



*Via electronic mail to Meredith Hatfield and Deborah Schachter, 323 Study Committee*

**Comments of Natalie Hildt, Manager of Public Policy Outreach  
Northeast Energy Efficiency Partnerships (NEEP)  
On the Draft Report on New Hampshire Energy Policy Issues  
July 22, 2011**

On behalf of Northeast Energy Efficiency Partnerships (NEEP), I am pleased to provide feedback on the draft Study of New Hampshire Energy Policy Issues conducted by the Vermont Energy Investment Corporation (VEIC). As you know, NEEP is a regional nonprofit organization that works to accelerate the efficient use of energy in homes, buildings and industry in the Northeast. We are committed to this work because saving energy creates a stronger economy, a cleaner environment and a more reliable and affordable energy system. Our comments will focus on the energy efficiency portions of this study.

NEEP endorses this report and its policy recommendations at the highest level. VEIC's expertise and understanding of energy efficiency and clean energy policies and programs is highly regarded in the Northeast and beyond. This report is thorough in its scope and analysis of the current situation and history of energy efficiency in New Hampshire, and offers wise and reasonable recommendations to help the state maximize the power of cost-effective energy efficiency in meeting broader public policy goals for the Granite State.

While the report strikes themes that will have broad appeal across various sectors and ideologies, there no doubt will be a few characterizations or suggestions that will raise concerns from certain corners. We urge legislators, regulators, state agencies, utility companies, business interests, advocates and others to look at the big picture for New Hampshire, and work together to support the recommendations provided in the SB 323 study. VEIC's recommended market transformation approach, coupled with the underlying policy foundation of a mandate to capture all cost-effective efficiency, is designed to use **market forces** to deliver on the promise of energy efficiency. This approach has proven highly successful in a number of states, and would be entirely in keeping with New Hampshire's embrace of such market-based strategies to achieve important public policy objectives.

In NEEP's view, based upon on our experiences working on energy efficiency programs and policies in states throughout the Northeast region, *the two most important things that can come of this study are:*

- **For the legislature to enact a clear policy directive** to capture all cost-effective energy efficiency that is less than the cost of new energy generation and supply. This will, in turn, enable the second most important element of this study, which is:
- **To provide a clear mandate for the Public Utilities Commission** to implement the appropriate regulations to support and incent the utilities to make efficiency a first-order resource.

In the past, NEEP has presented to the Energy Efficiency and Sustainable Energy (EESE) Board the concept of aligning interests between utility companies, ratepayers and the public interest. When investor-owned utilities are directed to treat energy efficiency as a resource comparable to supply and are provided the appropriate regulatory framework in which to do so, they are empowered to provide their customers with a cost-effective means of controlling energy costs, while at the same time meeting their obligations to their shareholders.

The electric and gas utilities should be free to meet as much customer demand as exists for their efficiency programs, without artificial caps on these investments. At the same time, the study makes valid points about proper setting of savings goals and incentive levels offered to customers. As VEIC points out, good independent evaluation, measurement and verification (EM&V), including market analysis and learning from the experiences of other states, can help to maximize ratepayer dollars while delivering the most benefit to the system as a whole.

While the "key ingredients" VEIC speaks of get at the overarching issues of successful efficiency programs and policies, we support many of the points also brought forward in the sub-reports of this study. These include: the assessment and recommendations for the Core programs; emphasis on market-based approaches; the need to coordinate financing of energy efficiency and sustainable energy projects; and the need to leverage complementary public policies like building energy codes and building energy rating and disclosure.

We certainly would encourage the state to work regionally whenever possible, learning from the experiences of neighboring states and leveraging cooperative efforts such as upstream market

initiatives, appliance efficiency standard work, and EM&V. We also reiterate the recommendation that the EESE Board be granted authority to help oversee the Core programs and the budget for technical experts to inform this important work.

As a regional non-profit involved in energy efficiency programs and policies for fifteen years, we can say with utmost confidence that VEIC gets it right in this study. We were pleased to see that many of their conclusions and recommendations echo what NEEP has been saying for some time, and represent the best thinking on what works in efficiency policies and programs, offered with a New Hampshire-specific bent.

VEIC points out at the outset that 68 percent of the energy dollars spent by residents and businesses leave the Granite State immediately, failing to be reinvested in a way that can help consumers save money and build the economy through job creation, much less help achieve environmental and public health goals. Creating the policy framework to change the equation in favor of more affordable, clean and indigenous energy efficiency resources will be a net gain for the people of New Hampshire.

Again, thank you for the opportunity to provide these comments. Please do not hesitate to contact me with any questions regarding energy efficiency policies in New Hampshire or across the region.



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