



**Comments of Natalie Hildt, Manager of Public Policy Outreach
Northeast Energy Efficiency Partnerships (NEEP)
To the Connecticut Energy Efficiency Board (EEB)
Regarding the 2013 Conservation and Load Management Plan
May 23, 2012**

Commissioner Esty and members of the Energy Efficiency Board:

On behalf of Northeast Energy Efficiency Partnerships, I am pleased to offer input on the 2013 Conservation and Load Management (CL&M) plans being developed through the Connecticut Energy Efficiency Fund (CEEF).¹ NEEP was glad to participate in the May 9 public comment session at the state house, where we delivered oral comments on a handful of key topics. These comments regarding the 2013 C&LM plans are meant to generally reinforce those comments and reiterate several of the key principles we have recommended in past proceedings.

NEEP congratulates the Malloy administration, DEEP, the EEB and its stakeholders, including the distribution utilities, for their progress in envisioning and delivering exceptional, cost-effective efficiency programs to all market sectors. Progress towards comprehensive all-building programs, enhanced financing products, a unified statewide brand and web portal, and community-based promotions like the Neighbor-to-Neighbor Challenge are all very encouraging to see. Connecticut has been wise to partner with other states to leverage efforts such as Top Ten USA², the Design Lights Consortium³ and projects of the Regional EM&V Forum.⁴ Shared efforts can draw on joint resources and expertise of the wider energy efficiency community, while stretching ratepayer dollars further to bring continuous improvement in programs and customer offerings.

We are pleased to see a renewed focus by the state and the utility program administrators on leveraging complementary policies to advance energy efficiency. NEEP believes the utilities can and are playing a vital role in things like building energy code training and enforcement, and helping to advance new federal appliance standards and the latest model energy codes with the state⁵. Building energy rating and disclosure is another important means to understanding and valuing efficiency in homes and commercial buildings, and we are glad to see interest in developing market-based approaches that work for the building community.

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 Connecticut is a partner in this effort to bring high-efficiency product info to customers: <http://www.toptenusa.org/ct>

³ The DLC's Qualified Product List is widely regarded as a resource for the lighting industry: <http://www.designlights.org/>

⁴ The Evaluation Measurement and Verification Forum conducts joint studies on behalf of member states: <http://neep.org/emv-forum>

⁵ See [CT's Top Code Priorities in 2012](#), a document created by NEEP and our partners that lays out a strategy to advance building energy codes in the state. This guidance should be useful for the utilities as they develop 2012 C&LM plans.

NEEP just this week issued a report entitled **“A Roadmap to Zero Net Energy Public Buildings: Recommended Steps for the Northeast and Mid-Atlantic,⁶”** which was developed in collaboration with a group of regional building energy stakeholders and outlines key steps the public sector can take to facilitate the eventual broad adoption of zero net energy building practices in state and local jurisdictions throughout the region. While many of these recommendations focus on policies that might be realized under other authority (such as advanced building energy codes or executive orders mandating a certain level of energy performance in public buildings), the report does also focus on the role that energy efficiency programs can play in advancing the development of net zero energy public buildings. Recommendations in relation to those programs included:

- Maintain appropriate financial incentives – and remove disincentives – for utilities to promote an expanded suite of energy efficiency programs to their customers, including programs to aid the public sector in pursuing net zero energy buildings.
- To promote greater use of on-site, building integrated renewable energy, the state needs to ensure that any barriers to the development of such systems are minimized, including grid interconnection fees related to net metering.
- Lastly, the aggressive energy efficiency scenario as recommended by the EEB and DEEP will allow zero net energy buildings in the public sector access to more substantial funding to overcome first-cost hurdles for those measures needed to reach zero net energy status. Because public entities cannot easily access many of the tax incentives available to for-profit businesses, it is critical to have the C&LM programs actively engaged in overcoming the financial barriers to ZNE performance in order for public buildings. As a related recommendation, the CEEF should consider directly marketing its programs to public buildings separately from the “small business” or general commercial programs. While strong programs may exist for public buildings, they are not always identifiable or taken advantage of by communities.

Other recommendations that aren’t necessarily directly in line with the C&LM programs, but are related in some key ways and therefore should be coordinated with the programs, include:

- Expand reliable and readily understood information and guidance regarding zero net energy buildings to help inform public policy decision-makers. In this vein:
 - Support the rating and disclosure of building energy performance.
 - Develop a “Path to Highest Performance” information campaign, to convey consistent messages to the broadest possible audience, from building professionals to the public at large.
 - Promote the continued development of exemplary public buildings as demonstration or “leading by example” projects.
- Support training in advanced building efficiency, including design teams, code enforcement officials, contractors, energy raters and commissioners, facilities managers and building operators, and installers of solar photovoltaic and other renewable energy systems.

⁶ Report can be found at: <http://neep.org/public-policy/3/78/High-Performance-Schools-Public-Buildings>

- Support building energy codes in Connecticut that progressively lower energy use over the next 20 years so that codes are eventually strict enough to facilitate ZNEBs, with a focus on outcome-based rather than prescriptive requirements to allow for innovative approaches to lowering energy use; requirements for continuous commissioning to ensure that buildings are performing as expected; and means to address all energy used in the building, including plug loads, i.e. the energy consumed by devices plugged in to electrical outlets.

The state of Connecticut and the utilities have also been active partners in joint regional projects like the **Northeast Residential Lighting Strategy (RLS)**. This recent report finds that:

- While Connecticut Efficiency Programs have achieved great strides, with about 5 million bulbs distributed in 2011 alone— nearly 2/3 of sockets are filled with inefficient products — meaning there is still tremendous potential for savings.
- Residential lighting remains the most cost-effective program measure even with the advance of federal efficiency standards.
- Working regionally is critical to stretching ratepayer dollars by fostering robust industry participation across state and program borders, bringing product and program costs down.

Though CL&P and UI are already using the Residential Lighting Strategy to inform their program planning, we remind EEB stakeholders and policymakers that key recommendations include:

- Providing regulatory support for multi-year planning and flexibility for alternative program approaches to limit free-ridership concerns
- Educating consumers by delivering clear, consistent messages about efficient lighting
- Ensuring high levels of product quality and performance to meet or exceed consumer expectations
- Remembering that the RLS is a living document and key CT stakeholders are encouraged to stay engaged in its planned revision. ⁷

NEEP included many of these same comments in response to the technical session convened by the DEEP in January of this year regarding the 2012 C&LM plans.⁸

We remind members of the EEB, DEEP and PURA that as programs seek to go broader and deeper in capturing energy savings across market sectors, program savings can lessen and costs sometimes increase per measure or customer served. Yet as the state's utilities continue to operate under the mandate of Public Act-07-242, which requires them to procure all cost-effective energy efficiency before fossil fueled power generation, there will continue to be a great number of cost-effective opportunities at the program and portfolio level. The utility program administrators should be encouraged to try new models to reach more customers and treat each

⁷ Additional details and strategies are found in the report, available at <http://neep.org/regional-initiatives/6/56/High-Efficiency-Residential-Lighting>

⁸ See: [NEEP Comments on DEEP Technical Session on 2012 C&LM Plan](#) (1/19/2012)

building at a holistic level. This will mean continuing to integrate gas and electric offerings; maintaining efforts to serve customers who heat with oil; allowing budget flexibility and freedom to test new technologies; and harnessing the power of data and education to encourage behavioral changes.

Issues of cost-effectiveness and rate impacts will undoubtedly be revisited as Connecticut seeks to ramp up its efficiency investments to meet ambitious new savings goals. Again, NEEP points to research that shows while customer rates may increase nominally in the initial phases of a ramp-up, wholesale demand will be suppressed overtime, and all customers, not just program participants, will benefit in a loading order that puts energy efficiency ahead of more costly and polluting fossil fuels.

Where analysis has been done on impact scenarios from increased surcharges to build efficiency funds in other states — specifically, the Rate Impact Working Group in Massachusetts convened by the Department of Public Utilities under the Green Communities Act — the conclusion has been that any rate impacts would be nominal compared to the significant savings realized through the capture of all cost-effective energy efficiency. The so-called Demand Reduction Induced Price Effect, or “DRIPE,” has the potential to drive energy costs down for participants and non-participants alike. NEEP continues to monitor this working group and experiences of other states and will share learnings as they bear on the Connecticut experience.

Investments in efficiency have many benefits, including macro-economic – reducing strain on the electric grid, particularly in constrained territories like Southwest Connecticut; expanding job creation; keeping more energy dollars in state – and micro-economic – saving residents, businesses and municipal customers on their energy costs while increasing building comfort and worker performance. Of course, the environmental and public health benefits of reducing emissions are documented as well.

While at the time of the submission of these comments we are awaiting final PURA review of the Integrated Resource Plan and issuance of new state goals and funding mechanisms, NEEP strongly supports efforts of the state to ramp up efficiency investments while aligning incentives for the utility program administrators to be true partners in delivering program excellence to customers.

Thank you for the opportunity to comment on the 2013 C&LM Plan. NEEP stands ready 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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