



# Connecticut Department of Energy and Environmental Protection



**Tentative Determination  
to Issue An  
Approval With Conditions of the  
*Electric and Natural Gas  
Conservation and Load  
Management Plan for 2016-2018***

December 18, 2015  
Public Meeting



Connecticut Department of Energy and Environmental Protection

# Acknowledgment

DEEP expresses its great appreciation of the efforts of the CT Energy Efficiency Fund Board members and consultants, staff of Eversource and The United Illuminating Holdings Corporation, and all stakeholders who participated in the public participation process to develop Connecticut's 2016-2018

Conservation and Load Management Plan.

Connecticut Department of Energy and Environmental Protection



# DEEP's Review

DEEP has completed its review and approved the Plan for 2016-2018.

DEEP is specifically authorized to review and approve the plan by Connecticut General Statute ("CGS") 16-245m(d)(1).

DEEP's approval is based on the following findings:



# *Finding 1: Statutory Consistency*

- The Plan is consistent with CGS § 16-245m, Connecticut's Comprehensive Energy Strategy, and Connecticut's Integrated Resources Plan
- The Plan advances Connecticut's goal of meeting energy resource needs first through all cost-effective, feasible, and reliable energy efficiency and demand reduction methods.



## *Finding 2: Concurrence with Plan & DEEP Policy Priorities*

- **Emphasis in Critical Areas:**
  - High quality program performance for savings and benefits for ratepayers
  - Whole building, comprehensive energy solutions
  - Marketing/ outreach through Energize Connecticut based on market segment analysis
  - Inclusion of specifically actionable items to prioritize DEEP's policy goals



# Finding 3: Programs Pass Cost-Effectiveness Review

- *Programs Pass Cost-Effectiveness Review (summarized in Attachment B)*
- Utility Cost Test/ Modified Utility Cost Test
  - Benefits associated with reduced demand on energy supply system (avoided electric/natural gas/oil/propane energy costs from conservation measures and programs)
  - Almost all programs pass this test
- Total Resource Cost Test
  - Impacts of social benefits associated with services (ex. Water savings, emissions reductions)
  - Programs for low-income households pass this test
- *Avoided Energy Supply Costs in New England (2015 Report)*
  - Total benefits for electric programs will decrease by ~10%
  - More challenging and expensive to achieve going forward



## *Finding 4: Determination of Equitable Distribution*

- Pursuant to CGS §16-245ee
  - Overall distribution of the CT Energy Efficiency Fund was equitably deployed in 2013
  - Currently reviewing data from 2014 and will analyze 2015 data as it becomes available

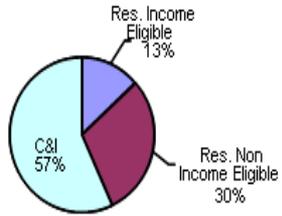


# Finding 5: Parity Among Customer Classes

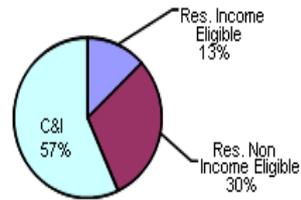
- Allocation of revenues is proportionate to the consumption of each class

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

EE Budget By Customer Class

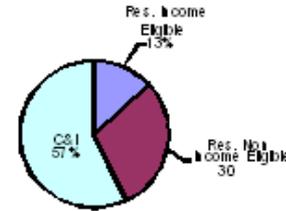


EE Revenue By Customer Class

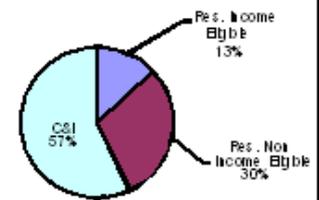


Statewide (Eversource CT Electric and UI) 2017 EE Budget and Parity Analysis

EE Budget By Customer

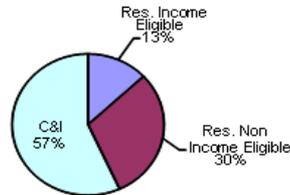


EE Revenue By Customer Class

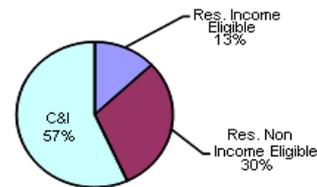


Statewide (Eversource CT Electric and UI) 2018 EE Budget and Parity Analysis

EE Budget By Customer Class



EE Revenue By Customer Class



## *Finding 6: Opportunities for Public Comments Provided*

- Public meeting held to receive input during development of the Plan
- Comment period for written comments held from October 5<sup>th</sup>- November 3<sup>rd</sup>
- Public meeting was held October 28<sup>th</sup>, 2015
- Summary of the input and comments received is found in Appendix D of the Plan.



## *Finding 7: Confirmation of Revenue Estimates*

- CT Energy Efficiency Fund Revenue:
  1. 3 Mill Collections
  2. 3 Mill Conservation Adjustment Mechanism (CAM)\*
  3. Natural Gas CAM
  4. Regional Greenhouse Gas Initiative (RGGI)
  5. Independent System Operator- New England (ISO New England)

\*Less Gross Receipts Tax
- 2016 marks the first year without revenue from the sale of Class III Renewable energy credits



# Revenue Estimates for the Plan's Implementation

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

## Natural Gas Program Funding Sources

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



Connecticut Department of Energy and Environmental Protection

## *Finding 8: Steps to Weatherize 80% of homes by 2030*

- Plan provides whole-house approach to increasing home performance
- Incentives and programs are aligned to advance progress
- Continued focus on low-income and moderate households is necessary
- DEEP recommends an annual report quantifying scope/scale of barriers to weatherization (asbestos, knob & tube wiring, mold, etc.)



## *Finding 9: Conditions of Approval*

- DEEP feels further refinement of the Plan is important and necessary
  - Schedule of Compliance for Conditions of Approval included in Attachment A
  - Reports and plan modifications required for some elements
- In addition to C&LM investments, Companies will submit Demonstration Projects for grid-side enhancement
  - Statutorily required to complement and enhance the programs, products, and incentives implemented through the Connecticut Energy Efficiency Fund



# *Summary of Benefits of 2016-2018 Plan*

- Saves enough energy to power a 262 megawatt power plant
- 459,174 tons CO<sub>2</sub> emissions reductions per year
  - The equivalent of removing 96,668 passenger vehicles from the roads for one year
- \$1.39 billion net lifetime benefit
- For every \$1 invested, CT residents receive \$2.80 in benefits



# Summary of Benefits

## Electric Companies—Summary of Annual Savings and Percentage of Sales

Company	2016			2017			2018			2016-2018		
	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%
<b>TOTAL</b>	<b>27,539</b>	<b>392.0</b>	<b>1.42%</b>	<b>27,489</b>	<b>416.6</b>	<b>1.52%</b>	<b>27,129</b>	<b>433.7</b>	<b>1.60%</b>	<b>82,157</b>	<b>1,242.3</b>	<b>1.51%</b>

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

Company	2016			2017			2018			2016-2018		
	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%
<b>TOTAL</b>	<b>115,345</b>	<b>658.4</b>	<b>0.57%</b>	<b>124,209</b>	<b>766.4</b>	<b>0.62%</b>	<b>133,453</b>	<b>840.5</b>	<b>0.63%</b>	<b>373,007</b>	<b>2,265.3</b>	<b>0.61%</b>



# *DEEP's Review*

- Public comment or questions?

