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**Comments of Northeast Energy Efficiency Partnerships (NEEP)
To the Connecticut Department of Energy and Environmental Protection (DEEP)
Regarding the Draft 2014 Integrated Resource Plan (IRP)
February 11, 2015**

Commissioner Robert Klee and DEEP Staff,

On behalf of Northeast Energy Efficiency Partnerships (NEEP), I am pleased to offer comments on Connecticut's 2014 draft Integrated Resource Plan (IRP).¹ NEEP is a regional non-profit whose mission is to serve the Northeast and Mid-Atlantic to accelerate energy efficiency in the building sector through public policy, program strategies and education. Our vision is that the region will fully embrace energy efficiency as a cornerstone of sustainable energy policy to help achieve a cleaner environment and a more reliable and affordable energy system.

Given our organization's focus on how increasing strategic investments in energy efficiency can help solve broader public policy challenges, our brief comments focus on efficiency in the context of resource adequacy, the need for full, regional accounting of capacity needs, and the role of efficiency alongside other demand side resources including renewables and distributed generation. To that end, we offer three central points of guidance:

1) Conduct a regional assessment of electricity demand and the potential of non-traditional generation resources

As the New England states contemplate significant and costly long-term investments to bring more natural gas capacity to the region, NEEP believes that ratepayers deserve a comprehensive assessment of non-transmission alternatives – including increased energy efficiency; reducing electric line losses and natural gas leaks; targeted demand response programs to curtail both winter and summer peaks; investments in energy storage; greater use of combined heat and power, and more renewable energy – both on a utility scale and customer-owned scale.

For a region already too dependent on a single fuel source for both thermal and electric needs, NEEP believes that greater diversity, efficiency and cleaner generation resources are important not only to ensure economic resiliency, but also to avoid undermining state energy and climate goals such as those laid forth in the Connecticut Global Warming Solutions Act and the Climate Change Action Plan.²

¹ These comments are offered by NEEP staff and do not necessarily represent the view of NEEP's Board of Directors, sponsors or underwriters.

² http://www.ct.gov/deep/cwp/view.asp?a=4423&q=521742&deepNav_GID=2121

2) Allow regulatory flexibility and broaden definitions of efficiency cost-effectiveness

Connecticut has made great strides in ramping up its energy efficiency programs towards the “all cost-effective mandate.” In collaboration with DEEP and the Energy Efficiency Board, the program administrators (EDCs & LDCs) are making continuous improvements in program delivery, customer education, evaluation and the measures offered in the programs.

NEEP believes that the program administrators should have continued latitude to employ new techniques for reaching customers, to collaborate regionally, and to be afforded a broad view of program cost-effectiveness that continues to include an array of customer and societal benefits as well as participant and utility costs. To that end, anything greater than a benefit-cost-ratio of one should continue to be offered. We caution against raising hurdles for customers such as higher cost-sharing and reduced eligibility thresholds.

3) Support for grid modernization efforts and new utility models

NEEP has been closely involved in the Massachusetts Grid Modernization process as well as New York’s Reforming the Energy Vision proceeding. We applaud Connecticut’s efforts to both understand and shape the region’s changing electric system in light of a number of evolving challenges, opportunities, and new technologies.

Such an evolution of the energy service delivery model brings with it new issues to address: the increased availability and need for information flow; consumer privacy and security concerns; opportunities for new market actors to provide energy solutions; increasing distributed generation, storage and power quality issues, and what they mean for utility revenues; and concerns over building and community resiliency in the face of climate change. Energy efficiency can be part of the solution to all of these challenges, and, when coupled with new technologies such as smart meters and smart devices, as well as new rate structures, can help drive customers better manage their energy use while also curtailing peak-time use.

It is important that policymakers understand and help guide these evolutions to ensure that regulated utilities are still able to serve the public good, while balancing the needs of corporate profitability with consumer protection and state policy goals. To that end, NEEP hopes the Department will carefully consider requests for increases in customer fixed charges and how such increases could serve as disincentives to increased customer participation in energy efficiency programs.

Conclusion

NEEP applauds the work of DEEP and its consultants to lay forth a vision for the state’s energy future that puts energy efficiency, demand response, and renewable resources first. While improving cost-effectiveness and supplementing programs with financing to stretch ratepayer dollars is a laudable goal, we urge DEEP to consider that ratepayer-funded efficiency programs continue to provide a highly valuable service to Connecticut’s ratepayers, and help the state meet key public policy goals, including adherence to greenhouse gas reduction goals. While we agree that private financing can and should play a role in helping to expand opportunities for energy efficiency savings, we hope that such financing mechanisms will be viewed as complements to the ratepayer-funded programs, and not substitutes for them. Energy efficiency is a unique

resource that requires a combination of legal mandates, public investments, enforceable policy goals and technical support from multiple actors working in collaboration and cooperation in order to be most effective.

More than anything, we stress that over-investment in energy supply infrastructure, whether electric or gas, absent a full and thorough analysis of the cost-effective clean energy alternatives, like energy efficiency, can have the unintended consequence of saddling Connecticut's consumers and businesses for generations to come with billions of dollars in costs while also furthering a reliance on environmentally harmful fossil fuels.

Thank you for the opportunity to comment on the 2014 draft IRP. Please consider NEEP a resource to provide advice and support to the state as you pursue clean, efficient energy solutions for Connecticut's long-term future.



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