



January 19, 2011

Hon. Dominick Ruggerio
Office of the Senate Majority Leader
State House, Room 318
Providence, RI 02903-1105

RE: Least Cost Procurement for Energy Efficiency

Dear Senate Majority Leader Ruggerio:

On behalf of Northeast Energy Efficiency Partnerships (NEEP), please accept our gratitude for your work in making Rhode Island a national leader in energy efficiency policy. NEEP is a regional non-profit organization that advances the efficient use of energy in homes, buildings, and industry in New England, New York, and the Mid-Atlantic states. We accomplish this through regionally coordinated programs and policies that increase the use of energy efficient products, services and practices, and help achieve a cleaner environment and a more reliable and affordable energy system.¹

We are writing today to request that you consider making technical revisions to the Least Cost Procurement Law passed last year, R.I.G.L. § 39-1-27.7. This important legislation made important changes to energy efficiency policy in your state that will save customers millions of dollars in the years ahead. The law directs the Public Utilities Commission (“the Commission”) to fund all-cost effective electric and natural gas efficiency measures that are cheaper than new energy supply. However, while the Commission approved a groundbreaking electric efficiency program for 2011, inconsistencies stemming from outdated provisions within R.I.G.L. § Sections 39-2-1.2(b) and (f) prevented the Commission from approving full-funding for the Least Cost Procurement plan for natural gas efficiency. Analysis done by Environment Northeast (ENE) shows that not fully-funding natural gas energy efficiency programs will result in:

- more than \$16 million in lost efficiency of savings for natural gas consumers;

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



- a 75% decrease in gas efficiency participants - cutting from 12,800 participants down to 3,200;
- and a lost opportunity to create 290 job-years of local employment.

We respectfully request that the General Assembly revise Sections 39-2-1.2(b) and (f) to remove any impediments to fully funding cost-effective natural gas energy efficiency programs and make it consistent with the intent of the Least Cost Procurement law. This measure will help reduce energy costs for natural gas customers, provide opportunities for local businesses providing weatherization services and high-efficiency heating equipment, and curb harmful greenhouse gas emissions.

We thank you for your consideration of this important matter. Please do not hesitate to contact me if you have questions relative to these comments, or other issues pertaining to the energy efficiency policies that are working in the Northeast states.

Sincerely,

Natalie Hildt
Manager of Public Policy Outreach
nhildt@neep.org (781) 860-9177 ext. 121