



**Testimony of Natalie Hildt, Public Policy Outreach Manager
Northeast Energy Efficiency Partnerships (NEEP)
To the Senate Committee on Energy, Environment and Economic Development
Regarding SB 300 - Relative to the Systems Benefit Charge**

January 12, 2010

Chairman Fuller Clark, Vice Chairman Merrill, and members of the Committee: on behalf of Northeast Energy Efficiency Partnerships (NEEP)¹, thank you for the opportunity to provide written testimony on SB 300, Relative to the Systems Benefit Charge.

NEEP is a regional nonprofit organization founded in 1996 whose mission is to promote the efficient use of energy in homes, buildings, and industry in New England, New York, and the Mid-Atlantic states 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.

This bill seeks to increase funding in the Electric Assistance Program (EAP) at the expense of the Energy Efficiency Program budget. While we agree that the state has an obligation to assist its most vulnerable residents in this difficult economic climate, NEEP is troubled by the move to reduce the state's energy efficiency funding. As written, SB 300 would reduce the budget of the ratepayer funded efficiency programs by approximately \$3.5 million during the period of proposed enactment.

Reducing the CORE efficiency program budget, at a time when demand for energy efficiency services is higher than ever, can only harm efforts to help the state's residents and businesses save energy, as well as the state's ability to reduce the emissions of greenhouse gases committed to in the New Hampshire Climate Action Plan.

NEEP urges this Committee to use this moment to consider measures that will both provide for New Hampshire's neediest citizens *and* develop a sustainable funding mechanism for energy efficiency programs.

First, a number of legislators, including the leadership of this committee, are working on policies that would direct the state's utility companies to capture all cost effective energy efficiency on behalf of their customers. Such a policy would result in funding for comprehensive energy efficiency programs that are not capped at an arbitrary level, but are can meet their customers' energy needs at roughly a third of the cost of traditional fossil fuel electric generation. Such a mechanism would also end the zero-sum competition between funding for energy efficiency and low-income assistance programs. Your colleagues in Vermont, Maine, Massachusetts, Rhode Island and Connecticut have in recent years enacted similar policies, recognizing the value of investing in the clean and cost-effective resource that is energy efficiency as an alternative to costly and polluting generation resources. NEEP looks forward to working with this Committee, your legislative colleagues and the state's Energy Efficiency and Sustainable Energy (EESE) Board to design and enact such a policy directive.

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



Second, in the immediate term, we would encourage this Committee to tie energy assistance for low-income customers to energy audits and low-cost energy efficiency upgrades wherever possible. We understand that the Community Action Program intake form includes both direct assistance and efficiency options, but there is no requirement that dwellings be inspected for efficiency before electric and fuel assistance is disbursed. At a time when there is an unprecedented level of funding for home weatherization from the American Recovery and Reinvestment Act (ARRA), New Hampshire can help low-income customers make long-term reductions in their energy use and bills. This is a win-win for everyone involved.

Increasing aid to the state's most vulnerable residents is laudable, but to do so with impermanent handouts at the expense of energy efficiency programs will not help New Hampshire solve its long-term energy challenges or meet its Climate Action Plan goals. Energy efficiency investments have lasting impacts including emissions reductions, increased system reliability, and economic development through cost savings and job creation. We urge you to use this opportunity to enact a policy that maximizes the potential of energy efficiency in meeting New Hampshire's energy needs and avoid this regrettable choice between energy savings and low-income assistance programs in the future.

Thank you.