



December 9, 2010

To: Governor-Elect Lincoln Chafee and Transition Team c/o Brian Daniels
From: Natalie Hildt, Manager of Public Policy Outreach
Subject: Accelerating Energy Efficiency in Rhode Island

Congratulations Governor-Elect Chafee in being chosen as Rhode Island's next governor. Northeast Energy Efficiency Partnerships (NEEP) looks forward to your continued leadership, particularly on issues concerning clean energy and energy efficiency as solutions to many pressing local and global challenges.

We appreciate the opportunity to provide comments as your team prepares to take office. 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

As you are aware, over the last year years Rhode Island has established itself as a regional leader in promoting energy efficiency. Energy efficiency is the cheapest, cleanest energy resource available today and the state has been wise to make it the "first fuel" in their energy portfolio. If fully-implemented, Rhode Island's Least Cost Procurement Energy Efficiency plan will provide over \$280 million in benefits by 2011 and between \$500-600 million by 2014.² Rhode Island received national recognition for this law, as the state recently rose to seventh nationally in the American Council for Energy Efficiency (ACEEE)'s 2010 Scorecard.³

Your leadership will be crucial to ensuring that Rhode Island can 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 in your administration and into the future.

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

- **Support the Energy Efficiency and Resource Management Council (EERMC)**
Rhode Island's Energy Efficiency and Resource Management Council (EERMC) is the stakeholder advisory board that brings together representatives from state government,

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 This refers to the Comprehensive Energy Conservation, Efficiency and Affordability Act of 2006 (<http://www.rilin.state.ri.us/BillText/BillText06/SenateText06/S2903Baa.pdf>). Estimate of consumer benefits come from Environment Northeast's "Memo to the Next Governor of Rhode Island" and the Rhode Island Energy Efficiency and Resource Management Council (EERMC)'s proposed energy efficiency savings targets for 2012-14 ([http://www.ripuc.org/eventsactions/docket/4202-EERMC-EST-Filing\(9-1-10\).pdf](http://www.ripuc.org/eventsactions/docket/4202-EERMC-EST-Filing(9-1-10).pdf)).

³ ACEEE 2010 State Energy Efficiency Scorecard rankings are available at <http://www.aceee.org/sector/state-policy/scorecard>



business, academia, the utilities, industry, and the environmental community to make decisions about energy efficiency policy and programs. The EERMC has been successful in creating consensus on innovative energy policy for the state, including policies to capture all-cost effective energy efficiency.

- **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 environmental issues. Most importantly, the commission should move forward on 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.
- **Improve Building Energy Performance**
Rhode Island has made strides towards higher energy and environmental performance in public and private buildings across the state by adopting the latest version of the International Energy Conservation Code and the International Green Construction Code for public buildings. The next administration should work towards full compliance with building energy codes in order to realize their full energy savings potential. 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 42 percent of homes in Rhode Island heat their homes with oil. Full access to thermal energy savings programs should be made available to these customers. Several states are working out funding mechanisms to help make this whole building approach possible, most notably Maine.⁴

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.

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⁴ 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>.