



September 17, 2013

David J. Collins
Executive Secretary
Maryland Public Service Commission
6 St. Paul Street, 16th Floor
Baltimore, MD 21202

Re: Case Nos. 9153, 9154, 9155, 9156 and 9157, EmPOWER Maryland Energy Efficiency Programs
Maillog # 149692

Dear Executive Secretary Collins:

On behalf of Northeast Energy Efficiency Partnerships (NEEP)¹, thank you for the opportunity to offer comment on the Commission's August 9th order regarding the EmPOWER Maryland energy efficiency programs.² 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.

We will focus our brief comments today on the Maryland Energy Administration (MEA)'s July 16 proposal on the future of the EmPOWER programs after 2014 and the Commission's discussion of cost-effectiveness screening.³

First, we thank the Commission for opening up the October Semi-Annual EmPOWER Report hearings for a broader discussion of MEA's planning proposal. NEEP expresses our support for MEA's EmPOWER planning process as set forth in the document as it will provide the Commission and key stakeholders an opportunity to evaluate the impacts of its program and to refine its savings goals and program offerings after the current program year ends. Importantly, the EmPOWER Planning Group that MEA convenes will gather input from a broad range of stakeholders, including the electric and gas utilities, implementation contractors, evaluation experts, consumer groups, and environmental groups. NEEP has seen this inclusive planning process assist states throughout the Northeast and Mid-Atlantic region create and sustain successful customer energy efficiency programs.⁴

We note that states throughout our region are seeing strong evidence of the value that investments in energy efficiency can have in reducing electricity and natural gas load growth. ISO-New England's

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 Maryland Public Service Commission Order 85775 on Cases 9153-9157, August 9, 2013.

³ Maryland Energy Administration, Proposal for EmPOWER Planning in Cases 9153-9157, July 16, 2013.

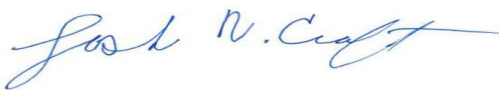
⁴ For a brief discussion of the stakeholder advisory board processes in Connecticut, Massachusetts, and Rhode Island, see Sosland, Loiter, and Schlegel "Collaboration that Counts: The Role of State Energy Efficiency Stakeholder Councils," 2012 ACEEE Summer Study on Energy Efficiency in Buildings, <http://www.aceee.org/files/proceedings/2012/data/papers/0193-000250.pdf>

recent 2013 Energy Efficiency Forecast finds that the collective energy efficiency programs of the New England states will keep electricity use flat through 2022 and curb peak energy demand significantly.⁵ NY ISO also comes to similar conclusions in its “2013 Load and Capacity Data” report, forecasting average energy growth of less than 0.5 percent through 2023 once the impact of New York’s energy efficiency programs are taken into account.⁶ While Maryland’s experience will be distinct from that of its neighbors, we see this as proof that an energy policy strategy that prioritizes energy efficiency as a first order resource, as EmPOWER statute does, can reduce load growth and offset potentially expensive new supply side energy alternatives.

Finally, NEEP thanks the Commission for providing stakeholders with an opportunity to discuss Maryland’s cost-effectiveness screening protocols for its energy efficiency programs. NEEP has been working with state regulators and utilities in the Northeast and Mid-Atlantic region to research current practices on cost-effectiveness tests through a project by the regional Evaluation, Management, and Verification (EM&V) Forum, which we look forward to discussing in greater depth at the hearing on October 2.⁷ Now is an optimal time for Maryland to examine what type of cost-effectiveness screening best complements its energy and environmental policy goals. The Commission can and should provide guidance to the EmPOWER Planning Group as it explores recommendations on avoided cost and cost-effectiveness screening as part of its planning process. We are confident that this investigation will allow the Commission to adopt a cost-effectiveness testing protocols that can enable a diverse portfolio of cost-effective energy savings programs while ensuring the best value for ratepayers.

Thank you again for invitation to NEEP to provide our input on this important energy efficiency proceeding, and we hope that the Commission will continue to view NEEP as a resource as it examines its energy savings goals, program offerings, and evaluation practices for its EmPOWER programs. If you have questions or concerns, please do not hesitate to contact me at jcraft@neep.org or (781) 860-9177 ext. 109.

Sincerely,



Joshua Craft
Manager of Policy Analysis
Northeast Energy Efficiency Partnerships (NEEP)

⁵ ISO New England, Energy Efficiency Forecast 2016-2022, February 22, 2013, http://www.iso-ne.com/committees/comm_wkgrps/othr/engy_effncy_frcst/2013frcst/index.html, p. 36-37.

⁶ New York Independent System Operator (NY ISO), 2013 Load and Capacity Data, “Gold Book” April 2013, http://www.nyiso.com/public/webdocs/markets_operations/services/planning/Documents_and_Resources/Planning_Data_and_Reference_Docs/Data_and_Reference_Docs/2013_GoldBook.pdf, p. 1-2.

⁷ For an overview of the EM&V Forum’s Cost-Effectiveness Project, see project “PD12-1” on page 2 of http://neep.org/Assets/uploads/files/emv/EMV_Forum_2012_Project_Descriptions_for_Web.pdf