



**Public Comments of Natalie Hildt, Manager of Public Policy Outreach
Northeast Energy Efficiency Partnerships (NEEP)
To the Vermont Public Service Board
Regarding Docket 7466
June 17, 2010**

Chairman Volz, Commissioners Cohen and Burke:

Thank you for the opportunity to provide input on the Initial Overall Performance Assessments of the state's Energy Efficiency Utilities under Docket 7466. These comments will focus primarily on the performance and competency of the Vermont Energy Investment Corporation (VEIC), as the majority agent of the state's ratepayer funded energy efficiency programs and contractor for Efficiency Vermont¹.

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. Saving energy creates a stronger economy, a cleaner environment and a more reliable and affordable energy system.

I begin by complimenting the Board for its forward-looking vision of delivering impactful, cost-effective and comprehensive energy efficiency opportunities to the state's residents and businesses, and to VEIC on their exemplary program delivery since inception in 2000.

Vermont as you well know is at the forefront of the nation on effective energy efficiency program implementation, integration with enabling policies such as marketing, education and financing opportunities, and per capita investments in efficiency. The state and its leaders truly grasp the multitude of benefits that stem from helping people use energy more efficiently, and are realizing a number of related policy goals thanks to your steadfast commitment to energy efficiency programs and funding.

These benefits include improved air quality and reduced greenhouse gas emissions, helping to stabilize the power grid and electric costs, contributing to the growth of the clean economy, and putting money back in people's pockets so they can purchase other goods and services. The vision of energy efficiency in action has actually helped Vermont bend its load curve downward, proving that it is possible to wring much more out of every unit of energy delivered, without sacrificing on the quality of life that Vermonters expect.

To build on this success, the state has proposed that the Energy Efficiency Utility model should be amended to allow for 12-year Order of Appointments. NEEP strongly supports this change, which would allow the current program providers VEIC and the City of Burlington Electric Department to continue delivering their exemplary programs, and importantly afford them much longer planning horizons. If the incumbents are confident in their long-term appointment, they will consequently be better able to focus on the long-term needs of their customers.

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



A longer term contract will build even greater confidence among customers and the market place, because people will know that VEIC will be around tomorrow to help them with future projects. Another benefit of the twelve year appointment will be the ability to enter into longer term contracts with vendors, which can help control costs and provide greater levels of security, confidence and flexibility - not just for VEIC as the Efficiency Vermont contractor, but for the other parties as well.

While not codified, Vermont's energy strategy has essentially been one of capturing all cost-effective efficiency. This means reaching more customers, but also going deeper with individual buildings to gain higher percentages of savings. The flexibility which Efficiency Vermont is allowed to deliver savings is a major reason why the programs have been so successful and cost-effective - whether through geographically targeted efforts to reduce transmission constraints, integrative all-fuels services, or market transformation and behavioral efforts.

VEIC's tenure as program implementer in Vermont has been marked by innovation, tremendous growth in energy efficiency awareness and penetration, and exceptional customer service. VEIC has built a staff with a great deal of technical skills and strong relationships with customers, utilities and energy service providers. VEIC's leadership and vision has succeeded in changing the playing field in Vermont - shifting demand for efficient products and techniques, increasing knowledge and understanding among building professionals and technicians, and growing the entire energy efficiency sector in the state in the process.

As the agent of Efficiency Vermont, VEIC has been an active participant in regional collaboratives like NEEP - sharing best practices in program development and overcoming hurdles to participation. VEIC staff have also been leaders in NEEP Energy Measurement and Verification (EM&V) Forum, and have been able to provide value by helping to develop regionally-consistent standards to measure the impact and cost effectiveness of energy efficiency programs.

The savings and value delivered by VEIC is in no small part due to the flexibility afforded to them by the Public Service Board and by the performance incentive structure. As Efficiency Vermont gets deeper into new ways of helping customers use energy more efficiently - whether combined heat and power, demand response activities, smart grid and emerging technologies - they have proven that they have the resources, knowledge, competency and commitment to keep Vermont at the forefront of a more sustainable energy economy.

Again, we congratulate Vermont for your leadership and success in harnessing the power of energy efficiency. Vermont is realizing among the deepest energy savings in the country, and Efficiency Vermont is looked at as a national model for best practices. We fully support the long-term appointment of VEIC to operate Efficiency Vermont's programs. We look forward to working with the state and with VEIC to both advance your own efforts, and to promote your programs as a model for the Northeast states and beyond.