



*By electronic mail - info@efficiencymaine.com
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Northeast Energy Efficiency Partnerships (NEEP)
Efficiency Maine Triennial Plan 2014-2016**

On behalf of Northeast Energy Efficiency Partnerships (NEEP)¹, thank you for the opportunity to provide comments on Straw Proposal of the Efficiency Maine Trust's Second Triennial Plan. In the following pages, we offer some overarching observations about the state of the programs and their ability to deliver on ambitious savings goals, and then touch on certain program elements based on NEEP's current areas of focus.

I. Short Funding Restricts Program Success

NEEP commends the Efficiency Maine staff, contractors and other partners for delivering excellent and cost-effective programs to the state's residential and business customers. Even in a down economy and with underfunded program budgets, Efficiency Maine has been able to help thousands of Mainers permanently reduce their energy costs by installing new equipment, upgrading lighting, weatherizing existing homes and buildings, and constructing new and more efficient ones.

From NEEP's perspective, Efficiency Maine has made some commendable strides with limited resources. But as it stands, the state legislature is selling Mainers short by not approving the funding levels needed to meet the savings goals laid forth in the Efficiency Maine Trust Act, 35-A-MRSA §10103. By not directing additional ratepayer funds towards efficiency resources that are far less expensive than new generation, Maine will have significant difficulty reaching long term energy savings by 2020. Even worse, the budget restrictions placed on Efficiency Maine are resulting in Mainers paying too much to meet their energy needs, and paying far more than they should for out-of-state, fossil fuel energy resources.

Our review of recent potential studies conducted by GDS and Summit Blue shows that Maine could cost-effectively be saving up to 2 percent a year of customer electric demand through energy efficiency. In NEEP's own 2010 regional potential study, we estimated that Maine

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



could save 20.5 percent of electric demand over a ten year period.² Indeed, the original Triennial Plan projected a marked increase in annual savings, yet the needle has moved little from the .7 percent level in 2009, and now we are at the point of the “ARRA cliff” as federal Recovery Act money winds down. Without legislative approval raising the SBC from 2.5 to 3.5 mils, as originally planned for, Maine’s efficiency budgets are \$24.1 million less than what was projected, for what would be a cost-effective level of investment to achieve that potential.

While the 2009 Summit Blue potential study said that Maine could be cost-effectively spending \$68.3 million annually on all demand side management programs as of next year, it appears that budgets will fall to \$23.8 million in fiscal years 2013 and 2014. The result of a constrained funding environment is that Efficiency Maine has less room to innovate and try new program delivery models, thus leaving many savings opportunities by the wayside – particularly in commercial and industrial programs.

Some of the state’s leading clean energy advocacy groups including the Natural Resources Council of Maine, the Conservation Law Foundation and Environment Northeast are continuing analysis of what they believe efficiency funding levels should be for the next Triennial Plan and beyond. NEEP looks forward to reviewing their findings, and expect we will join them in calling for significantly higher spending levels, and the political will to achieve those levels.

Need for Comprehensive Thermal Program Funding

We continue to be concerned that the state has not found a way to fund efficiency measures for oil-heated homes and buildings. The original Triennial Plan called for \$14.3 million in funding for what are currently unregulated fuels. With the legislature’s failure to pass LD 1066, that budget was slashed to about \$4.2 million – largely coming from federal funds and Regional Greenhouse Gas Initiative proceeds.

With more than two-thirds of the state’s residents depending on unregulated delivered fuels, we urge the legislature to work with the Trust and create a funding mechanism to address thermal efficiency needs of Mainers and begin to address the ambitious weatherization goals set forth in LD 886, An Act to Secure Maine’s Energy Future. We urge the Trust and efficiency advocates to work with neighboring states who are also striving for solutions that will for the first time offer all-fuel, whole building efficiency solutions. NEEP is at the center of these efforts, and is in close contact with program administrators, state agencies and other stakeholders who see the imperative for oil heat funding for thermal efficiency measures.

² From Potential to Action, <http://neep.org/public-policy/policy-outreach-and-analysis/potential-study>, pg 13



II. Comments on Residential Programs

Residential Lighting

NEEP strongly supports a comprehensive, flexible strategy and approach to achieve energy savings in residential lighting – which remains a major opportunity to increase energy efficiency. As we recommended in our [Northeast Residential Light Strategy](#) (RLS) released earlier this year,³ we support the proposed multi-year program strategy that incorporates a broad range of high efficiency lighting products delivered through a range of programs. With the implementation of the federal [EISA legislation](#), lighting manufacturers are eager to bring to market a new generation of high efficiency lighting solutions – with new products being introduced each month. Staying flexible and ready to promote new quality products will allow Maine to stay on the leading edge of energy savings from residential lighting.

- 1) While initially a more costly lighting product, LEDs (Light Emitting Diodes) are now available for more and more applications and the price points will continue to drop with an increasing array of consumer friendly product choices. LEDs provide customers with state of the art technology and its adoption will continue to increase. As in consumer products, we encourage Efficiency Maine to explore tactics to support deeper savings by utilizing Top Ten USA for LED 30 and 38 par lamps which were selected as the leading high efficiency options which also provide superior light performance.⁴
- 2) Lighting controls are a new opportunity to decrease kWh, and with industry partnerships, can be bundled with existing products to ensure the proper technology will produce consumer satisfaction and deepen savings.
- 3) NEEP's Evaluation, Measurement and Verification Forum (EM&V) is currently facilitating the delivery of a [Residential Lighting Sales Market Lift pilot](#) program in other New England states to engage retailers to co-promote high efficiency lighting products and provide the data needed by program administrators to assess the impacts of specific promotions. NEEP encourages Efficiency Maine to follow the results of this pilot, which should be available in mid-2013.
- 4) Socket Saturation Goal - In addition to energy saving and product unit goals for lighting, NEEP recommends integrating socket saturation goals (i.e., the number of high efficiency bulbs installed in lighting fixtures in a home) into planning to take into consideration bulb installation rates. Socket saturation tracks overall market transformation progress regarding market adoption of high efficiency lighting products. In the RLS, NEEP recommends that efficiency programs work to achieve a 90

³ NEEP will publish an RLS update for 2012-2013 in August of this year.

⁴ <http://www.toptenusa.org/LED-Lighting>



percent socket saturation rate of by 2020. Creating consistent measurement of socket saturation studies is pivotal in getting quality data and measuring impact, a topic being considered for research in 2013 via the Regional Evaluation, Measurement & Verification Forum (EM&V Forum).

- 5) Consumer education is critical to consumer selection of and satisfaction with high efficiency lighting products. With EISA standards fostering rapid change and innovation in lighting products available for purchase, we recommend the broadest possible reach with consistent messaging for marketing and educational campaigns to aid the consumer in understanding that there are more quality products that can serve their needs. Getting these messages into consumer awareness in collaboration with retailers and manufacturers should be a major focus of near term planning efforts. Through our [Regional High Efficiency Residential Lighting Products Initiative](#), NEEP tracks best practices in residential lighting consumer education across the region and facilitates regional discussions among program administrators to build consistency as well as to effectively engage retailers and manufacturers.
- 6) Product Quality - To maintain consumer confidence in new lighting technologies and achieve projected energy savings, it is important that Efficiency Maine continues to support aggressive efforts to test products relative to product performance claims. NEEP recommends that the program sponsors remain engaged with quality assurance testing for ENERGY STAR products, and participates in providing feedback and product nominations to ensure that incentivized products are broadly adopted by consumers. Through our Regional High Efficiency Residential Lighting Initiative, NEEP offers the opportunity to work with sponsors and coordinate with the EPA on existing processes to ensure that current procedures and protocols are meeting the needs of programs.

Heat Pump Water Heaters

Heat Pump Water Heaters (HPWH) offer consumers and Efficiency Maine an exciting opportunity to achieve energy savings in the electric water heating sector. NEEP supports the inclusion of HPWHs as a technology measure within Efficiency Maine's Replacement Heating Equipment Program. NEEP's Emerging Technologies Initiative is currently developing a Northeast Regional Strategies Report for HPWH. The strategy development process involves many of the major market actors/stakeholders, including representatives from various Northeast state's efficiency program administrators as well as HPWH equipment manufacturers and distributors, and coordination with other relevant national and regional efforts. We suggest that the details of Efficiency Maine's Replacement Heating Equipment Program not be finalized until the Northeast HPWH Regional Strategies Report is reviewed and considered. A Draft report is scheduled to be available by the end of August 2012.



Clothes Dryers

We encourage Efficiency Maine to include high efficiency clothes dryers as part of the Residential programs. NEEP believes this could be an emerging technology that Efficiency Maine may want to promote in the next three year plan. The clothes dryer market is likely to evolve dramatically over the next few years. Between ENERGY STAR's 2012 Emerging Technology Award going to heat pump clothes dryers and traditional ENERGY STAR® criteria development being launched in August 2012, the PAs should have the flexibility to include them as a measure in the Residential Consumer Products Initiative as opportunities present themselves. NEEP would encourage Efficiency Maine to engage in a few key areas:

- 1) Support of Super Efficient Dryer Initiative (SEDI) to help bring heat pump clothes dryer technology to the North American market through organizing US program interest, organizing field testing, determining savings assumptions, etc.);
- 2) Possible inclusion of heat pump clothes dryers as a rebated measure once these issues have been addressed; and,
- 3) Remain open to the energy savings potential of what might be available through an ENERGY STAR clothes dryers program and promote/incent at appropriate levels if warranted.

Consumer Products

To alleviate free-ridership concerns of the ever-increasing amount ENERGY STAR® products, NEEP recommends the approaches to work with highest efficient products as noted in the joint plans, especially pointing out resources such as [TopTen USA](#). As a consumer facing website, TopTen USA, an ENERGY STAR Partner, helps programs achieve the highest kWh savings by identifying and publicly listing the top ten most efficient products available for purchase in the United States for a broad array of product categories. With list updates every six to twelve months, TopTen USA's listing of super-efficient products offer greater energy savings that can help Efficiency Maine achieve its efficiency goals and help Mainers even further reduce their energy bills.

In 2013, NEEP will develop with input from its sponsors and other stakeholders a regional market transformation strategy for consumer and business electronics – including reference to relevant national efforts. We encourage Efficiency Maine to consider sponsoring and participating in this regional exchange and strategy development.

We also encourage Maine to consider direct-install opportunities of Advanced Power Strips that meet a minimum consumer electronics product configuration (checklist) for TV/entertainment systems and, where applicable, for home office set ups in Low Income Home Energy Services and Residential Retrofit programs. NEEP is leading a national collaborative effort to research, test and establish test procedures and deemed savings for a range of APS products. We encourage Efficiency Maine to participate in this effort as part of its Three-year Plan.



III. Comments on Business Programs

Need for a More Comprehensive Approach

With restricted budgets, Efficiency Maine is forced to find ways to drive down costs, which has translated into the simplification of the programs and a lack of technical assistance. This means that the programs have lost the ability to be proactive in working with commercial and industrial customers on a comprehensive, long-term strategy to save energy in their facilities. Personal relationships with Efficiency Maine contractors have been replaced by Qualified Partners who are interested in promoting specific technologies such as lighting or air compressors, and are often missing the chance to look at other integrated savings opportunities for customers.

Similarly, the Small Business Direct Install Program is a terrific way to get in the door with businesses that typically don't have the time or resources to think much about efficiency, but we urge Efficiency Maine to find ways to make this program more comprehensive as it moves out of the pilot phase.

When the focus is on the price per kWh saved rather than looking at *all* cost-effective efficiency projects and how the measures perform as a system, the programs end up cream skimming. This means that savings are being left on the table, customers continue wasting energy.

We encourage Efficiency Maine to find ways to go deeper and conduct more integrated projects, particularly with commercial and industrial customers. We note that deeper is not cheaper, but believe that a more comprehensive program strategy will ultimately mean that customers are better served and facilities do not need to be visited multiple times to address various end-uses.

One way to make program and marketing dollars go further is with industry partnerships –w Business and Residential Programs. Maine has consistently had strong program goals and fostered powerful partnerships with industry, and continues to explore and broaden these opportunities. NEEP applauds the variety of incentive programs and outreach to its constituent demographics, including hard-to-reach customers.

Solid State Lighting

The introduction of innovative Solid State Lighting (SSL) products for the commercial and industrial sectors will create many new opportunities for savings over the next three years, and we encourage Efficiency Maine to continue to work with resources such as [the DesignLights Consortium™ SSL Qualified Products List](#) to identify quality market-ready products worthy of incentives and promotion, and to stay current with market developments



in this rapidly expanding industry as well as lessons learned and best practices among program administrators also promoting high quality SSL products in the US and Canada.

IV. Energy Education and Information

As noted in previous comments to the Trust, NEEP sees the “Save Like a Mainer” campaign as an attractive, on-point set of marketing materials with a message that speaks to the sensibilities of Mainers. If given sufficient marketing budget, the Trust could do even more to understand the needs of various market sectors and create alignment within program portfolios, marketing and delivery mechanisms. We believe it is crucial that Efficiency Maine has the ability and the resources to target customer sectors and sub-sectors directly. This means more money to create customized marketing materials, working with trade associations and more personalized and frequent contact from the people who represent Efficiency Maine in the field, especially with business customers.

We encourage Efficiency Maine to continue efforts with hard-to-reach sectors like multi-family housing units, and commercial sectors like auto shops and the food service industry. Success will take sustained and coordinated efforts across geographic regions and fuel-types, sufficient marketing resources and lots of customer attention. This type of marketing and outreach is key to going both broader and deeper with the programs.

V. Evaluation, Measurement and Verification

NEEP thanks Maine for its involvement in the Regional Evaluation, Measurement and Verification (EM&V) Forum since the Forum’s inception in 2008 and encourages continued participation in the next planning cycle.

The Forum has made important progress to date to develop and support the use of consistent protocols and data assumptions to evaluate, measure, verify, and report the savings, costs, and emission impacts of energy efficiency, and it has conducted valuable regional research. EM&V Forum participants from Maine have played an important role in Forum projects and activities and have benefitted from the Forum’s range of [completed products](#).

Forum activities are helping to ensure that energy efficiency programs and associated savings are accountable and transparent, a key objective of the Triennial Plan. Furthermore, the Forum’s ability to leverage funds to conduct large research projects provides Maine and other states in the region with important evaluation results that would otherwise be cost prohibitive.



The New England Conference of Public Utilities Commissioners (NECPUC) recently demonstrated its continued support of the Forum by [reaffirming its 2008 resolution](#) supporting the Forum. The Forum is also supported by a complementary Mid-Atlantic Conference of Regulatory Utilities Commissioners (MACRUC) [resolution](#). The Forum Steering Committee recently adopted a [Forum 2012-14 Plan](#), which includes a preliminary list of potential projects. NEEP looks forward to working with Maine stakeholders this summer/fall to help inform the project agendas for next year, whereby the projects can help support Maine's evaluation activities.

VI. Summary

The Efficiency Maine staff and program delivery partners should be commended for their efforts to help residents and businesses reduce energy waste, improve comfort and productivity, and lower energy costs – while achieving myriad other economic and environmental benefits. Yet with the end of federal Recovery Act Funding, lower proceeds from the Regional Greenhouse Gas Initiative, and no policy mechanism in place to increase efficiency budgets to meet the “all cost-effective” level of investment, Maine is faced with some tough decisions. While neighboring states are looking at efficiency as a first-order resource to meet customer needs and talk about “building a power plant” of energy efficiency, Maine's budget is stagnant, and programs are forced to simplify and scale back.

In 2012, Maine is projected to have the lowest per capita efficiency spending in the region, at \$21.59 for gas and electric programs.⁵ By comparison, New Hampshire is at \$22.10, Connecticut at \$35.44, Rhode Island at \$71.30 and Massachusetts at a nation-leading \$99.70 per capita. This means that in those states, more energy dollars are directed to affordable energy efficiency resources instead of into traditional and expensive generation and transmission.

While the Efficiency Maine programs have been run in a very cost-effective manner, analysis done for the proposed Triennial Plan – as well as significant program experience gleaned from many other states – shows that even more cost-effective savings are available. The average benefit-cost-ratio of the programs was 2.58 in the 2011 program year. This would indicate that projects with longer paybacks and more complicated custom measures should be pursued, rather than just low-hanging fruit like lighting, which accounts for the overwhelming majority of installed measures, particularly in Business Programs.

NEEP encourages Maine to continue partnering with neighboring states and leveraging regional efforts to advance energy efficiency through programs and policies. NEEP's regional

⁵ See NEEP's Policy Snapshot for more on trends in efficiency investment and savings levels across the region. <http://neep.org/uploads/policy/EE%20Policy%20Snapshot%20Updated-5.2.12.pdf>



approach, projects and resources can help the Efficiency Maine Trust continue to innovate and stay on the cutting edge and achieve their three-year goals. Indeed that is our commitment as we work to keep the Northeast region a national leader for energy efficiency. Aside from the EM&V Forum and the Design Lights Consortium™, we would again point out the Top Ten USA products guide, and generally encourage the Trust and Efficiency Maine staff to be in touch with and share best practices with counterparts in neighboring states.

Thank you again for the opportunity to provide comments. Please do not hesitate to contact me or others at NEEP with questions, as we look forward to being a continued resource to Maine in your efforts to harness the power of energy efficiency.

A handwritten signature in blue ink that reads "Natalie Hildt".

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