



December 15, 2010 - *Via electronic mail*

To: Governor-Elect Paul LePage and Transition Team c/o John McGough
From: Natalie Hildt, Manager of Public Policy Outreach
Subject: Harnessing the Potential of Energy Efficiency in Maine

On behalf of Northeast Energy Efficiency Partnerships (NEEP) please accept our congratulations on your election as the next governor of Maine. By way of introduction, 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 know you are concerned with many of the same issues we are, including mitigating the high costs of energy for the state's residents and businesses and creating jobs, while at the same time protecting Maine's environment and natural beauty. In that vein, we offer some thoughts about to best harness the potential of energy efficiency as a tool to contain energy costs, grow the economy and protect the environment.

Maine has distinguished itself as a regional leader in deploying energy efficiency as a means of achieving public policy goals. The Maine legislature, the new Efficiency Maine Trust, the Public Utilities Commission and many other stakeholders deserve tremendous credit for their work in rolling out the Trust's programs in the last year. If fully-implemented, the Trust's first triennial plan for Maine is projected to yield over \$800 million in savings over three years, with \$4 in economic benefits realized for every \$1 invested in efficiency, and \$1 billion added to the gross state product.²

Maine's residents and businesses stand to reap major saving on their energy costs, putting money back in consumers' pockets to be spent in-state on other goods and services. These programs will have real and lasting benefits for the state's ratepayers, both program participants and non-participants alike, as large scale efficiency has proven to deliver across the board price reductions in wholesale electricity costs³. Maine continues to receive national recognition for its efficiency efforts, again placing in the top ten in the American Council for Energy Efficiency (ACEEE)'s national 2010 Scorecard.⁴ This adds further proof to the effectiveness of these programs.

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.energymaine.com/docs/other/EMT_Final_Tri_Plan.pdf

³ <http://www.synapse-energy.com/Downloads/SynapseReport.2009-10.AESC.AESC-Study-2009.09-020.pdf>

⁴ ACEEE 2010 State Energy Efficiency Scorecard rankings are available at <http://www.aceee.org/sector/state-policy/scorecard>



Your leadership will be crucial to ensuring that Maine continues to deal effectively with its energy and environmental challenges over the next four years, and we encourage you to support and build upon the work the state has done on energy efficiency to ensure that this success can continue into the future.

Following are some priority stances which we hope you will take as governor:

Support the Efficiency Maine Trust

The Efficiency Maine Trust (EMT) is the stakeholder governance board that brings together representatives from state government, business, academia, the utilities, industry, and the environmental community to administer the state's energy efficiency programs. The EMT has been successful in creating consensus on innovative energy policy for the state, including policies to capture all-cost effective energy efficiency. Long-term stable funding for efficiency gives Maine's businesses and residents certainty about investing in money-saving upgrades to their buildings and equipment, which help drive the state's competitiveness.

Support Energy Efficiency within the Public Utilities Commission

As a governor, you will have the opportunity to make new appointments to the Public Utilities Commission. We encourage you to appoint commissioners that have demonstrated a strong record on energy efficiency and economic issues. In particular, the Commission also has the opportunity to move forward additional complementary measures, including revenue decoupling for utilities, which breaks the links between volumetric sales and profits. Decoupling would make utilities full partners in delivering the reduced energy costs for ratepayers that energy efficiency programs help provide. Most importantly, however, we would urge Commissioners to consistently recognize that overall reductions in energy costs, and *not just rates*, is what is most important for Maine's future. As such, we urge the PUC to enter into all proceedings with a willingness to place energy efficiency on equal footing with all other energy resources.

Improve Building Energy Performance

Maine has made important strides towards higher energy and environmental performance in buildings across the state by adopting the latest version of the International Energy Conservation Code. For the first time, Maine's builders and building owners have a consistent, uniform and reliable benchmark by which to construct new homes and buildings, and consumers have a safeguard that the buildings they occupy will be built to minimize energy use. We hope your administration will work towards full compliance with building energy codes in order to realize their full energy savings potential, as well as to fulfill the state's guarantees to the U.S. Department of Energy that were made in return for the receipt of millions of dollars in clean energy funding through the American Recovery and Reinvestment Act. We also recommend that the state consider creating an optional "stretch code" for communities wishing for higher building performance and promoting greater disclosure of energy performance in residential and commercial properties.



Open up Energy Efficiency Programs to All Customers

Currently, comprehensive energy efficiency and weatherization programs are only available to natural gas and electric customers, despite the fact that 80 percent of homes and most businesses in Maine heat with oil. Full access to thermal energy savings programs should be made available to these customers. Maine is leading the region in its efforts to develop all-fuel efficiency programs, for the first time making whole-building efficiency a reality for many property owners. We urge your administration to support the Efficiency Maine fuel oil and weatherization programs.⁵

New Report Outlines Energy Efficiency Potential

We would like to call to your attention an important [new report](#) called *From Potential to Action: How New England Can Save Energy, Cut Costs, and Create a Brighter Future with Energy Efficiency*. This report highlights the economic potential of energy efficiency that can be captured for less than the cost of generating and delivering new electricity from power plants, and provides policy guidance for states to maximize this potential.

From Potential to Action shows that the Maine and the New England states have the potential to reduce forecasted electric demand by about 20 percent over the next eight years. Capturing this level of efficiency by 2018 will increase gross state product by \$54.6 billion and create thousands of jobs in the region by adopting cost-effective energy efficiency policies.

Positive Economic Impacts

- Achieving the level of efficiency savings identified in this report would ultimately increase gross state product (GSP) by \$54.6 billion and increase employment by 421,906 job years throughout the region.
- It would result in positive net societal benefits of \$19.6 billion.
- It would be like taking 4 million homes off the electric grid for one year - about equal to the number of households in Connecticut, Massachusetts and Vermont combined.

Positive Environmental Impacts

Reducing power generation by 31,800 GWh would:

- Cut CO₂ emissions by nearly 80 million metric tons, equal to the annual emissions of 3 million passenger vehicles.

⁵ The Efficiency Maine Trust will issue a Heating Fuels Efficiency and Weatherization Report to the legislature in January. See <http://www.energymaine.com/in-your-community/heating-fuels-efficiency>.



- Cut annual emissions of sulfur dioxides (SO₂) and nitrogen oxide (NO_x) by 8,500 and 5,000 metric tons in 2018, respectively.

The full report is available on NEEP's website at <http://neep.org/public-policy/policy-outreach-and-analysis/potential-study>. We would be happy to mail you a hard copy if requested.

Thank you for considering our input during this important period for your new administration. Taken together, the above measures will lower energy bills for residents, create much-needed jobs, and produce meaningful reductions in harmful emissions. We look forward to working with your administration in years ahead. Please do not hesitate to contact NEEP at any time if you have questions about energy efficiency or other energy policy issues.

Contact info:

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