



To: Anthony DePrima, Executive Director, Delaware SEU
From: Natalie Hildt Treat, NEEP Policy Outreach Manager
Date: October 1, 2014

Informal comments on the Sustainable Energy Utility Draft Strategic Plan

Dear Tony,

I was glad to meet you and have a few minutes to chat when I was in Dover recently for the Green and Better Building Advisory Committee Meeting. Thanks for offering the chance to provide impressions on the draft Sustainable Energy Utility (SEU) Strategic Plan, even though your deadline for formal comments has passed.¹

The plan certainly is all-encompassing, both as an operations roadmap, description of programs, and possible expansion roles for the SEU. My first impression is that the scope is quite broad, and that the SEU would do well to focus its efforts in the context of the significant energy policy and program changes underway in Delaware.

As I stated at the September GBBAC meeting and in my comments in favor of the energy efficiency expansion bill,² NEEP believes there is an important and leading role that the SEU and Energize Delaware can fill as the gateway to efficiency and other clean energy programs for all types of customers across the state, and also to fill roles that cannot be filled by other entities entering the energy solutions space. We see Energize Delaware as the first stop for energy information, a clearinghouse and a hub for programs that might be offered by the SEU itself as well as DNREC and the new utility programs.

In NEEP's experience, the most successful state efficiency programs have clear and coordinated program offerings, with customer-facing efficiency initiatives such as product rebates, energy audits and direct install programs best left to the utilities. We believe the most important role for the SEU is to do what these basic and in some ways constrained programs are not in the best position to offer. This includes:

- **Financing and bonding programs** - particularly to the "MUSH" market, and possibly by developing low or no interest loans for residential customers, subsidized by ratepayer or RGGI dollars, as is the case with the extremely successful HEAT Loans in Massachusetts.³ SEU is also an ideal home for a Green Bank that could be used to leverage utility programs and private financing.
- **Customer education and outreach** - through the Energize website, and in underserved markets and communities.

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

² <http://www.neep.org/sites/default/files/resources/NEEP%20letter%20-Support%20of%20DeI%20HB%20179%20%281%29.pdf>

³ <http://www.masssave.com/residential/offers/heat-loan-program>



- **Technology development and pilot programs** - SEU is an ideal entity to work on pilots targeting specific types of customers with unique needs and to test and evaluate emerging products and building methods.
- **Complementary programs** - SEU could work with DNREC on building code training and compliance, building energy rating and disclosure, community-scale outreach initiatives, and other such efforts that help to continually drive savings and building performance in tandem with traditional ratepayer-funded incentive programs.
- **Pathway to Green Schools** - this is exactly the type of program we see as ideal for SEU oversight and coordination,
- **Evaluation, measurement & verification** - We are glad to hear of the SEU's enthusiasm for EM&V. While regional collaboration and statewide utility program evaluation are important, there may be some studies and projects that would do best to live at the SEU as a trusted voice on energy efficiency issues among key stakeholders.

These are among what we see as the best-suited roles and programs for the SEU. We know that the SEU already collaborates closely with DNREC, and that as the new Energy Efficiency Advisory Council (EEAC) comes together and the utilities submit their program plans and budgets, that the SEU will be closely engaged to ensure maximum benefit for the citizens, businesses and municipalities of Delaware – at the least cost. That is why we urge the SEU board and directors to focus on the offerings that cannot be easily filled by utilities (maybe because they are cost-constrained, or bound by cost-benefit screening requirements), while shifting administration of common and prescriptive customer-facing incentives to the utilities that are best suited to offer them.

We believe it is critical that the SEU's final strategic plan develop in the context of the significant changes underway in Delaware's energy efficiency landscape, and that collaboration and partnerships should be leveraged to improve the customer experience, provide clarity for the evolving efficiency services market, reduce administrative costs, and help the state go further on its clean energy and energy-saving goals.

My colleagues and I look forward to offering continued support to the many entities in Delaware working to broaden access to energy efficiency programs, particularly in these exciting times of change and expansion. Please do not hesitate to contact me if we can be a resource on policy and program best practices, or to make introductions to people across the region with expertise in the areas that the SEU and your partners are navigating. Thanks again for the opportunity, and I hope to see you soon at an upcoming EEAC meeting.

Sincerely,

A handwritten signature in blue ink that reads "Natalie Hildt Treat".

Natalie Hildt Treat
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