Budget and Parity Analysis



Source: 2016-2018 Electric & Natural Gas Conservation & Load Management Plan (PP. 44-46)

Finding 6: Opportunities for public comments were provided

An opportunity for written comment was provided to receive public input on the Plan submitted to DEEP, and a public meeting was held on October 28th, 2015 regarding the Plan. A summary of comments received regarding the Plan is found in Appendix D of the Plan.

[Further detail on the opportunity for public comment on DEEP's tentative determination to approve the Plan with conditions will be added when the determination is finalized.]

Finding 7: Confirmation of Revenue Estimates for the Plan's Implementation

The Connecticut Energy Efficiency Fund includes revenue from several sources. The primary funding sources for the 2016-2018 Plan is the three-mill charge and the electric three-mill Conservation Adjustment Mechanism (CAM) less gross receipts tax (GRT) assessed on customers' electric bills. Additional funding sources come from the contributions from natural gas customers (on firm rates) through the natural gas CAM. Additional funding sources come from the Regional Greenhouse Gas Initiative (RGGI) and the Independent System Operator-New England's (ISO New England) Forward Capacity Market. The year 2016 marks the first year without revenue from the sale of Class III Renewable Energy Credits, as Public Act 13-303 removed the assignment of Class III Renewable Energy Credits to activities associated with the Companies' Conservation and Load Management Plan.

The tables below summarize estimated statewide funding for electric and natural gas energy-efficiency programs for the 2016–2018 Plan.

Electric Program Funding Sources*

	2016 ES CT Electric Revenues	2016 UI Revenues	2016 Combined Total	2017 ES CT Electric Revenues	2017 UI Revenues	2017 Combined Total	2018 ES CT Electric Revenues	2018 UI Revenues	2018 Combined Total
Collections (Mill Rate)	$66.7	$15.9	$82.6	$66.8	$15.7	$82.5	$65.8	$15.5	$81.4
ISO New England	$9.7	$2.7	$12.4	$20.2	$5.2	$25.4	$20.4	$4.5	$24.9
RGGI	$16.7	$4.2	$20.8	$17.1	$4.3	$21.4	$17.5	$4.4	$21.9
CAM (Net of Gross Receipts Tax)	$62.0	$14.8	$76.9	$62.1	$14.6	$76.7	$61.2	$14.5	$75.7
TOTAL (Energy Efficiency Revenues)	**$155.1**	**$37.6**	**$192.7**	**$166.2**	**$39.8**	**$206.0**	**$164.9**	**$39.0**	**$203.9**

* In millions.

Source: 2016-2018 Electric & Natural Gas Conservation & Load Management Plan (Pg. 30)

Natural Gas Program Funding Sources*

Natural Gas Energy Efficiency Revenues	2016 Conservation Adjustment Mechanism	2017 Conservation Adjustment Mechanism	2018 Conservation Adjustment Mechanism
Eversource CT Gas Revenues	$20.4	$24.2	$26.9
Connecticut Natural Gas Revenues	$15.9	$16.6	$17.3
Southern Connecticut Gas Revenues	$11.4	$14.1	$14.7
Total Energy-Efficiency Revenues	**$47.7**	**$54.9**	**$59.0**

* In millions.

Source: 2016-2018 Electric & Natural Gas Conservation & Load Management Plan (Pg. 31)

Finding 8: Inclusion of steps needed to weatherize 80% of the state's residential units by 2030,
The Plan provides a whole house approach to increase the performance of homes of all housing types and from all construction eras. Incentives and programs are aligned to advance progress in weatherizing homes for households of all income levels, though DEEP believes continued focus on ensuring increased participation among low-income and moderate households continues to be necessary.

Importantly, in the Plan the Companies summarized the status of quantifying the scope and scale of barriers to weatherization. This practice helps depict the concerns associated with many homes in Connecticut, and should be continued as part of an annual report to DEEP which DEEP would share with the Department of Housing, Department of Public Health, and which would be available to other interested parties. Pre-weatherization barriers include, but are not limited to: asbestos, knob and tube wiring, mold, and unvented appliances. Such an annual report should include charts and the information contained in the Plan's summary of the issue. The report should summarize the data that Eversource collected from Home Energy Solutions contractors for visits performed since January 2014. The report should include updated charts that depict the results of the Home Energy Solutions contractor barrier reporting. The report will assist with quantifying the level of funding and financing that may be needed to remediate health and safety barriers, which is an important ongoing step needed to achieve the 80 percent weatherization goal by 2030.

Finding 9: Areas of further refinement and conditions of approval

We believe some further refinement of the Plan is important and necessary. Consequently, DEEP has included a Schedule of Compliance for Conditions of Approval, including required modifications and requirements to submit reports on certain topics, as detailed in Attachment A.

Further, DEEP notes that the Companies will be submitting, in 2016, Demonstration Projects for grid-side system enhancements to integrate distributed energy resources, such as conservation and load management, pursuant to Section 103 of June Special Session Public Act 15-5, An Act Implementing Provisions of the State Budget for the Biennium Ending June 30, 2017, Concerning General Government, Education, Health and Human Services and Bonds of the State. By statute, such projects must complement and enhance the programs, products and incentives available through the Connecticut Energy Efficiency Fund. The Department looks forward to engaging with the Companies and the EEB on consideration of ways that the forthcoming Demonstration Projects may build on and integrate the programs and incentives supported by the 2016-2018 C&LM Plan.

Summary of Benefits

The Plan represents a critical investment toward all cost-effective energy efficiency in Connecticut over the next three years, in which enough energy will be saved to power a 262 megawatt power plant.

The Plan builds on the momentum established three years ago with the state's commitment to increase investments in energy efficiency that resulted in an almost doubling of investments in 2014 as compared to 2013. Activities of the Connecticut Energy Efficiency Fund in 2014 resulted in 3.2 million tons of carbon dioxide emissions reductions, saving Connecticut's residents and businesses $81 million in savings for 2014 more than $978 million in savings achieved over the lifetime of the energy efficiency investment.

The 2016-2018 Plan builds on that success of increased investment. Implementation of this Plan will provide environmental and economic benefits to Connecticut by reducing carbon emissions by

an estimated 459,174 tons per year, and will create a net economic lifetime benefit of $1.39 billion dollars. For every one dollar invested, Connecticut's residents receive $2.80 in benefits.

The table below provides a summary of the projected annual savings from the Electric Companies' energy-efficiency programs in the 2016-2018 Plan and percentage of electric sales.

Electric Companies—Summary of Annual Savings and Percentage of Sales

	2016			2017			2018			2016-2018		
Company	GWh Sales	Annual Savings (GWhs)	% of Sales	GWh Sales	Annual Savings (GWhs)	% of Sales	GWh Sales	Annual Savings (GWhs)	% of Sales	GWh Sales	Annual Savings (GWhs)	% of Sales
Eversource (CT) Electric	22,246	314.0	1.41%	22,268	331.8	1.49%	21,947	350.5	1.60%	66,461	996.3	1.50%
United Illuminating	5,293	78.0	1.47%	5,221	84.8	1.62%	5,182	83.2	1.61%	15,696	246.0	1.57%
TOTAL	**27,539**	**392.0**	**1.42%**	**27,489**	**416.6**	**1.52%**	**27,129**	**433.7**	**1.60%**	**82,157**	**1,242.3**	**1.51%**

Source: 2016-2018 Electric & Natural Gas Conservation & Load Management Plan (Pg. 29)

The table below provides a summary of the projected annual savings from the Natural Gas Companies' energy-efficiency programs in the 2016-2018 Plan and percentage of natural gas sales.

Natural Gas Companies—Summary of Annual Savings and Percentage of Sales

	2016			2017			2018			2016-2018		
Company	MMCF Sales	Annual Savings (MMCF)	% of Sales	MMCF Sales	Annual Savings (MMCF)	% of Sales	MMCF Sales	Annual Savings (MMCF)	% of Sales	MMCF Sales	Annual Savings (MMCF)	% of Sales
Eversource (CT) Natural Gas	49,510	281.7	0.57%	55,249	341.2	0.62%	61,411	396.4	0.65%	166,170	1,019.3	0.61%
Southern Connecticut Gas	30,070	144.1	0.48%	31,546	186.4	0.59%	33,017	195.7	0.59%	94,633	526.2	0.56%
Connecticut Natural Gas	35,765	232.6	0.65%	37,414	238.8	0.64%	39,025	248.4	0.64%	112,204	719.8	0.64%
TOTAL	115,345	658.4	0.57%	124,209	766.4	0.62%	133,453	840.5	0.63%	373,007	2,265.3	0.61%

Source: 2016-2018 Electric & Natural Gas Conservation & Load Management Plan (Pg. 30)

Conclusions

This Plan advances Connecticut's progress in ensuring that energy resource needs are first met "through all available energy-efficiency and demand reduction resources that are cost-effective, reliable, and feasible." CGS 16a-3a. DEEP is specifically authorized to review and approve the Plan to ensure that the Plan includes "a detailed budget sufficient to fund all energy efficiency that is cost effective or lower cost than acquisition of equivalent supply." CGS 16-245m(d)(1). The Plan will provide three years of increased investments in energy efficiency and some important refinements and updates from previous years. These refinements and updates reflect expectations that Connecticut will continue to experience increasing demand for energy efficiency programs. Over the 2016-2018 time period implementation of the Plan will achieve 1,242 annual GWh savings and 2,265 MMcf savings, enough to power 147,000 homes for one year (2016-2018 Electric & Natural Gas Conservation & Load Management Plan, Pg. 28).

DEEP looks forward to working collaboratively with the Board and the Companies to implement this three-year conservation and load management plan. DEEP is confident that the Companies and the Energy Efficiency Board will continue to successfully collaborate on the effective implementation of energy efficiency investments in Connecticut, and looks forward to the continuous increase in resource savings and the resulting economic and environmental benefits for Connecticut.

If you have any questions, please contact Diane Duva, Director of DEEP's Office of Energy Demand, at 860-827-2655 or Diane.Duva@ct.gov or Walter McCree, Research Analyst of DEEP's Office of Energy Demand, at 860-827-2644 or Walter.McCree@ct.gov.

Sincerely,

Tracy R. Babbidge, Bureau Chief

Attachment A: *Schedule of Compliance for Conditions of Approval*
Attachment B: *Summary of Program Cost Effectiveness Review*

Electronic Copy:
Matthew Gibbs, Director, Energy Efficiency Implementation, Eversource Energy
Patrick McDonnell, Senior Director of Conservation & Load Management, UI/CNG/SCG
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William Dornbos, Chair, Connecticut Energy Efficiency Board
Taren O'Connor, Vice-Chair, Connecticut Energy Efficiency Board
Craig Diamond, Executive Secretary, Connecticut Energy Efficiency Board
Jeffrey Gaudiosi, Executive Secretary, CT Public Utilities Regulatory Authority (PURA)

[Notice of this approval with conditions should be provided to PURA in the Companies' *Annual Reconciliation of the Conservation Adjustment Mechanisms*, anticipated to be submitted in the first quarter of calendar year 2016.]

Attachment A: Schedule of Compliance 2016-2018 C&LM Plan
Conditions of Approval

Item #	Topic or Program	Condition of Approval	Due Date	Action
1	**District Heating Loops**	The Companies shall submit to DEEP's Bureau of Energy and Technology Policy (BETP) for DEEP's records the status of implementation of the new statutory authorization that allows energy savings resulting from connection to district heating loops that use waste heat to be eligible for incentives. The funding of such incentives is incremental to the Conservation and Load Management budget, pursuant to Section 242 of Public Act 15-5 (June Special Session). The Companies describe on page 400 of the Plan how they intend to implement this provision. The report would be used to educate others and inform action in this sector.	09-01-16	Report
2	**Demand Response**	The Companies shall submit to BETP for DEEP's records a report that documents progress developing implementation strategies to advance the deployment of Demand Response technology, particularly in the Commercial and Industrial sector, including a timeline for action. DEEP is pleased to see that Demand Response pilots are included in the Plan, with specific plans noted for the residential sector, and a note that a pilot will occur for the Commercial and Industrial sector. DEEP is interested in an increased focus on the Commercial and Industrial sector. Such report on the status of demand response shall identify the locational and durational nature of demand issues and identifying opportunities that are related to geography and peak demand. Such report will help inform state planning and design of future actions, regardless of the outcome of current pending litigation on certain demand reduction programs. The Companies shall provide recommendations on the timeline for developing programs, particularly in the Commercial and Industrial Sector, and the recommended funding mechanism for such programs. Additionally, such report shall include a summary of the state of Time Varying Rates or Time of Use Rates in Connecticut. Such report shall include a summary of all customer participation and the energy savings associated with Time Varying Rates or Time of Use Rates in each electric utility's service territory; the potential to achieve	04-01-16	Report

Item #	Topic or Program	Condition of Approval	Due Date	Action
		additional cost-effective energy savings through optimization of Time Varying Rates or Time of Use Rates and other regulatory and incentive mechanisms in Connecticut. The Companies should include implementation recommendations for integrating information about Time Varying Rates or Time of Use Rates with the customer engagement platforms to better allow customers to receive economic signals.		
3	**Street Lighting**	The Companies shall submit to BETP for DEEP's records a report that summarizes the state of street lighting in Connecticut. Specifically, the Companies need to provide best estimates of the numbers of street lighting fixtures owned by the utilities, owned by municipalities, and compare records with DEEP's records regarding street lighting fixtures owned by the State of Connecticut. The report shall quantify how many street lights in each category have been upgraded to LED technology and/or with advanced lighting controls, and provide recommendations on the timeline for upgrading street lights in each of these categories, and the recommended funding mechanism for such upgrades.	04-01-16	Report

Item #	Topic or Program	Condition of Approval	Due Date	Action
4	**Comprehensive coordinated plan for public education and the education of students**	DEEP does not concur with the Board's response to DEEP's question which noted that the Board "does not feel an additional 'overall plan for education in the future' is needed at this time" (*Energy Efficiency Board Responses to DEEP Requests for Information*, November 16, 2015). DEEP only approves the "Educate the Public" and "Educate the Students" portions of the budget for the first three quarters of calendar year 2016. The remainder of 2016 and years 2017 and 2018 are not approved. A discernment process needs to be initiated by the Companies in the first half of calendar year 2016 to clarify the roles and responsibilities of various entities in providing energy conservation education for the public and for students. Given the scale of this investment in education for the general public and students DEEP believes it is critical for a comprehensive proactive plan to accompany the budget. For example, a comprehensive plan would ensure that duplication of effort does not occur between eesmarts and Green Leaf activities, and would reduce the cost of educational programs. The Companies shall submit a plan for DEEP's review and approval by September 1, 2016 that describes a scope of services for the education of the public and the education of students regarding sustainable resource and energy conservation. The plan shall ensure that services are demographically and geographically inclusive. Such plan shall include a description of the scope of services that will be acquired through professional services and describe a competitive process to procure those services.	09-01-16	Modification of portions of the Education budget; Development of Plan and Procurement Process for Educational Services
5	**Transition to grant process for services delivered by**	DEEP recognizes the important work of the Institute for Sustainable Energy at Eastern Connecticut State University (ISE) in assisting the Companies with the implementation of the Plan. Increasingly, DEEP observes a growing capacity among multiple institutions that may similarly possess abilities to deliver services to support the implementation of the Plan. Therefore DEEP approves the budget for ISE's work	07-01-16	

Item #	Topic or Program	Condition of Approval	Due Date	Action
	colleges and universities	only for the first three quarters of calendar year 2016. The budget for ISE for the fourth quarter of 2016 and for 2017 and 2018 must be reflective of a transition plan developed and executed during 2016 by the Companies and the Board, in collaboration with ISE, to put in place a sustainable engagement strategy for seeking assistance from colleges and universities in implementing the Plan. Such plan shall be submitted for DEEP's review and approval. Additionally, the Companies, in collaboration with the Board, may develop an engagement strategy with a scope of work for colleges and universities to deliver tasks that will support the implementation of the Plan. Such scope of work shall be fulfilled through a competitive grant-making process open to Connecticut and northeast regional academic and research institutions. Research topics may include areas of research that would be supportive of the studies conducted to evaluate the Plan's programs, though would not replace the impact and process evaluations necessary to be conducted by an independent third-party.		
6	**Residential weatherization barriers**	The Companies shall submit an annual report on residential weatherization barriers for customers of each Company to BETP for DEEP's records which DEEP would share with the Department of Housing, Department of Public Health, and make available to other interested parties. Pre-weatherization barriers include, but are not limited to: asbestos, knob and tube wiring, mold, and unvented appliances. Such an annual report should include charts and the information contained in the Plan's summary of the issue. The report should summarize the data that Eversource collected from Home Energy Solutions contractors for visits performed since January 2014. The report should include charts that depict the results of the Home Energy Solutions contractor barrier reporting and assist with quantifying the level of funding and financing that may be needed to remediate health and safety barriers, as this is an important ongoing step needed to achieve the 80 percent weatherization goal by 2030.	3-01-17 and Annually on March 1st of each year	Report

Item #	Topic or Program	Condition of Approval	Due Date	Action
7	**Home Energy Solutions Co-Pay**	The HES co-pay shall be increased by at least $25.00 on an annual basis as follows: no later than September 1, 2016, the co-pay shall be raised to at least $124; no later than September 1, 2017 the co-pay shall be raised to at least $149; and no later than September 1, 2018, the co-pay shall be raised to at least $174. The purpose of this modification is to increase the share of participants' investments to advance a long-term goal of market transformation, and increasing the scalability of residential efficiency programs. As participants provide a greater share of the program cost, the ratepayer-funded incentives will be able to reach more customers. DEEP is setting out the required schedule in this decision in order to ensure that vendors can prepare for the co-pay increases well in advance, and to incent the Companies and vendors to focus on strategic marketing to promote the value of home performance to customers. These numbers are based on data collected in a price elasticity study conducted by the Companies in August 2015 and reported to the Board on November 12, 2015. That study documented that respondents indicated an increased willingness to pay a higher price for the co-pay, once they are informed of the benefits of improving their homes' performance.	09-01-16	Modification
8	**Modification of C&LM Budget Tables(A,A-1,B,C,D)**	Modify Tables A, A-1,B, C, and D for all Companies by reallocating the program subtotals presently at the bottom of each table back into the respective customer classes for Residential, Commercial and Industrial, and Other. This reallocation dollar amount should be displayed as a <u>new</u> line item for each customer class. The purpose of such modification is to clarify how much of a total investment is made in each of the residential and the commercial and industrial classes. The net result will be that the sum of the individual customer classes in the main portion of the table will equal the grand totals at the bottom of the table. This methodology should be employed with other tables in the Plan where a similar discrepancy exists between subtotals of investment dollars. All budget tables for all companies should show no program subtotals at the bottom of the table as currently displayed. Also, the table submitted by the Companies showing the percentage allocations of Residential and	03-01-16	Modification

Item #	Topic or Program	Condition of Approval	Due Date	Action
		Commercial and Industrial from the Other customer class should be included with these revised budget tables, along with the associated investment dollars by customer class for each year of the Plan.		
9	**Refinement of consultant services**	The Companies and the Board must collaborate to determine by no later than March 1, 2016 how the Consultant Compensation Budget for 2016 will be reduced by approximately 13.3% or $100,000 and propose a budget for 2017 and 2018. The goal of reducing this budget item is to shift these investments into direct energy savings for the Residential and the Commercial & Industrial sectors. Since throughout 2015 some of the technical consultants have exceeded their year to date budgets consistently, work plans, including the scope of the work plans, should be reviewed and revised, on a monthly basis, if necessary, to accomplish this goal. A reduction in labor hours and/or labor rates may be required. The budgets for each year are expected to vary with the tasks needed in those years. The Board may subsequently request for DEEP's review and approval an increase in the budget if the need for additional services arises, provided that there is sufficient documentation of specific priority tasks requiring additional work. Over the past several years the Conservation and Load Management staffing levels at the Companies have increased, and a new Connecticut Green Bank and DEEP Bureau of Energy and Technology Policy have been established. Additional resources are now available to support the Board in its mission and this should be reflected in the scope of contracting for the Board's consultant services. The Board should ensure that the scope of work for any technical services contracts supporting the Board prevents redundancies and maximizes the use of each technical consultant's expertise. DEEP recognizes that the Board is a voluntary board and its members generously donate their time to advance the Board's mission. Thus, it makes sense to contract with consultants to assist the Board in fulfilling its duties, particularly given that such	03-01-16	Modification

Item #	Topic or Program	Condition of Approval	Due Date	Action
		consultants bring expertise with a national perspective. DEEP commends the Board on conducting a competitive RFP for consultant services. DEEP encourages the Board to carefully consider the roles and responsibilities of each Consultant as the EEB reviews responses to its most recent request for proposals for technical services. It is important to ensure that work is assigned and performed in an efficient manner, and that work plans are sufficiently detailed and planned to ensure that available resources from the Companies, DEEP, and the Connecticut Green Bank are utilized as appropriate prior to initiating additional tasks for the Board consultants.		
10	**Evaluation, Measurement, and Verification**	By no later than January 30, 2016, the Companies and the EEB shall revise the "2016-2018 Evaluation Plan Recommended Project List." Projects should be classified as either "Fundamental" or "Discretionary" with priority given to fundamental projects to be completed. Evaluation studies that are essential for complying with ISO specifications should be considered fundamental. The importance, timing, and data quality objective required must be articulated for each proposed study. While the evaluations are important to ensure program cost-effectiveness, it is critical that the timing of the evaluations be synchronized to enable incorporation of program design recommendations into the program planning process. Additionally, the number and scheduling of the evaluations must be monitored to ensure that sufficient capacity exists on the part of the EEB members, EEB Committees, the Companies, the technical consultants, and the Evaluation Administrator to adequately review the results and respond timely to recommendations. The update should focus on process and impact evaluations as indicated by Connecticut General Statutes section 16-245m, while continuing to transfer market assessment and other sector-based research studies to sector-based budgets. The goal is to hold the evaluation plan budget for 2016 to an amount no higher than $3,000,000. DEEP believes that this budget provides sufficient capacity to conduct impact and process studies to evaluate program cost-effectiveness at the level of	03-01-16	Modification

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		precision needed to quantify and verify savings and continually improve program design. Research conducted for topics that are not within, or which are marginally within, the scope of evaluation that must be conducted by a third-party may be acquired by alternate means. The balance of funds in the proposed Evaluation Budget above $3,000,000 may be reallocated to provide for initiation and development of direct measurement and verification capabilities. Such funds may be coordinated with and support Demand Response technology implementation.		
11	**Evaluation Administrator/ Consultant Budget**	The Companies and the Board shall modify the Evaluation Administrator/Consultant budget downward to a level not to exceed $300,000, to reflect the modified "2016-2018 Evaluation Plan Recommended Project List." An inventory of administrative or consultant tasks and projects for each year may reveal cost saving opportunities in projects that are reviews or routine for now matured programs. The Evaluation Administrator budget must reflect an increased focus on ensuring quality and effective timing of Evaluation, Measurement, and Verification activities. The Board may propose a modification of this budget in the 2017 Update if sufficient documentation is provided.	03-01-16	Modification
12	**Consistency in Company Reporting**	Eversource and UI should utilize the same tables in reporting their data. As an example, Eversource currently uses Table B-1 and UI uses Table B for reporting benefit/cost ratios, and do not use common data reporting fields. This makes it unnecessarily difficult to compare and consolidate information between the Companies. The Companies should revise these tables to be consistent.	03-01-16	Modification
13	**Increase effectiveness of incentives in multifamily**	As noted in the public comment from CHFA, DOH, and the Connecticut Green Bank, ongoing efforts to improve the coordination of financing with multifamily housing project development is important. As part of the overall process improvements underway that are described in the Plan, the Companies shall implement modified	03-01-16	Modification

Item #	Topic or Program	Condition of Approval	Due Date	Action
	property energy efficiency retrofits and new construction	processes to increase the effectiveness of the coordination of financing with multifamily workflow process improvement. Specifically, assess the feasibility of issuing letters of agreement to the Connecticut Housing Finance Authority rather than developers to prevent energy efficiency improvements from being either engineered out of multifamily projects or used to increase the pricing of developers.		
14	**HES-IE**	The Companies shall modify the Home Energy Solutions-Income Eligible program to provide a baseline payment to Community Action Agencies to compensate such agencies' for their intake services and provide a focus on the Agencies' core strengths. The Companies shall develop such modification with a focus on streamlining and harmonizing the HES-IE program with other weatherization programs in cooperation with the Connecticut Association for Community Action (CAFCA) and DEEP.	07-01-16	Modification
15	**Clean Energy Communities**	The Companies shall, In cooperation with DEEP, municipalities, and stakeholders, modify the Clean Energy Communities model to better incorporate the sustainability work of municipalities, and the sustainability and climate change work of DEEP. Such modification should be based on the input from municipalities and the need to prevent duplication of efforts between various stakeholders. Identify the steps that can be taken to integrate the work of municipalities, other advocacy organizations, and DEEP. The Companies shall develop the capacity to generate public reports that aggregate energy consumption information on a municipality-wide basis to support the work of municipalities. The Companies shall review the effectiveness of the Clean Energy Communities dashboard in consultation with DEEP and municipalities.	09-01-16	Modification
16	**Data Management**	The Companies shall develop the capacity to efficiently provide information electronically to the US EPA Portfolio Manager.	03-01-16	Modification
17	**Budget modification**	The Companies shall propose a plan to reallocate unexpended 2015 revenue, into 2016, to necessary investments that will ensure high priority work is completed.	03-01-16	Modification
18	**Budget table presentation**	The Companies shall provide a statewide budget table that totals each of the companies into a consolidated column when submitting a revised Plan.	03-01-16	Modification
19	**Support for Municipalities**	The Companies shall propose an allocation of the commercial and industrial budgets to ensure sufficient support is available to provide support to municipalities engaged in energy efficiency, particularly those municipalities pursuing Energy Savings Performance Contracts.	03-01-16	Modification

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20	**Performance Management Incentive**	The Companies shall revise the budget for the performance management incentive to reflect a scale of 4.25% payment when 100% of goals are achieved.	03-01-16	Modification
21	**Energy efficiency coincidence with natural gas conversion**	Propose a plan and submit a report on a semi-annual basis to BETP for DEEP's records to provide information on the instances of the installation of high efficiency equipment installed coincident with the conversion to natural gas supply at residential and commercial and industrial properties. Additionally, include reporting of insulation installed in such properties from January 2012 onward. Propose a plan to annually survey customers that determines motivators for converting to natural gas, determines motivators and barriers to installing energy-efficient natural gas equipment at the time of conversion, and determines awareness of energy-efficient natural gas equipment incentives and opportunities. Propose a plan to annually survey natural gas conversion contractors that may include assessment of the contractor's awareness of available energy-efficient heating and cooling equipment incentives and financing products, determine how contractors are presenting the energy-efficient equipment information to customers, and assessment of a contractor's willingness to promote energy efficient equipment as part of the value proposition of the conversion to the use of natural gas at the property.	03-01-06 for Plan 09-01-16 for Annual Report	Report