



NORTHEAST ENERGY EFFICIENCY PARTNERSHIPS  
Accelerating Energy Efficiency

# The Latest News on Energy Efficiency as a Resource in New England

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# NORTHEAST ENERGY EFFICIENCY PARTNERSHIPS

*“Accelerating Energy Efficiency”*



## MISSION

Accelerate the efficient use of energy in the Northeast and Mid-Atlantic Regions

## APPROACH

Overcome barriers to efficiency through  
*Collaboration, Education & Advocacy*



## VISION

Transform the way we think about  
and use energy in the world around us.



# REGIONAL ENERGY EFFICIENCY TRENDS



- Northeast remains a leader in setting efficiency as a first order resource
  - Over \$2.7 billion committed in New England 2007-2011
  - \$843.6 million for 2011 = \$521 million increase from 2007
- Overall, budgets are up ... but gaps are developing
- Significant expansion in:
  - Massachusetts
  - Rhode Island
  - Vermont
- Less growth in:
  - New Hampshire
  - Maine

# EFFICIENCY FUNDING SOURCES IN THE NEW ENGLAND STATES



State	Energy Efficiency Funding		
	Ratepayer Funding	RGGI Auction Used to Supplement Efficiency Budgets	Capacity Market Payments
CT	SBC of 3 mills/kWh	Regulations set at 69.5%	ISO-New England
MA	SBC of 2.5 mills/kWh + Efficiency Reconciliation Factor (EERF)	Statute sets at 80%	ISO-New England
ME	SBC of 1.5 mills/kWh	Statutes set at 100%	ISO-New England
NH	SBC of 1.5 mills/kWh	Competitive Bidding Process	ISO-New England
RI	SBC of 3.2 mills/kWh	Regulations set at 100%	ISO-New England
VT	Set annually according to 3-Year Efficiency Budget Natural gas programs are set by Vermont Gas System rates	Statutes set at 100%	<u>ISO-New England</u>  Total of ~\$250 million regionally 2006-2015

# REGIONAL ENERGY EFFICIENCY TRENDS



- RGGI funding threatened
  - ✓ New Jersey - governor vows to pull state by year end
  - ✓ New Hampshire - defeated legislatively and with veto
  - ✓ Delaware - defeated legislatively
  - ✓ Maine - defeated legislatively
  - ✓ New York - lawsuit pending
- RGGI has provided more than \$720 million for consumer benefit/clean energy programs in the 10-state region
  - Efficiency - ~ 65 % of investments - generating \$3 to \$4 in savings for every \$1 invested
- Politics of cap-and-trade will grow more heated into 2012
- Other threats:
  - Lower natural gas prices
  - Less public interest in climate change
  - New conservative policymakers less supportive of efficiency
  - Economy

# THE EFFICIENCY RESOURCE IN NEW ENGLAND

## A VARIETY OF METHODS TO PROMOTE EFFICIENCY



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State	Policy Type	Delivery	Energy Savings Goals
<u>Connecticut</u>	All Cost Effective EE- <i>Funding Limited by IRP</i>	Utilities	<i>Annual savings targets not currently in place</i>
<u>Maine</u>	All Cost Effective EE- <i>Funding Limited by Legislature</i>	Efficiency Maine Trust	1.4% of electricity sales annually and 130 BBTU gas savings by 2013
<u>Massachusetts</u>	All Cost Effective EE	Utilities and Cape Light Compact	2.4% of electricity and 1.15% of natural gas sales annually by 2012
<u>New Hampshire</u>	<i>Funding Limited by Cap on SBC</i>	Utilities	<i>In process</i>
<u>Rhode Island</u>	All Cost Effective EE	Utilities	Estimated 2.5% of electric & 1.0% of natural gas sales by 2014
<u>Vermont</u>	All Cost Effective EE	Energy Efficiency Utility	2.2% of sales annually

# THE EFFICIENCY RESOURCE IN NEW ENGLAND



State	Annual State Electric Savings, 2004-2010 (MWh)							
	2004	2005	2006	2007	2008	2009	2010	Totals
Conn.	291,000	318,000	328,000	355,400	368,000	237,000	423,000	2,320,400
Maine	17,198	28,510	74,759	87,404	107,517	77,223	93,011	485,622
Mass.	318,000	442,000	455,000	489,098	388,059	436,124	609,788	3,138,069
N.H.	59,667	73,773	71,305	78,537	70,282	69,361	54,052	476,976
R.I.	51,397	66,093	70,650	64,995	60,053	81,543	81,246	475,977
Vermont	50,915	57,055	56,070	93,933	144,425	84,854	114,097	601,349
New England	788,177	985,431	1,055,784	1,169,367	1,138,336	986,105	1,375,194	<b>7,498,393</b>

# THE EFFICIENCY RESOURCE IN NEW ENGLAND



## *What's left?*

### NEEP 2010 update to 2005 regional potential study:

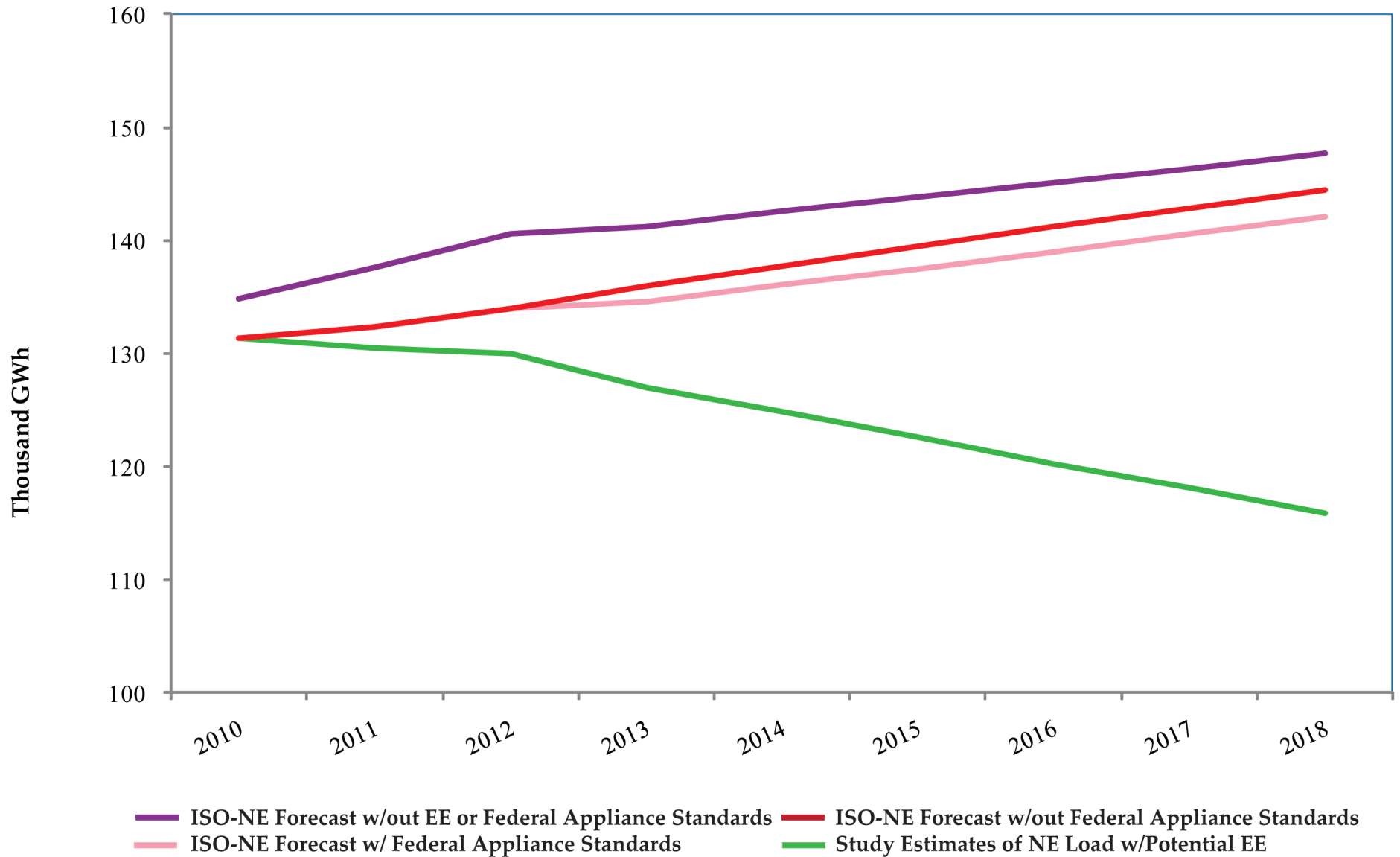
- Full investment in all cost-effective energy efficiency would by 2018:
  - ✓ Reduce the region's electricity needs by 31,800 GWh, or ~20 percent of forecasted load.
  - ✓ Equal to four large coal-fired power plants, or taking 4 million homes off the grid for one year.
  - ✓ Result in net economic benefits of \$19.6 billion.
  - ✓ Cut CO<sub>2</sub> emissions by ~80 MM tons, equal to annual emissions of 3 million passenger vehicles.
  - ✓ Cut annual emissions of SO<sub>2</sub> and NO<sub>x</sub> by 8,500 and 5,000 metric tons, respectively.



# THE EFFICIENCY RESOURCE IN NEW ENGLAND



## ISO NE Energy Forecast



# NOTABLE ADVANCES



- Key policy mandates in Vermont, Maine, Mass., R.I., and Conn. to capture all cost-effective energy efficiency
- Recognition of complementary public policies
  - Codes: Mass. stretch code
  - Building rating: Pilot programs
  - Heating fuel efficiency
- Examining bill vs. rate impacts
- ISO-New England FCM
  - Making ISO think differently about counting efficiency

# THE CHALLENGES...



- Regulatory
  - Still some reluctance to pursue all cost-effective energy efficiency
    - Rate vs. bill impacts
  - Need to re-examine cost-effectiveness mechanisms
  - Decoupling
- Political
  - Newly empowered conservative leanings de-valuing energy efficiency
- Economic
  - Costs of going deeper with efficiency programs
  - Convincing customers of need to spend a little more now to save a lot more later

## ...AND THE OPPORTUNITIES...



- Better integration of EE into regional system planning
- Recognition need/benefit of pursuing complementary policies (codes, standards)
- Support for common EM&V
- Environmental compliance benefits - climate change, air regulation
- Competition
- Plant retirements
- Reliance on unregulated heating fuels - new proposals to create efficiency funding/programs



# THANK YOU

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