#### NEEP's 2024 Regional Roundup provides a snapshot of Connecticut's current policies and progress towards greater energy efficiency and building decarbonization.

Policies and performance are organized across the four categories from NEEP's 2024 report, *Decarbonizing Buildings: How States can Set the Table for Success*. The categories, or "legs of the table," include Utility Planning and Regulation, Codes and Standards, Carbon Reduction Obligations, and Equity and Workforce.



- Since <u>2013</u>, Connecticut has offered statewide energy efficiency programs through <u>Energize CT</u> in three-year cycles. In 2018, Connecticut passed <u>An Act Concerning Connecticut's Energy Future</u> that set a state energy savings goal for the Conservation and Load Management (C&LM) Plans in MMBtus and required that utilities be fuel-blind in their program delivery, which enabled programs to serve customers who use delivered fuels for the first time. An MMBtu goal allows for utilities to install the most efficient measure regardless of fuel type, enabling electrification.
- Connecticut calculates greenhouse gas reduction goals as part of their portfolio of programs, which will encourage utilities to aid the state in achieving its climate goals. In 2022, Connecticut's Department of Energy and Environmental Protection directed utilities to take steps to try to <u>phase out incentives</u> for natural gas combusting equipment.
- The proposed 2025-2027 plan will be the first C&LM with no fossil fuel equipment incentives for new construction. The utilities are still working with CT DEEP to phase out such incentives for retrofits. In 2023, the state <u>set an ambitious legislative goal</u> of weatherizing 80% of homes by 2030. This resulted in the state investing in weatherization and barrier remediation efforts. Part of this effort was the <u>Residential Energy Preparation Services (REPS) Program</u>, which provides repair services to individuals who have been deferred by other programs in the state.
- Connecticut is also working on a framework to <u>implement performance-based rates</u> for electric utilities. Performance based rates tie utilities' revenue directly to their performance in achieving goals outlined by the state.

### UTILITY PLANNING AND REGULATION



AND REGULATION

Utility Planning and Regulation identifies mandates and frameworks to ensure that utility investment, rates, and programs align with building decarbonization goals. This section includes a *Climate-Forward Energy Efficiency By-the-Numbers* table, which shows performance data for 2021 and current program goals for the state, an overview of policies the state has adopted to implement climate-forward energy efficiency programs, and any planning and regulation the state is pursuing to decarbonize the grid.

Climate-Forward Energy Efficiency by the Numbers		
	Connecticut	<b>Regional Average</b>
Savings as a Percent of Retail Sales in 2021*	Electric: 0.99% Gas: 0.55%	Electric:1.13%Natural Gas:.43%
Low Income Spending Per Qualified Resident in 2021*	\$29.91	\$36.00
Current Portfolio Goals	2025 Electricity Savings Goal: 0.21% of 2022 sales <sup>†</sup> 2025 Gas Savings Goal: 0.24% of 2022 sales <sup>†</sup> 2025 Heating Oil Savings: 1.39 million gallons <sup>‡</sup> 2025 GHG Reduction Goal: 88,157 metric tons of $CO_2e^{\ddagger}$	

#### Climate-Forward Energy Efficiency

Energy Efficiency Program Administrator	Connecticut's energy efficiency programs are offered by both gas and electric utilities across the state through <u>Energize CT</u> . Programs are implemented in a three-year cycle. The state is currently implementing the <u>2022-2024</u> <u>Conservation and Load Management Plan (C&amp;LM</u> ). The <u>2025-2027 C&amp;LM</u> has been approved by the Energy Efficiency Board and awaits approval from the CT Department of Energy and Environmental Protection as of fall 2024.
Program Goals	<ul> <li>Energy Efficiency Performance Goals for 2025:</li> <li>Annual Energy Consumption Savings: 1 million MMBtu</li> <li>Greenhouse Gas Reduction: 88,157 metric tons of CO<sub>2</sub>e</li> <li>Electricity Savings: 83 GWh</li> <li>Gas Savings: 466 MMcf</li> <li>Oil Savings: 1.39 million gallons</li> <li>Propane Savings: 654,442 gallons</li> <li>Peak Demand Savings: 100 MW</li> </ul>
Benefit Cost Analysis	<i>Base Test:</i> <u>Connecticut Efficiency Test (CTET)</u> Non-energy impacts included: avoided costs of oil and propane, avoided greenhouse gas emissions, and low-income costs associated with arrearages, debt write-off costs, or administrative costs.

\* Data from 2022 ACEEE State Scorecard.

+ Calculated as a percentage of 2022 sales. Sales data from EIA. Goals from the 2025-2027 Conservation and Load Management Plan.

‡ Goal from the 2025-2027 Conservation and Load Management Plan.

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Climate-Forward Energy Efficiency

Utility Performance Incentives	For the C&LM Plans, utilities receive a performance incentive mechanism called the Performance Management Incentive (PMI). Per the draft 2025-2027 plan, utilities can earn 2.5 to 7% of total spending. To earn the incentive, utilities must achieve certain primary and secondary performance metrics. Primary metrics include gross and net energy savings across all fuel types and peak demand savings. Secondary metrics include homes weatherized and equity metrics for the residential sector and various project types for the C&I sector. Specific weights and metrics for each utility can be found in Appendix E of the plan.
Fuel Switching Policies	In 2018, Connecticut passed <u>An Act Concerning Connecticut's Energy Future</u> that set a state energy savings goal for the C&LM Plans in MMBtus and required that utilities be fuel-blind in their program delivery, which enabled programs to serve customers who use delivered fuels for the first time. It also required that utility programs consider ways to offer joint programs that save more than one fuel resource. As a <u>condition of approval</u> for the 2022-2024 C&LM plan, utilities committed
	to investigate the need for natural gas incentives for gas furnaces and boilers in both the C&I and residential portfolios and how the removal of these incentives could impact low-to-moderate income customers. For the 2025- 2027 term, the utilities have started to reduce natural gas incentives to align with this approach.

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Climate-Forward Energy Efficiency

Statewide Qualified Contractor Network	Energize CT runs the <u>Heat Pump Installer Network</u> . This is a network of installers that has been trained in cold climate heat pump sizing and design and other courses available through the eLearning Center.
Centering Equity in Climate-Forward Efficiency Programs	In May 2021, the CT Department of Energy and Environmental Protection (DEEP) launched Phase 1 of the Equitable Energy Efficiency Proceeding E3 Proceeding, to advance equitable participation in C&LM programs. Proposed Phase 1 Actions and Recommendations can be found <u>here</u> . The <u>Residential Energy Preparation Services (REPS</u> ) Program addresses health and safety barriers (asbestos, mold, and knob-and-tube wiring) to ensure residents can participate in weatherization programs offered in the state. Specifically, REPS serves income-eligible customers who have been deferred by the state-run Weatherization Assistance Program or the utility-run Home Energy Solutions – Income Eligible Program to ensure they can still participate in programs. will have barriers addressed before receiving energy efficiency improvements
	The C&LM <u>Community Partnership Initiative (Partnership</u> ) seeks to increase partnerships with community-based organizations to expand their outreach to marginalized groups.

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#### Long-Term Planning

Utility Clean Heat and Building Decarbonization Programs	No current policies in place.
Long-Term Utility Planning	In 2021, the CT Public Utilities Regulatory Authority (PURA) initiated an investigation into performance-based rates (PBR), which ensures the alignment of utility rates with public interest (Docket 21-05-15). The PBR investigation considers revenue adjustment mechanisms, performance mechanisms, and integrated distribution system planning.

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### **CODES AND STANDARDS**



CODES AND STANDARDS Codes and standards establish a clear timetable for improving the energy performance of new and existing buildings, appliances, and equipment, spurring changes in technologies and building practices. The Regional Roundup provides additional information on policies in this area that operate at the city level to highlight how communities are taking the lead. Programs such as benchmarking and home energy labeling programs are also included, even when just voluntary, as they can be a precursor for BPS or mandatory home energy score programs.

Building Energy Codes	Connecticut adopted the 2021 IECC. The Connecticut State Building Code is effective as of October 1, 2022, and can be accessed <u>here</u> . Connecticut is actively discussing the adoption of 2024 IECC. The <u>2025 Connecticut State</u> <u>Building Code</u> with an energy code based on the 2024 IECC is expected to go into effect in the fall of 2025.
Stretch Energy Codes	No current policies in place.
Building Performance Standards	Connecticut has <u>minimum energy performance standards for state-housing-agency funded projects</u> .
Benchmarking	Starting in 2014, Connecticut's Department of Energy and Environmental Protection was <u>directed to benchmark</u> the energy and water consumption of all state-owned or operated buildings 10,000 square feet or greater and disclose the data collected to the public.
Home Energy Labeling	Connecticut's voluntary <u>Home Energy Score program</u> is integrated with the utilities' <u>Home Energy Solutions programs</u> and has a goal to score 12,000-14,000 homes annually.
Appliance Efficiency Standards	No current policies in place.
Equipment Emission Standards	No current policies in place.

### **CARBON REDUCTION OBLIGATIONS**



Carbon reduction obligations set performance requirements for obligated parties, such as energy providers, to reduce carbon emissions or install clean heating systems. This section also includes any policies that articulate statewide climate goals and involvement in a regional cap and invest program because both programs are aligned with the policies under carbon reduction obligations and can be a part of a future clean heat standard or statewide cap and invest.

Climate Goals	With the passage of the <u>Global Warming Solutions Act</u> in 2008 and the <u>Climate Change Planning and Resiliency Act</u> of 2018, the state committed to mandatory greenhouse gas emissions reduction targets for the state. The state aims for 45% reduction by 2030 and 80% by 2050 from 2001 levels.
Clean Heat Standard	No current policies in place.
Regional Cap-and- Invest	Connecticut participates in the <u>Regional Greenhouse Gas Initiative</u> . The state invests most of its proceeds in energy efficiency programs overseen by the Connecticut Energy Efficiency Board; the remainder of the proceeds goes to the Green Bank for development of renewable energy sources, and to DEEP for administration.
State Cap-and-Invest	No current policies in place.
Centering Equity in Carbon Reduction Obligations	The <u>Governor's Council on Climate Change</u> (GC3) addresses greenhouse gas mitigation, adaptation, and resilience. The <u>Equity and Environmental</u> <u>Justice Working Group</u> is a working group under the GC3 which discusses issues including climate resilience and community vulnerability, providing stakeholder feedback to the GC3 on including equity and just considerations in its planning processes.

### **EQUITY AND WORKFORCE**



EQUITY

**AND WORKFORCE** 

Equity and workforce investments address housing and workforce inequities by empowering historically marginalized communities and ensuring that the energy transition is just and inclusive. This section includes policies that prioritize community empowerment through defining environmental justice communities and/ or convening community members to have meaningful input on climate and energy policies in the state. It also highlights any statewide goals or metrics that mandate programs to deliver a certain level of benefits to communities. Finally, it provides a snapshot of the inclusive workforce programs and policies within each state.

#### Statewide Equity Initiatives

Community Empowerment	• <u>DEEP</u> has an Environmental Justice Program, which focuses on environmental problems in low-income and minority communities and works to increase public participation in decision-making processes and administrative proceedings.
	• In 2021, <u>Governor Lamont's EO 21-3</u> established within DEEP the <u>Connecticut</u> <u>Equity and Environmental Justice Advisory Council</u> , which advises DEEP on current and historic environmental injustice, and integrates environmental justice considerations into DEEP's programs, policies, and activities.
	<ul> <li>In May 2021, DEEP launched Phase 1 of the Equitable Energy Efficiency Proceeding <u>E3 Proceeding</u>, which works towards equitable participation in C&amp;LM programs. Proposed Phase 1 Actions and Recommendations can be found <u>here</u>.</li> </ul>
	<ul> <li><u>Conn. Gen. Stat. § 32-9p</u> defines "distressed municipalities" as any municipalities in the state that meet quantitative physical and economic distress thresholds set by the US Department of Housing and Urban Development under the Housing and Community Development Act of 1977, and enables funds to be specifically directed to public and private organizations in these areas. The term can also refer to municipalities adversely impacted by a major plant closing, relocation, or layoff, within two years of such an event.</li> </ul>
Metrics and Goals	Conn. Gen. Stat. §16-245m sets a goal of weatherizing 80% of homes by 2030.
Home Upgrade Hubs	No current policies in place.

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#### Inclusive Workforce Development

Inclusive Workforce	Green STEP (Sustainability Technical Education Program) supplements
Development	existing high school curriculum with specialized training workshops in STEM,
	sustainability, and energy efficiency.

### **CONNECTICUT'S BUILDING DECARBONIZATION TABLE**

