



**Comments of Natalie Hildt, Manager of Public Policy Outreach
Northeast Energy Efficiency Partnerships (NEEP)
Regarding Navigant Consulting's Review of the
Efficiency Maine Trust Triennial Plan 2011-13
PUC Docket 2010-116**

June 17, 2010

Sharon M. Reishus, Chairman
Jack Cashman and Vendean Vafiades, Commissioners
Maine Public Utilities Commission
18 State House Station
Augusta, ME 04333-0018

Commissioners Reishus, Cashman and Vafiades:

On behalf of Northeast Energy Efficiency Partnerships (NEEP)¹, I thank you for the opportunity to comment on Navigant's review of the Efficiency Maine Trust's First Triennial Plan.

NEEP is a regional nonprofit that accelerates the efficient use of energy in homes, buildings and industry in the Northeast. We advance cutting-edge products and practices through coordinated, whole-building efficiency programs and policies. Saving energy creates a stronger economy, a cleaner environment and a more reliable and affordable energy system.

We congratulate the state for its foresight and leadership in developing the new Efficiency Maine Trust programs, and in assembling experts to help craft and review the first Triennial Plan. Navigant Consulting did an impressive job delving into the plan and noting its strengths and possible areas for improvement.

While we understand that Navigant's charge was to bring to light any and all possible concerns with the plan as initially conceived under the enabling legislation (35-A-MRSA §10103), NEEP maintains that, overall, the plan provides a well-conceived, adequate and appropriate road map to guide the Trust through its first three years. It is our position that the Public Utilities Commission (PUC) should approve the plan with minimal revision and delay. The Trust's consultants, Optimal Energy Inc. and Dunsky Energy Consulting, have done a solid job in laying the framework for the new Efficiency Maine Trust (EMT) programs. The flexibility designed in this plan is critical to its success, and will allow the Trust to respond to customer demand, changing market forces and evolving technologies and practices.

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



It is essential for the PUC to hold the Trust accountable for delivering results in terms of kWh and therm savings that are cost-effective and customer-oriented. The PUC's role in safeguarding the ratepayer's interests must be ensured. But it is also important that the Trust be free to deliver programs to meet their legislative and regulatory charge without being subjected to overly detailed scrutiny.

Certainly it is informative to review this plan in comparison with the strategies and programs laid forth by other states with leading efficiency programs. While NEEP consistently advocates for the sharing of best-practices and for regional coordination, we realize that some circumstances in Maine are unique. Perhaps more importantly, we also acknowledge that the new Efficiency Maine Trust should be empowered to create its own framework, with oversight provided by the Commission, but with latitude afforded to both the Trust Board members and its staff.

In general we see the Navigant report as helpful, and we concur with some of the concerns raised in the assessment. These include the need for a stable funding mechanism for thermal efficiency programs and a larger ramp-up in the budget for program measurement and verification. NEEP does believe that the Trust fully comprehends the value of evaluation starting from program inception, and that they will be working with experts on staff, contractors as well as continuing to participate in NEEP's EM&V Forum.

We also agree that it would be valuable for future plans and reports to provide more details on program specifics, and expect this to come naturally as programs are developed. We too would like to see an outline on the long-term vision of the Trust in future plans; however this was not a charge of the initial plan. Finally, NEEP will continue to advocate for sufficient resources to capture all cost-effective energy efficiency in the state and to ensure progress towards the very ambitious and visionary policy goals laid forth in The Efficiency Maine Trust Act, 35-A-MRSA §10103.

Another key area of agreement is that the PUC and the Trust should put in place a stakeholder advisory board to help create and oversee the state's ratepayer funded efficiency programs. These boards have been a major reason for the success of efficiency program coordination and administration in other states, where it has proven invaluable to have the voices and support of the various sectors who will be involved in delivering and receiving these programs. Certainly the role of the Efficiency Maine Trust Board itself has been invaluable to this end. We also commend the EMT Board and the PUC for their frequent solicitation of public comment in the development of the first plan.

As Navigant acknowledged on page 10 of their evaluation, the level of detail in the first Efficiency Maine Trust plan is generally consistent with that provided by Efficiency Vermont and the Energy Trust of Oregon, on which the EMT was modeled. Their report cites Massachusetts as providing more the level of detail they'd like to see in Maine's plan. But it



should be noted that both the Energy Trust of Oregon and Efficiency Vermont have been recognized as two of the best program administrators in the country. NEEP contends that this is due in no small measure to the flexibility those program administrators are afforded to adapt to changing circumstances and maximize savings opportunities.

It is also important to recognize in the case of Massachusetts, their plan required a high level of detail and specificity because of the major change that took place with the implementation of that state's Green Communities Act of 2008. Ten different program administrators were involved, and are now asked to deliver integrated and consistent gas and electric programs across the state. Massachusetts also has a significantly larger budget and had a much longer planning period than Maine had in developing the first triennial plan.

We believe it should be the role of the PUC to provide the Trust with the tools and resources to succeed in delivering on the plan, striking a balance between program guidance and oversight while allowing the new Trust staff to design the programs and processes that they deem appropriate. Overly-prescriptive program requirements will not ensure the success of the plan as envisioned in the enabling legislation, but might in fact undermine it.

NEEP would caution the PUC not to get too "in the weeds" on the issues of program approval, evaluation and reporting. We have witnessed regrettable and frustrating situations in other states where the regulating body takes an extremely hands-on approach to program administration. This has resulted in delay of program launch, inability to shift funds to respond to customer demands and requiring detailed monthly reports by budget line item.

This level of specificity and scrutiny provides very little value in actually determining progress toward goals, but it does serve to hinder the program administrators from providing the best value for ratepayers and effectively delivering programs, and ultimately hurts customers. We are satisfied with the level of communication that Navigant suggest on page 41 or their review, in terms of high level quarterly compliance reports and Commission staff participating in select Trust Board meetings.

In closing, NEEP appreciates the in-depth review conducted by Navigant, and we believe that many of their suggestions can work to strengthen the programs as they evolve in the coming years. Yet we maintain the emphasis should be on flexibility, and that the Trust's initial plan is appropriately results-oriented. No doubt many more details and specifics will be fleshed out by the Trust and the PUC in the coming months.

We urge the PUC to let the Efficiency Maine Trust put their programs and staff in place so that they may begin delivering these valuable energy-saving opportunities to the state's commercial and residential customers. We are confident in the leadership of the Trust to build on the state's existing strengths and to create an organization that will guide Maine as it faces the energy challenges of the future.