



NORTHEAST ENERGY EFFICIENCY PARTNERSHIPS

# Regional Update on Efficiency Policy: Progress, Innovation and Challenges

Presented to the  
EESE Board

By

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# OVERVIEW OF PRESENTATION



- States in NE have made great progress - much to do still
- Economy and short-term politics put EE gains at risk
- Rate-payer funded programs remain vital, need financing in addition
- Policies like codes, standards and building energy rating can help move the ball forward
- Strong and stable funding, good coordination, customer-friendly program access are key
- Insights for New Hampshire

# HOW'S NEW HAMPSHIRE DOING?



- Putting the ACEEE Scorecard in context
- What does it mean for N.H.? Why should we care?
- What's working? What could be better?
- Why it's important to get on a stronger track for EE
- NEEP Potential Study & policy recommendations

# DECIPHERING THE ACEEE SCORECARD



- Other states are rapidly passing N.H. by - but why?
  - What makes this state unique in that it does not value EE in the same way as ME, MA, VT, RI, CT, NY, NJ, PA and MD?
- Also counts that N.H. has slipped
  - RGGI and SBC fund diversion/depletions
- Scorecard hits in transportation, other areas, but...
  - Biggest hit in 'Utility and Public Benefits Fund Efficiency Programs and Policy'
  - Not just in per capita EE budgets, but % revenue too
- It's as much the messaging as the money

# REGIONAL UPDATES ON EE POLICY



# EFFICIENCY POLICIES ACROSS NEW ENGLAND



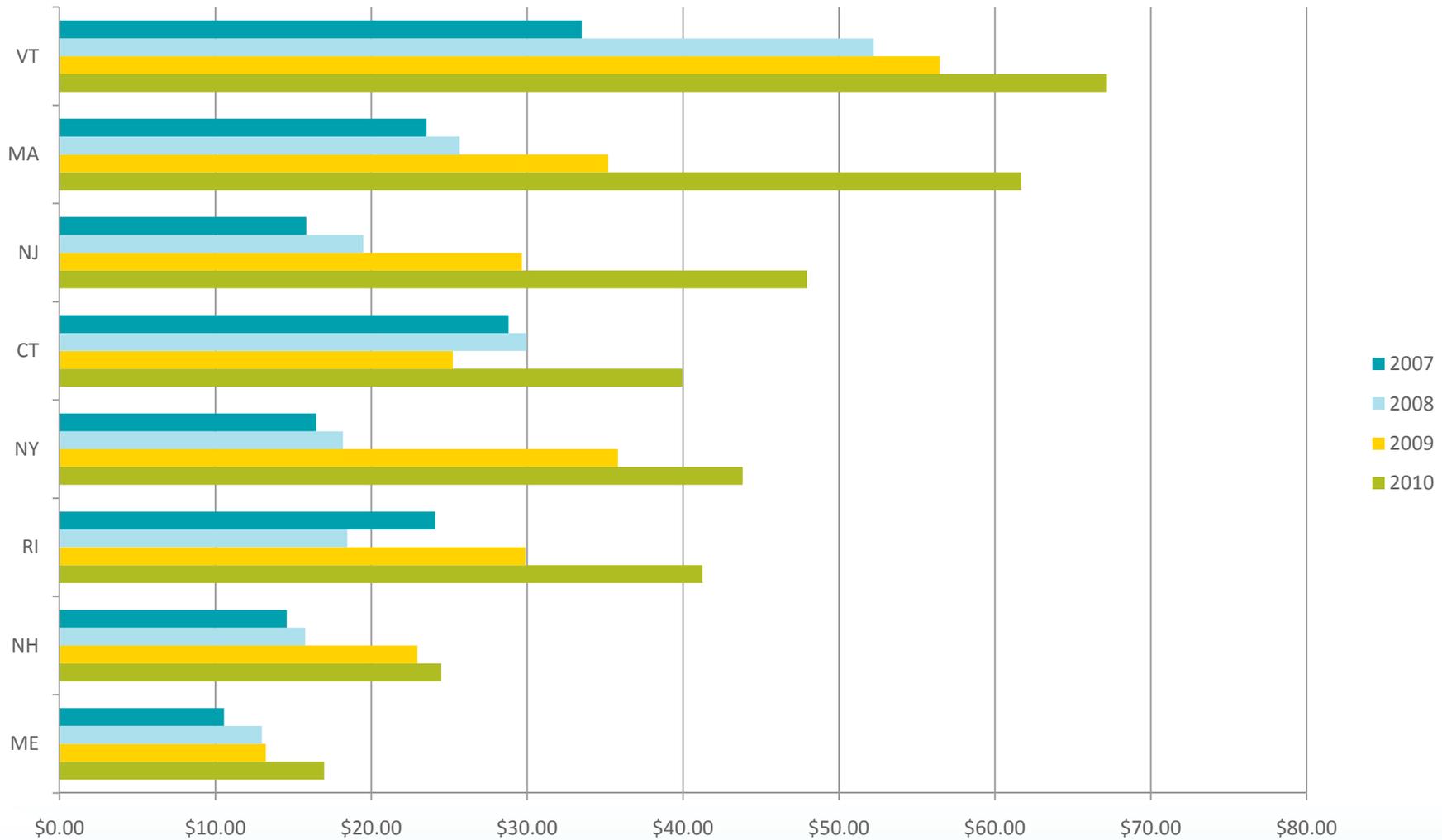
State	Policy Type	Delivery	Energy Savings Goals
<a href="#">Connecticut</a>	All Cost Effective EE	Utilities	1% annually
<a href="#">Maine</a>	All Cost Effective EE	Efficiency Maine Trust	Set as part of Triennial Plan
<a href="#">Massachusetts</a>	All Cost Effective EE	Utilities	2.24% of electricity and 1.15% of natural gas sales annually by 2012
<a href="#">New Hampshire</a>	<i>Funding Limited by Cap on SBC</i>	Utilities	<i>In process</i>
<a href="#">Rhode Island</a>	All Cost Effective EE	Utilities	Set as part of 3-Year plan
<a href="#">Vermont</a>	All Cost Effective EE	Energy Efficiency Utility	2% of sales annually

# HOW STATES FUND EFFICIENCY



State	Funding Mechanism		
	Ratepayer Funding	RGGI Auction Used to Supplement Efficiency Budgets	Capacity Market Payments
CT	SBC of 3 mills/kWh	Regulations set at 69.5%	ISO-New England
MA	SBC of 2.5 mills/kWh + Efficiency Reconciliation Factor (EERF)	Statute sets at 80%	ISO-New England
ME	SBC set at 0.5% of electric revenues and 3% of natural gas revenues	Statutes set at 100%	ISO-New England
NH	<b>SBC of 1.5 mills/kWh - lowest in region</b>	Competitive Bidding Process	ISO-New England
RI	SBC of 3.2 mills/kWh	Regulations set at 100%	ISO-New England
VT	Set annually according to 3-Year Efficiency Budget Natural gas programs are set by Vermont Gas System rates	Statutes set at 100%	ISO-New England

# STATE PER CAPITA SPENDING, 2007-2010\*



\*Figures are compiled from the total state investment in energy efficiency divided by the state's estimated 2009 population. Sources: Energy Efficiency Program Annual Reports, 2007-2009 and Program Filings for 2010. RGGI data from Environment Northeast's RGGI Auction Tracker, available online at <http://www.env-ne.org/resources/open/p/id/715>.

# COMPLEMENTARY POLICIES



“Help lock in” savings and foster progress on energy efficient technologies and practices:



[Building energy codes](#) - target new buildings; training and compliance are key.

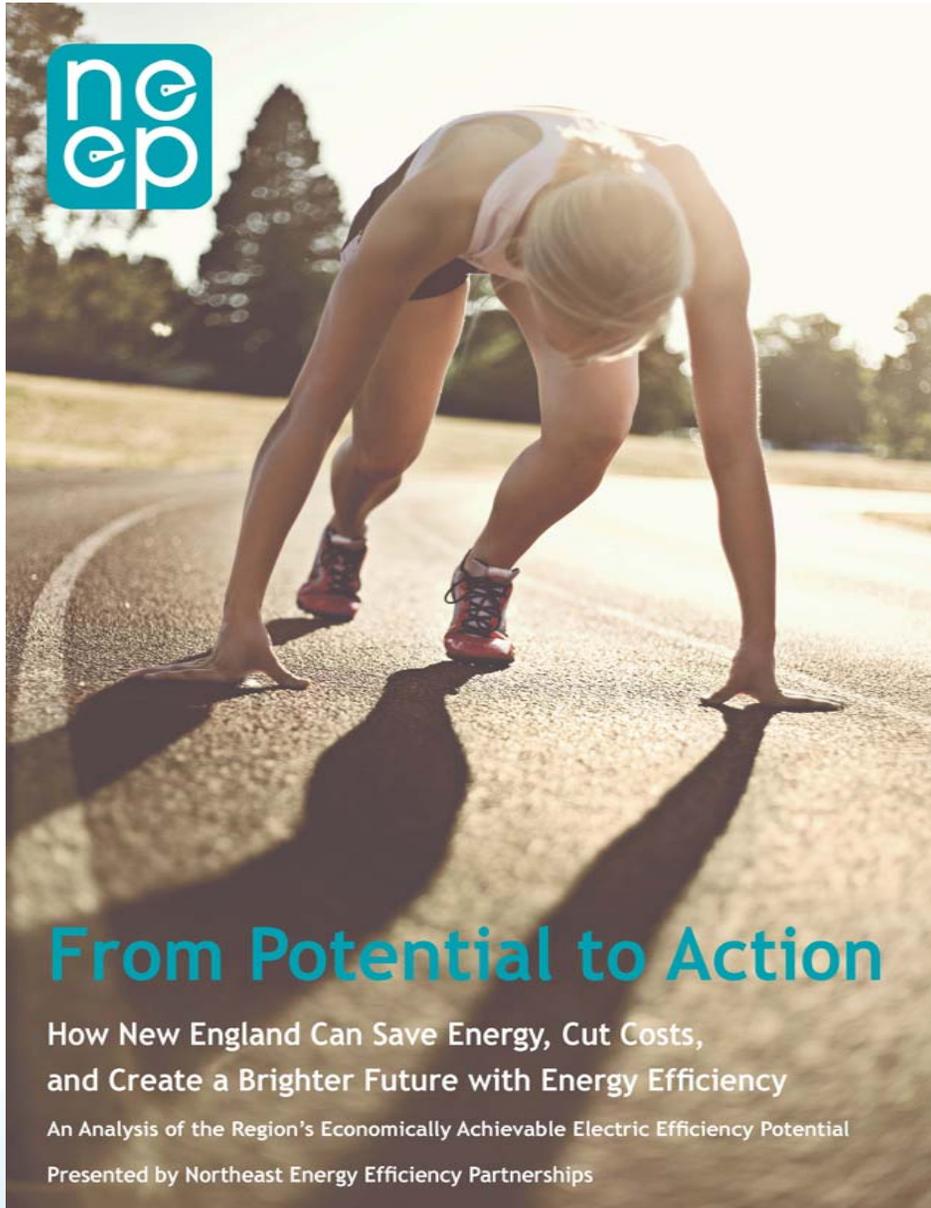


[Appliance standards](#) - remove least-efficient products from the market; preserve choices.



[High performance building programs](#) - improve overall energy and environmental performance for new and existing buildings.

# FROM POTENTIAL TO ACTION



## *A resource for leaders*

- State, market, and end-use data to show where the potential lies
- Offers efficiency policy recommendations, examples of best practices
- Study is electric; NEEP supports all-fuel approach

# THE BIG PICTURE, AND STEPS FOR NH



- States are moving forward with EE, challenges ahead
- Changes in political landscape in some states (ME, NH) will require increased efforts to protect funding *and* drive new directives
- Changes in political landscape federally will likely mean shift back to states to set policy
- Need to make the case that RGGI is a net positive for ratepayers when coupled with progressive EE policies
- Efficiency is a long-term *resource* strategy that's good for business, residents, the state as a whole
- Citation on a scorecard is not the end goal - it's the messages that citations sends to policymakers and the public

# THE BIG PICTURE, AND STEPS FOR NH



- Emphasis on efficiency is a perfect fit for N.H.
  - Long history of environmental stewardship →
    - Efficiency is the cheapest and quickest way to reduce carbon and other harmful generation emissions, including those contributing to ground level ozone and acid rain
  - Proud tradition of frugality →
    - Efficiency is the least expensive energy resource available to meet New Hampshire's energy needs
  - Jobs and economic development are high priorities →
    - Growing the clean energy economy means thousands of good, local jobs that can't be outsourced
  - It's patriotic →
    - It invests New Hampshire's dollars in New Hampshire, and not in foreign energy sources

# THE BIG PICTURE, AND STEPS FOR NH



It's not 'red' or 'blue'  
...It's 'green'





# THANK YOU

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