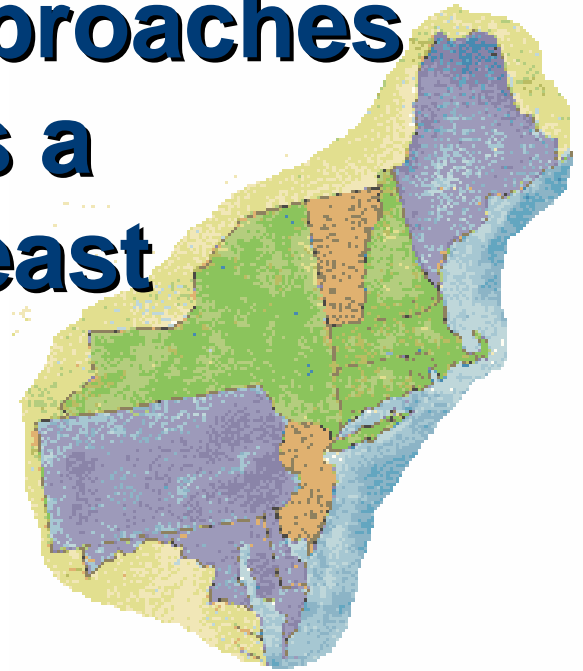


National Overview: Approaches to Energy Efficiency as a Resource in the Northeast

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To: ACEEE “Energy Efficiency as a Resource” Conference

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Northeast Energy Efficiency Partnerships, Inc.

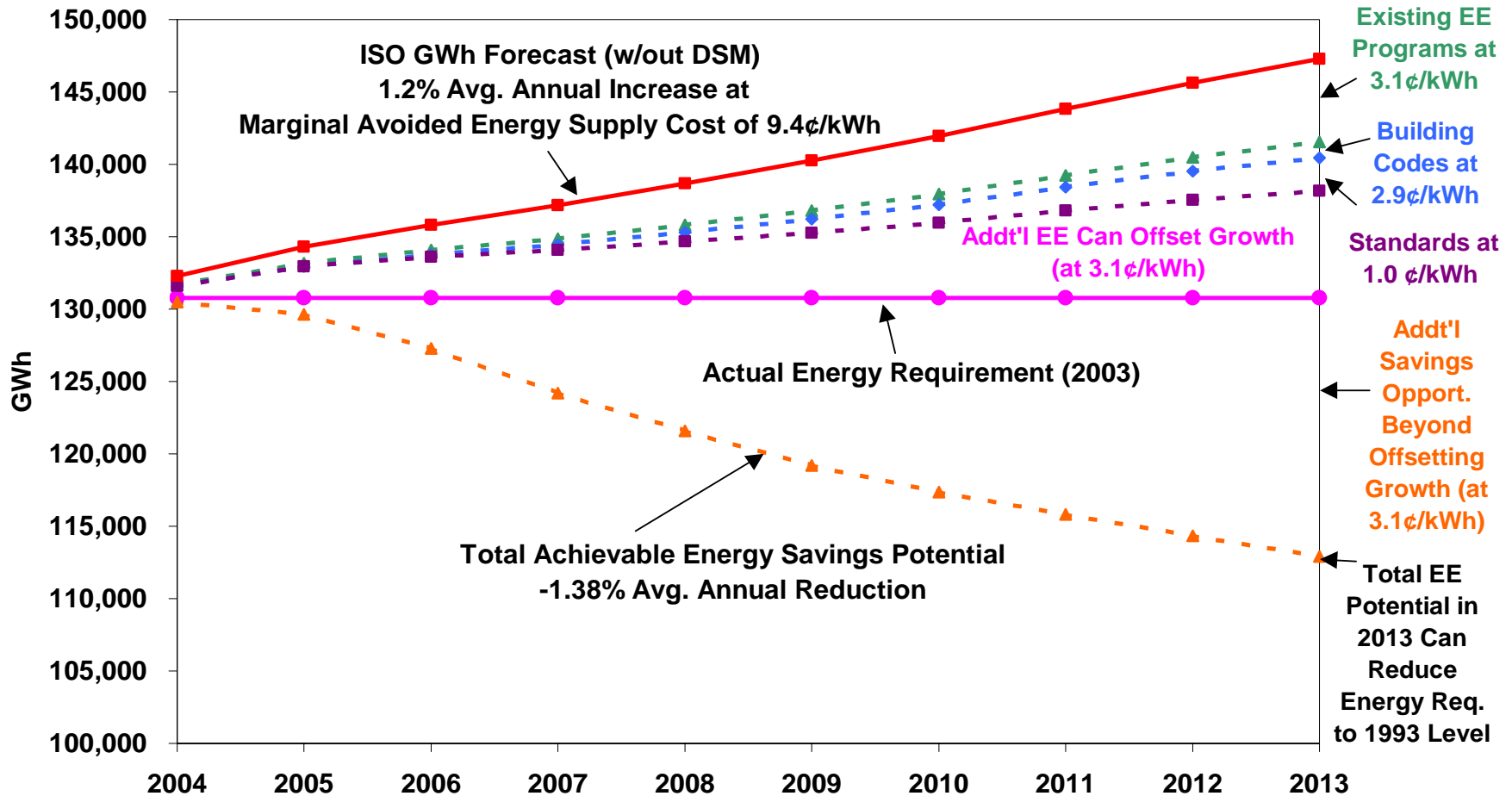


Northeast Energy Efficiency Policy: *Background*

- 20+ years of ratepayer funded energy efficiency
- 1998 utility deregulation → efficiency as “public benefit”
- Program administration models vary widely:
 - Efficiency utility (VT)
 - Public utility commission (ME, NJ)
 - State agencies - NYSERDA/LIPA
 - Gas & electric utilities – RI, MA, CT, NH
 - Public retail aggregator – Cape Light Compact
- Historically high gas/oil/electricity prices
- T&D constraints: SW CT, Northern VT, Greater Boston
- Current policies access only 25% of cost-effective efficiency potential

New England Achievable Energy Efficiency Potential

Existing and New EE Strategies Can Offset ISO Forecasted Energy Requirements (GWh) and Beyond



Northeast Energy Efficiency Policy: *Challenges*

- Highest energy prices ever (30-60% increase)
- Gas supply shortage concerns → increased pressure for new LNG facilities
- ISOs/RTOs do not view efficiency as a significant resource in wholesale markets
- “Artificial cap” on ratepayer efficiency funding, not likely to increase (VT is exception)
- Programs oversubscribed!

Northeast Region: 2005-07
Electric & Gas Efficiency Funding (\$mm)

State	Administrator	Electric and Gas Expenditures		Electric Budget	Gas Budget
		2005	2006	2007	2007
CT	Utilities	\$77.9	\$71.0	\$68.6	\$4.0
ME	MPUC	\$7.1	\$9.3	\$12.2	\$0.7
MA	Utilities/CLC	\$124.1	\$147.8	\$125.3	\$25.0
NH	Utilities	\$18.5	\$18.9	\$18.1	\$2.4
NJ	NJ BPU	\$85.1	\$99.4	\$105.9	\$34.0
NY	State authorities	\$208.5	\$318.2	\$310.7	\$3.0
RI	Utilities	\$23.4	\$22.4	\$22.5	\$2.8
VT	Efficiency Utility	\$15.1	\$16.3	\$24.0	\$1.5
Totals		\$559.7	\$703.2	\$687.3	\$73.4

Note: 2005 and 2006 expenditures are actual, 2007 budgets are preliminary.

Northeast Energy Efficiency Policy: *Good News*

- ISO NE Forward Capacity Market - efficiency as a resource:
 - 2,000 MW Demand Resources submitted qualification package for FCA 1 (about 300 MW EE, including merchant projects)
 - FERC order: PJM ISO to consider ISO NE model
- NJ, CT, ME, RI, MA, NY developing or investigating EEPS strategies to procure all cost-effective energy efficiency
- Decoupling dockets in MA, NH
- RGGI – New England, NY, NJ, DE, MD rulemakings underway, allocation of CO₂ allowance revenues to efficiency
- State appliance standards adopted in NJ, NY, CT, RI, MA, MD, VT, NH pending.
- Gas efficiency getting more attention – CT, ME, RI, NY
- Progressive Building Energy Codes Policy initiative launched

Northeast Energy Efficiency Program: *Trends*

- Limited Program Funding
 - Programs focused primarily on market driven opportunities
 - Retrofit mostly for low income and small C&I direct install
- Market transformation and appliance standards impacts:
 - New baselines – reduced savings from current technologies
 - Shift to service options, best practices vs. technologies
 - Need next tier for energy efficiency → pull new technology
- Success in leveraging industry co-promotions and funding (*Negotiated Cooperative Promotions*)
 - Initial success with Energy Star appliances and lighting
 - *New!* Residential and commercial air conditioning and heating
- Growing interest in community-based program approaches

What's Next?: Double Energy Savings by 2010!

- Need to procure all cost-effective efficiency – if we are to double EE savings in the region
- Need to update/expand program portfolio:
 - Achieve higher market saturations for market driven (new construction, equipment replacement, etc.)
 - Ramp-up retrofit effort → strategies for each market segment
 - Leverage other initiatives and resources
 - Fund R&D and emerging technologies
 - Integrate all demand-side solutions (EE, DR, CHP, building-integrated renewables) – *whole building solutions!*
- Need consistent M&V protocols to support multiple policy objectives
- Need interagency cooperation
- Need workforce development – all levels!

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