

Connecticut Energy Efficiency Fund



Ronald J. Araujo, Manager
Conservation & Load Management
Connecticut Light & Power



Background of the Connecticut Energy Efficiency Fund

- Originally created by Legislature in 1998 to provide cost-effective electric energy efficiency and load management programs. In 2005, expanded to include natural gas programs. Electric and gas programs are fully integrated.

Mission

- To advance the efficient use of energy
- To reduce air pollution and negative environmental impacts
- To promote economic development and energy security.



Challenges

- Fund Uncertainty
 - Threat of securitization should not deter businesses from participating in Energy Efficiency Fund programs
 - We are open for business!

2010 C&I Program Customer Incentive Budgets

Incentive Budgets

- CL&P \$38,899,000
- UI \$ 9,315,557
- YGS \$ 1,932,262
- CNG \$ 1,120,746
- SCG \$ 1,064,104

Funded primarily by electric and natural gas utility customers

- Electric customers pay three mils
- Natural gas programs are funded through firm gas customers
- Other Revenue Sources
 - Regional Greenhouse Gas Initiative (RGGI)
 - Forward Capacity Market (FCM)
 - American Recovery & Reinvestment Act (ARRA)



2010 Project Incentive Caps

- \$300K incentive cap for each meter per year
AND
- \$750K per year per Federal Tax ID
- Based on available budget and timing, caps may be exceeded
 - Contact your utility representative regarding large projects with the potential to exceed these cap levels
- Incentive cap does not apply to natural gas projects
 - Natural gas projects in excess of \$100K may require DPUC funding approval (30 day approval process)



Stimulus Funding

- \$39M of State Energy Program (SEP) funding
 - \$11.5M to CEEF (\$9.2M CL&P, \$2.3M UI)
 - \$1M CMEEC
 - \$5M DPW for State Buildings
 - \$20M to CCEF
 - \$1.5M for Clean Cities & Dept of Public Safety initiatives
- Some restrictions on how and where the money can be spent (e.g., no swimming pool measures)
- Need to demonstrate that for every \$1K spent, 10MBTUs is saved
- Reporting requirements: quarterly energy savings
- Stimulus funding will be targeted to specific programs
 - HES, Small Business, Large C&I

Commercial & Industrial Programs



New Construction, Major Renovation & Equipment Replacement

(incremental cost-
based incentive)



Retrofit Projects & Small Business

(pays 40-50% of cost)



Operations & Maintenance Projects

(pays 40% of cost)



Retrofit Program Enhancements

- T12 / HID Lighting Targeted Replacements
 - Pays up to 50% of cost and 2.99% financing if completed in 2010
 - LED / Induction Lighting
 - Pays up to 50% of cost
 - Comprehensive Approach
 - Pays the lesser of 50% of cost, 2-year payback, or \$0.50/kWh + \$700/kW
 - Energy Management Systems
 - Pays the lesser of 40% of cost, \$500/point, or \$0.30/kWh + \$700/kW
- * 50% of fixtures need to be T12/HID

Focus on the Contractor - 2010

- Beginning April 1, all customer contracts contain additional payments to installing contractors for 2010 project completions, as follows:
 - Comp. projects complete (all ECMs) by Nov. 30 Contractors get 5% x customer incentive
 - All other projects, if completed by ...
 - July 31, then they get 5% x customer incentive
 - Nov. 30, then they get 3% x customer incentive



Financing Opportunities

- Municipal
 - ZERO % interest loans to municipalities
 - On-bill financing
 - Utilities provide the funding source
 - Maximum loan amount of \$100,000
 - Maximum loan term -- three years
- Small Commercial & Industrial
 - Low Interest Loan (7%)
 - Average monthly demand > than 10 kW and < 350 kW during the past year
 - In business at least three years
 - Qualify via third-party lender's business credit review process (starts with the loan application process)
 - Loan amount between \$2,000 and \$250,000 providing interest subsidies on the first \$100,000
 - Maximum loan term not to exceed five years