

June 25, 2014

Dear Senator McDowell,

As a group of energy efficiency businesses and organizations working to expand efficiency as a resource at the local, state and national levels, we writing today to urge your support of HB 179, “An Act to Amend Title 26 of the Delaware Code Relating to Energy Efficiency Resource Standards and Renewable Energy Portfolio Standards.” We request that you move for committee and floor votes on this important legislation in order to make energy efficiency the First State’s “first fuel.”

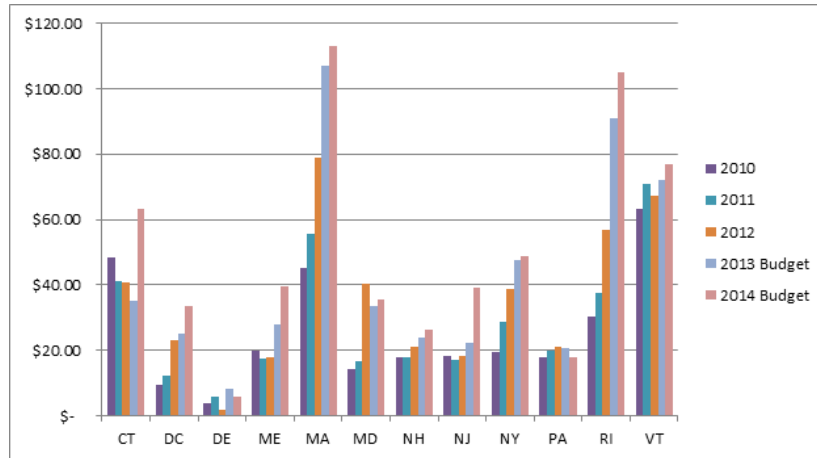
Energy efficiency is the cleanest, most cost-effective, and readily available source of energy in our state. Increasing the efficient use of energy in buildings and industry can happen through electric and thermal measures, combined heat and power, and customer awareness and education to modify behaviors. Unfortunately, Delaware ranks below all of its neighbors in efficiency. Maryland, Pennsylvania and New Jersey all have better policies to encourage efficiency, create jobs, and save families and businesses money, according to the American Council for an Energy Efficient Economy (ACEEE).

HB 179, which passed the House with unanimous support last June, would change that by allowing electricity providers to treat energy efficiency as a resource and deliver cost effective efficiency and peak reduction programs to their customers. Gov. Markell has publicly expressed his support for the bill. However, in the year since its passage HB 179 has stalled in the Senate Energy and Transit Committee where it has not been brought up for a vote. Please join us in supporting HB 179 and urging a vote in committee and on the Senate floor before the end of the session.

Every year, Delaware families and businesses waste millions of dollars on energy that they do not need. Over half of those dollars go to electricity producers outside the state. However, a recent study found that for every \$1 invested in efficiency, Delaware families and businesses could save \$4. Not only would these investments create jobs, they would put millions back into the pockets of Delaware consumers, helping families and businesses right here in the First State.

Delaware has the potential to achieve significant, cost-effective, energy savings. Recent analysis indicates the First State could cost-effectively shave 1.6 percent off demand each year, reducing consumption 26 percent by 2025. However, as the chart below illustrates, Delaware currently falls well short of this potential. While many states in the region devote between 1.5 percent and 2.5 percent of spending to energy efficiency, Delaware devotes just 0.2 percent.

PER CAPITA INVESTMENTS IN ENERGY EFFICIENCY: GAS AND ELECTRIC PROGRAMS ACROSS SECTORSⁱ



One key reason for this gap is that Delaware does not permit the state’s electricity providers to deliver energy efficiency and peak reduction programs. Utilities in the U.S. collectively spend \$11 billion annually on energy efficiency, which has created a significant market in other states for these services. While Delaware has a Sustainable Energy Utility (SEU), which manages a limited set of efficiency programs, allowing electricity providers to deliver programs alongside the SEU will help deliver more energy bill savings to Delaware customers and create more local efficiency jobs.

HB 179 addresses these problems. Moreover, HB 179 will help Delaware get a jumpstart on meeting new climate change rules. EPA’s new Clean Power Plan would require Delaware to reduce CO₂ emissions 32% below 2012 levels by 2030. A megawatt saved through efficiency neither requires a new plant be built, nor emits CO₂ – making energy efficiency the cheapest way for Delaware to meet this goal.

Please join us in supporting HB 179 and urging votes in committee and on the Senate floor before the end of session. With your support, this important legislation, which will create jobs, save money, and help our environment, can become law.

Sincerely,

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ⁱ Data collected by Northeast Energy Efficiency Partnerships. More resources at
<http://www.neep.org/public-policy/policy-outreach-analysis/>