



January 19, 2012

Tracy Babbidge
Interim Bureau Chief
Department of Energy and Environmental Protection
Bureau of Energy and Technology Policy
Ten Franklin Square
New Britain, CT 06051

Dear Ms. Babbidge,

North Energy Efficiency Partnerships (NEEP) submits these comments¹ in accordance with the Notice of Request for Comments and Technical Meeting, 2012 Conservation and Load Management Plan, issued December 23, 2011. NEEP is a regional nonprofit organization whose mission is to accelerate energy efficiency in homes, buildings and industry in the Northeast and Mid-Atlantic regions of the United States. We do this through advocacy, collaboration, and education designed to accelerate energy efficiency and make visible its impacts on the region, economy, the planet, and future generations. In addition to planning to work with the Department and other stakeholders in the ongoing processes to set the 2012 C&LM plan, as well as the utilities' Integrated Resource Plan, we at NEEP are also looking forward to engagement with DEEP throughout this year as we prepare for our annual regional energy efficiency summit in Stamford this June. (For more information, see: <http://neep.org/neep-summit/neep-summit>).

First and foremost, NEEP commends DEEP for its efforts to restore Connecticut's leadership in energy efficiency and fulfill the department's charge in Public Act 11-80 to "conserve energy resources by avoiding unnecessary and wasteful consumption [and] consume energy resources in the most efficient manner feasible." The 2012 Base Conservation and Load Management Plan is the first step towards achieving all cost-effective efficiency. We encourage the Department to continue the open dialogue present in last week's technical session as a way to build consensus towards the necessary policy and program changes that can facilitate broader and deeper savings within its energy efficiency programs. NEEP looks forward to working with DEEP staff as well as Energy Efficiency Board members and consultants, the Office of Consumer Counsel, the program administrators, and other stakeholders, as they finalize the 2012 plan and on the expanded savings scenario envisioned as part of the forthcoming Integrated Resource Plan (IRP) proceeding later this year.

We offer these brief comments in response to the areas of inquiry outlined in the memo of Jan. 9:

Home Energy Solutions (HES) Funding for Oil Heat Customers

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

We agree with stakeholders from the technical session that a stable source of funding is required to allow programs to serve oil heated homes, which represent about half of the residences within the state. As ARRA funding is ending and RGGI funds are likely to prove insufficient to fund a robust oil heat efficiency effort, NEEP suggests that the state will need to identify more adequate and reliable sources of revenue to address oil heat efficiency. Although outside of this docket, we encourage DEEP to engage with legislators this coming session to create a long-term solution to this issue by enacting a surcharge on deliverable fuels, as a number of neighboring states are currently considering. Such a policy would meet the growing demand for HES services, ensure that contractors can undertake “whole home” efficiency approaches regardless of fuel, and allow the programs to leverage RGGI proceeds both in this and in other program areas, such as new financing programs.

Financing

Connecticut has established itself as an innovator in the area of energy efficiency finance through its on-bill financing program and the new Clean Energy Finance and Investment Authority. NEEP encourages DEEP staff to take note of the variety of new efforts to promote self funding of energy savings projects through financing programs in neighboring states, particularly in the residential sector where first cost is most often a significant barrier to investment in energy efficiency improvements.² The Northeast is rapidly becoming a leader in the area of energy efficiency financing and a region dialogue will allow states to discover best practices about how to create and administrator such programs.

Program Goals

NEEP supports efforts to create long-term energy and load savings goals in order to guide annual program development and provide clearly defined metrics that allow policymakers and staff to track progress towards actual savings performance by programs and identify new areas and challenges for consideration in future years. Multi-year program planning also provides a signal to the market that programs are likely to grow and continue over time, rather than be dependent upon annual or biannual regulatory proceedings. Every other New England state, for example, now creates three-year energy efficiency plans that include savings goals and detailed funding plans, an approach that has generally resulted in higher levels of energy savings.³ We recommend however that any long term savings goals should be flexible and account for changes to the cost of energy supplies and general economic conditions.

Retail Products

DEEP has asked about residential lighting in the context of the passage of the Energy Independence and Security Act of 2007, which has begun phasing out lighting products that don't meet a minimum energy efficiency standard. Specifically, the Department has asked respondents “to discuss whether

² Maine's [PACE Loan Program](#), Massachusetts [MassSave Financing](#), and New York's [Green Jobs Green New York program](#) are each different approaches to overcoming financing challenges in the residential sector. NEEP is happy to provide DEEP staff with further information on these programs as may be useful.

³ For a brief overview of growing expenditures and savings from energy efficiency programs in the Northeast, see NEEP's “Energy Efficiency Policy Snapshot” online at <http://neep.org/uploads/policy/EE%20Policy%20Snapshot--10.22.11.pdf>.

incentives for CFLs should be discontinued and how this would impact program savings, targets and goals.”

Responding chiefly to EISA, NEEP in 2011 convened a group of stakeholders from across the region to address the issue of what strategic direction ratepayer funded energy efficiency programs should be going in terms of residential lighting. Next month, NEEP will issue the final report of this strategic advisory group. But because this issue is so important to the ability of states to reach energy savings targets, we are including here the recommendations in relation to lighting that we hope can inform the Department’s direction on the C&LM programs.

Even with new minimum federal lighting efficiency standards, energy efficient lighting products will continue to offer a major opportunity to cost-effectively reduce household energy use over the next eight to nine years. As a result, high efficiency products offer an important role to assist Connecticut to realize the capture of all cost-effective energy efficiency as articulated in the state’s policy goals and provide broad energy, economic and environmental benefits.

While acknowledge that the program costs to promote a broader range of new efficient lighting products will be higher than current programs costs, we also point out that increased market adoption of a broader array of efficient lighting products will provide significant costs savings compared to reliance on products that minimally meet new federal lighting standards, and will continue to do so through 2019. To achieve these savings the residential lighting market will require **continued promotion of compact fluorescent lamps (CFLs) and growing support of light-emitting diode (LED) lighting** technology by the Connecticut Energy Efficiency Fund’s program administrators, in concert with product retailers and manufacturers. For this to occur, we recommend the following key elements of a residential lighting strategy:

1. **The C&LM programs continue to play a strong role to support consumer adoption of energy efficient lighting products with a near-term focus on ENERGY STAR CFLs, 2x halogens (or halogen incandescent lamps that are currently twice as efficient as a pre-EISA incandescent lamps) and other specialty lighting solutions with a growing focus on white-light LEDs as products improve and prices become more competitive.**
2. **All C&LM stakeholders - including the utilities, DEEP and partner organizations - commit to building consumer knowledge of and satisfaction with high efficiency lighting products including implementation of clear and consistent consumer messages.**
3. **The programs continue to play an active role in and are vigilant to maintain a high level of lighting product quality and performance to meet or exceed consumer expectations.**
4. **The programs participate in the regional collection of key market data to inform ongoing program planning, implementation and assessment of impacts and progress towards outcomes.**
5. **The DEEP and the utilities continue to provide input to federal processes to set future lighting standards that reflect the market adoption of lighting products in the state as well as**

integration of lighting efficiency into national model building energy codes, and, eventually, state building energy codes.

6. **The DEEP and PURA provide regulatory support for a multi-year strategy to transform the residential lighting market** with flexible programs responsive to market developments and new approaches to program evaluation, particularly with regard to cost-effectiveness.

Thank you for the opportunity to comment on the 2012 C&LM Plan. NEEP stands ready to work with the Department and the Efficiency Fund program administrators as you pursue clean, efficient energy solutions for Connecticut's long-term future.

Sincerely,



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