



**Comments of Natalie Hildt, Manager of Public Policy Outreach
Northeast Energy Efficiency Partnerships (NEEP)
To the House Committee on Science, Technology and Energy
Regarding New Hampshire Senate Bill 323
April 8, 2010**

Chairwoman Kaen and members of the Committee on Science, Technology and Energy:

Northeast Energy Efficiency Partnerships (NEEP) is pleased to submit comments to the House Committee on Science, Technology and Energy regarding SB 323, as amended 2/17/10.¹

As you know, NEEP is a regional nonprofit that promotes 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. We are committed to this work because saving energy creates a stronger economy, a cleaner environment and a more reliable and affordable energy system.

Support for SB 323, with Caveats

In general, NEEP supports any directives that would call for strengthening and improving coordination of rate-payer funded efficiency programs with other funds and policies such as building energy codes and appliance standards. In our view, this also means developing whole-building and all fuels approaches to delivering efficiency programs through customer-friendly approaches.

We agree that a comprehensive review of efficiency, demand response and renewable energy programs lead by the Public Utilities Commission is a worthwhile endeavor, though we are disappointed by the long time-frame and lack of a clear goal to capture all cost effective energy efficiency laid forth in the legislation.

NEEP supports efforts to leverage the ratepayer funded CORE programs with Regional Greenhouse Gas Initiative (RGGI) funding, and Recovery Act (ARRA) funding, using these additional resources to enhance and expand existing clean energy activities that serve as economic drivers in the state.

Pursuit of an All Cost Effective Efficiency Policy

New Hampshire has shown a strong commitment to growing the energy efficiency sector as a means to help consumers and businesses save money, reduce greenhouse gas emissions and stabilize energy costs and the electricity grid. We applaud the many legislators, regulators, utilities, business and nonprofit organizations who have worked to promote efficiency in order to reach these important state policy objectives.

In NEEP's estimation, the vital next step to unleashing the power of efficiency is a policy mandate to capture all cost effective efficiency. We urge the Committee to amend this legislation to specifically direct the PUC to study such a policy and its implications for New Hampshire.

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

Policies calling for electric and natural gas utilities to invest in all energy efficiency less than and up to the cost of power generation have recently been successfully implemented in a number of neighboring states.² Since it costs about a third as much to meet demand through efficiency compared to a kWh of new generation, this makes solid fiscal sense as a state policy.

A plan to capture all cost effective efficiency would negate tough choices faced in the recent passage of SB 300, which moved efficiency funds to low income energy assistance and will have significant consequences on programs' ability to deliver savings. Instead, utilities would be directed to meet demand as cost-effectively as possible, which would by definition mean spending much more on programs that help residents and businesses save energy.

Many states have found that it is technically achievable and economically feasible to triple or even quadruple the amount invested in energy efficiency programs as a means of meeting demand and creating jobs. There are regional and state-specific studies that bear this out.³ We look forward to working with the PUC, the Energy Efficiency and Sustainable Energy (EESE) Board and other stakeholders to aid in this comprehensive energy policy study and include recommendations that the legislature enact such a mandate.

A Call to Strengthen the EESE Board

Lastly, we renew our call that the Public Utilities Commission should provide the Energy Efficiency and Sustainable Energy Board with resources to hire technical consultants and the charge to review and comment on the CORE efficiency programs.

The creation of the EESE Board was meant to bring to New Hampshire a stakeholder advisory process similar to those that have been in operation in other New England states— including Connecticut, Rhode Island, Massachusetts and Maine— in order to more broadly deploy energy efficiency as a clean, affordable and reliable resource to serve the state's residents and businesses.

However, one significant difference between the stakeholder advisory boards in those states⁴ and the EESE Board in New Hampshire is that in the other states the stakeholder boards are funded to secure their own technical consultants, specifically in order to review the ratepayer-funded energy efficiency programs as planned by those states' utility companies.

Conclusion

By enacting legislation requiring procurement of all cost effective efficiency, the state can continue down the path to exponentially greater energy savings and benefits to the state's

² New England states that have enacted or are in the process of enacting such policies include Massachusetts, Rhode Island, Connecticut, and Maine. Vermont has mandated it in effect, with the highest per capita spending on efficiency in the nation.

³ See "Additional Opportunities for Energy Efficiency in New Hampshire," a report prepared by GDS Associates at the Request of the NH PUC, January 2009, or NEEP's database of electric and gas efficiency potentials studies, www.neep.org.

⁴ Those boards are respectively known as the Energy Conservation Management Board (ECMB) in Connecticut; Energy Efficiency and Resources Management Council (EERMC) in Rhode Island; Energy Efficiency Advisory Council (EEAC) in Massachusetts; and Energy Conservation Board (ECB) in Maine.

residential, commercial and municipal sectors. We hope that the legislature passes SB 323 swiftly and empowers the EESE Board to study and advance this strategy so that it may become the state's permanent energy policy.

NEEP stands ready to work with the state, utilities and other interested parties to maximize the potential of efficiency to deliver economic, environmental and broader public benefits. We thank the Committee again for the opportunity to provide comment on this important legislation.

Natalie Hildt
Policy Outreach Manager
T: 781-860-9177, ext. 121
nhildt@neep.org