



May 7, 2014

Susan Hudson, Clerk
Vermont Public Service Board
112 State Street
Montpelier, VT 05620-2701

Re: EEU 2013-01 Public Service Department 2015-2017 Budget Recommendations

Dear Ms. Hudson:

On behalf of Northeast Energy Efficiency Partnerships (NEEP),¹ I thank you for the opportunity to comment briefly on the budget and savings scenario's presented by the parties regarding the Vermont Energy Efficiency Utilities (EEU) for 2015-2017. By way of background, NEEP is a regional non-profit that works to accelerate energy efficiency in homes, buildings and industry across the Northeast and Mid-Atlantic states. Our Policy Outreach and Analysis group serves as an information resource for policymakers, advocates and program administrators to support the adoption and implementation of public policies and programs that advance energy efficiency.

We write in support of Scenario 3, the 3 percent savings scenario, advanced by Vermont Energy Investment Corporation (VEIC), the Conservation Law Foundation, and Vermont Public Interest Research Group (VPIRG) in their April 16 filings. Under this scenario, electric energy efficiency investments would increase gradually over the next two decades, consistent with Vermont's all cost-effective efficiency statute.² As the analysis undertaken by the parties in this proceeding shows, the 3 percent savings scenario would result in savings of over 1.2 million MWh in energy savings by 2034, and result in almost 20 percent lower energy use than the forecast for the VEIC service territory.³ Analysis undertaken by the Department of Public Service (DPS) shows that while Scenario 3 would have the largest impact on rates, it would also result in the largest reduction in energy bills for residential and business customers over the long term.⁴

Some regional perspective may also be useful as the Board makes its decision. Both per capita electricity investments and the energy savings targets for 2015-2017 are consistent with the other leading states in New England, Massachusetts and Rhode Island. Average per capita budgets in Vermont would rise to almost \$94 per person annually, similar to those levels

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 30 V.S.A., Chapter 209.

³ Michael Wickenden, Vermont Energy Investment Corporation (VEIC), "Recommended Electricity Efficiency Scenario for Vermont's 20-Year Demand Resources Plan Comparative Analysis and Findings," April 16, 2014, p. 13.

⁴ Tim Woolf et al., Synapse Energy Economics, "Rate and Bill Impacts of Vermont Energy Efficiency Programs from Proposed Long-Term Energy Efficiency Scenarios 2014-2034," prepared for Vermont DPS, April 14, 2014, p. 5.

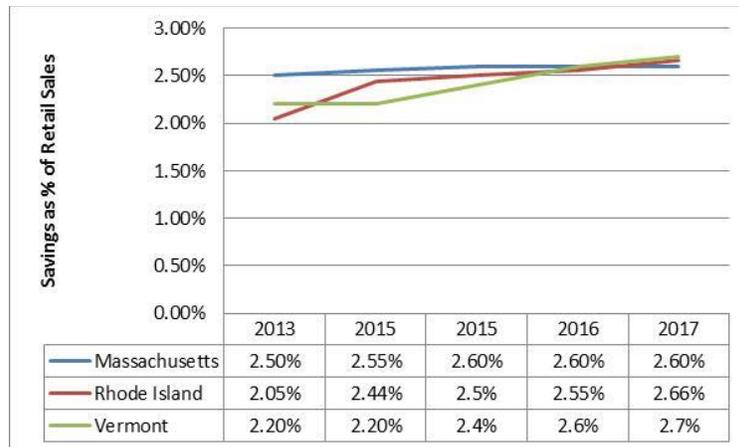


approved in Massachusetts and Rhode Island. Likewise, energy savings targets would be 2.6 percent of electric sales during the three year period, nearly identical to those in Scenario 3.⁵

Figure 1: Mass. R.I., and VT Electric Efficiency Budgets, 2013-2015 (per capita)



Figure 2: Mass. R.I., and VT Electric Savings Targets, 2013-2017 (% of Retail Sales)



We add that we concur with VEIC and other stakeholders that the energy efficiency investments made here should be viewed within the boarder context of Vermont’s energy landscape. Energy efficiency is and will likely remain the most cost-effective strategy to meet

⁵ These figures are derived from a comparison of recent Massachusetts and Rhode Island energy efficiency plans. For comparison’s sake, we assumed that Rhode Island’s 2015 energy efficiency budget would be similar to the level approved for 2014, and the Massachusetts electricity savings targets would be the same as 2015 in 2016 and 2017. Massachusetts’ savings targets are available online at http://www.ma-eeac.org/Docs/6_DPU%20Proceedings%20Page/2013-2015%20Three%20Year%20Efficiency%20Plans%20Order%201-31-13.pdf. Rhode Island’s savings targets are available online at [http://www.ripuc.org/eventsactions/docket/4443-EERM-EE-SavingsTargets\(9-17-13\).pdf](http://www.ripuc.org/eventsactions/docket/4443-EERM-EE-SavingsTargets(9-17-13).pdf).



the greenhouse gas emissions reduction goals envisioned in Vermont's 2011 Comprehensive Energy Plan. Energy efficiency can also play a significant role in reducing future state and regional energy infrastructure costs, as shown by the Synapse Analysis shows, and reducing potential costs associated with Vermont's renewable energy programs.⁶ Short-term rate impacts caused by energy efficiency investments should be weighed against these significant environmental and economic benefits.

Thank you again for the opportunity to comment in this important proceeding regarding Vermont's energy efficiency investments. Should you have any questions about the comments we have provided here, please feel free to contact me by email at jcraft@neep.org or by phone at (781) 860-9177 ext. 109.

Sincerely,

A handwritten signature in blue ink that reads "Josh N. Craft".

Josh Craft
Manager of Public Policy Analysis
Northeast Energy Efficiency Partnerships

⁶ Woolf et al., "Rate and Bill Impacts of Vermont Energy Efficiency Programs," p. 2.