

Northeast Energy Efficiency Partnerships, Inc.



STATE OF NEW YORK PUBLIC SERVICE COMMISSION

Proceeding on Motion of the Commission
Regarding an Energy Efficiency Portfolio
Standard

CASE 07-M-0548
July 18, 2007

Comments of Susan E. Coakley, Executive Director Northeast Energy Efficiency Partnerships, Inc.

Northeast Energy Efficiency Partnerships (NEEP) is pleased to comment on the series of questions released by the Department of Public Service (DPS) staff on June 13 concerning the implementation of an energy efficiency portfolio standard (EEPS). The questions posed by the staff seek specific input into the goals, program elements, implementation, cost and benefit calculation, and funding of potential program. In this regard, our comments focus on the existing potential, and need, for energy efficiency within the state of New York in order to improve system reliability as well as assist the state in achieving its economic and environmental goals.

NEEP thanks the staff for allowing us an extension for filing comments. We would like to use this opportunity to add weight to those comments filed with the staff by the Natural Resource Defense Council (NRDC) and Pace Law School Energy Project. We agree with their positions on how the EEPS should be constructed and wish to add emphasis to their observations rather than reiteration.

In their comments, NRDC and Pace emphasize the need for the state to procure all cost effective energy efficiency and that a broad policy and administrative framework should be utilized in order to ensure the development of effective and comprehensive programs. We agree that energy efficiency must receive highest priority as a resource, and as such encourage the DPS to mandate the procurement of all energy efficiency that is more cost effective than other demand resources. Imposing a portfolio standard, which sets a pre-determined percentage of energy efficiency that needs to be met, may limit the amount of energy efficiency that can be procured, while the strategy of least cost procurement allows for flexibility and increased benefit to ratepayers. A number of states, including Rhode Island and Vermont, have developed comparable policies and doing likewise in New York would prove to more thoroughly support the achievement of the state's energy and environmental goals.

We agree that the state should establish energy goals that include the capture of all cost effective gas efficiency, in accordance to the 2006 Optimal Energy study on natural gas energy efficiency potential. Doing so can provide many of the same benefits that have been witnessed through the implementation of general energy efficiency programs. Likewise, the DPS should consider expanding the energy efficiency programs to encompass all fuel sources.

The utilization, integration, and coordination of an EEPS with the utilities will also be necessary in ensuring a comprehensive and effective program. The utilities have experiences with the energy efficiency programs that need to be considered, and the integration of programs will be necessary in order to avoid confusion by the ratepayer over how they can access the energy efficiency programs.

Finally, we find it important to emphasize that the current systems benefits charge programs should be maintained as a minimum for the state's energy efficiency programs. The state's energy efficiency programs have been very effective at reducing peak demand, improving system reliability, and reducing ratepayer bills. As such, we encourage the Department to work to increase the SBC funding and seek to make the programs even more holistic.

In addition to the comprehensive response submitted by NRDC and Pace, we would like to make one additional comment. In order to assist in the coordination of programs throughout the Northeast, the Department should consider the alignment of measurement and verification protocols with those being developed for other policy initiatives (e.g. the Regional Greenhouse Gas Initiative (RGGI) and Independent Systems Operator of New England (ISO-NE)).

In closing, New York has an excellent opportunity to dramatically reduce its greenhouse gas emissions and energy consumption through the use of an EEPS. We commend the Department for its initiative on this matter, and wait in anticipation for the release of the staff draft proposal. In the meantime, we are happy to answer any further questions the Department may have.