

# Northeast Energy Efficiency Partnerships, Inc.



**Comments of James O'Reilly, Director of Public Policy  
Northeast Energy Efficiency Partnerships (NEEP)  
To the New York State Energy Planning Board  
Regarding the 2009 State Energy Plan Interim Report**

**May 15, 2009**

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Chairman DeCotis and members of the State Energy Planning Board: on behalf of Northeast Energy Efficiency Partnerships (NEEP)<sup>1</sup>, I thank you for the opportunity to provide comment on the New York State Energy Plan Interim Report.

NEEP is a regional nonprofit organization founded in 1996 whose mission is to promote the efficient use of energy in homes, buildings, and industry in New England, New York, and the Mid-Atlantic states through regionally coordinated programs and policies that increase the use of energy efficient products, services and practices, and help achieve a cleaner environment and a more reliable and affordable energy system. NEEP supports government policies and coordinates regional initiatives that promote and build market adoption of quality, energy efficient products and services. Working in partnership with environmental and consumer groups, state and federal agencies, businesses, utilities and other non-profits, NEEP serves as a strategist, planner, facilitator, information and training resource, and project manager to help develop and implement regional programs for energy efficiency.

## **Introduction**

I begin by commending the Energy Coordinating Working Group (ECWG) for laying out in this Interim Report a clear sense of the valuable role to be played by clean energy resources, particularly energy efficiency. Indeed, the challenges identified in the report – reliably meeting energy needs, creating economic development and job opportunities, addressing affordability and reducing greenhouse gas emissions – can be most effectively, quickly, cleanly and affordably be met through energy efficiency.

NEEP also concurs with the emphasis the Report places on clean energy as an economic development driver for the state of New York. In the current climate of economic distress it can't be emphasized enough that the cost of conserving electricity is generally one-third of the cost of generating and distributing it, which provides consumers with much more discretionary income and improves the operating margins of businesses. But

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

meeting New York's energy needs through efficiency has the additional benefit of accelerating the growth of the state's clean energy sector, which is vital to putting the state at a competitive advantage vis-à-vis other states in the region that are implementing significant ramp-ups to their energy efficiency investments.

And the Report's reinforcement of the need to even more aggressively address climate change through clean energy strategies is much needed at a time when the Regional Greenhouse Gas Initiative (RGGI) is being so closely scrutinized.

While NEEP extols the overall tone and tenor of the Interim Report, and we are fully behind its preliminary findings, we respectfully offer the following suggestions in an effort to build upon those findings as the full and final State Energy Plan is developed.

## **Recommendations**

### *Energy Efficiency Policies*

Under Preliminary Finding 1, the Report notes that "New York State is developing multiple strategies to achieve its '15 by 15' goal which will allow energy efficiency to satisfy a significant portion of the State's electricity resource requirements over the planning horizon." Among the strategies cited are the "Adoption of the most recently published **Building Energy Codes**, in addition to utilizing certified energy professionals for training and assistance to municipalities in energy code enforcement..."

As building energy codes represent one of the most cost-effective means of deploying energy efficiency measures, NEEP recommends a comprehensive suite of strategies that, when taken together, promise substantial savings through better energy performance of buildings. These strategies include:

- Automatic updates of the state building energy code whenever national model codes are published;
- Adoption of an Informative Appendix or "stretch code" as part of the building energy code that will allow municipalities that so wish to adopt an energy code that is more stringent than the state code;
- Adoption of statutes/regulations authorizing independent, third-party energy code inspectors, as well as enhanced energy training and certification of all inspectors, as a means of increasing compliance;
- Adoption of building commissioning requirements;
- Adoption of requirements for energy rating of homes and buildings at time-of-sale;
- Adoption of energy benchmarking requirements.

As the Interim Report notes, "New York's clean energy programs are well aligned with the federal government's energy priorities as evidenced by the allocation of \$45 billion for energy-related programs nationwide in the American Recovery and Reinvestment Act of 2009." We would also point out that conditioning language in ARRA requires states to

certify their intentions to ensure updates of their building energy codes to match the most recent International Energy Conservation Code and ASHRAE code for building energy use, and to develop plans to achieve at least 90 percent compliance with energy codes within eight years. It is NEEP's belief that pursuing those code-related strategies as listed above will bring the state in full alignment with the intentions of ARRA.

The Report makes but a brief mention of **appliance efficiency standards** as a strategy for locking in the savings made through the state's ratepayer-funded energy efficiency programs. NEEP would suggest that New York is uniquely positioned to pursue new appliance efficiency standards due to the administrative authority granted the Department of State under the state's Energy Law, Article 16, Section 102-108. A package of appliance standards, including one for televisions, has been prepared and analyzed by the California Energy Commission and verified to result in large energy savings. NEEP stands ready to assist the Department of State and the New York State Energy Research and Development Authority (NYSERDA) in implementing these new standards. Of particular significance is the standard for televisions, for which energy use has spiraled upward in the last decade, due primarily to three factors. The first is that the average television operates more hours per day. The second is that televisions are, on average, much larger. The third is that today's high-definition digital televisions use far more energy than their analog predecessors. In fact, television and set-top box energy use, which today accounts for approximately 6.5 percent of residential electricity use, is estimated to grow to nearly 10 percent of residential energy use by 2030. Yet, televisions also are one of the few major energy using products in the home not subject to any federal standards.

The television standard as proposed in California, and which NEEP recommends for adoption in New York, has been researched exhaustively by Pacific Gas and Electric, has the backing of all of California's investor-owned utilities, and stands to reduce overall residential energy use by at least 4 percent per year.

Lastly, we are in complete and total agree with the Report's finding that "Additional rigorous **measurement and evaluation of energy efficiency resources**, as was recently authorized by the Public Service Commission (PSC), will allow electric system planners to place a higher degree of confidence on energy efficiency resources to meet future electricity requirements." New York has been a key supporter of and participant in NEEP's Regional Evaluation, Measurement and Verification Forum, and hopes the final State Energy Plan will reiterate this support.

### *Energy Efficiency Program Strategies*

NEEP believes that those principles cited with regard to energy efficiency programs (Interim Report at 4-5) present a solid foundation for the expansion of programs that will need to occur to meet the goals of the state's "15 by 15" energy efficiency portfolio standard. NEEP would point out that, particularly at this stage of relative maturity of the systems benefit charge (SBC) programs, upstream market actors in the manufacturing and distribution channels are increasingly looking to regional, if not national consistency and/or coordination of programs. As such, we would respectfully suggest that New York's programs could work even more closely with others in the region to participate

more fully in the various coordinated upstream activities as a means of even further improving program reach and effectiveness.

## **Summary**

New York State is not unlike other states – nor, indeed, unlike the nation as a whole – in facing multiple energy challenges, whether in the form of combating climate change, growing its economy or minimizing economic risk to its ratepayers. Fortunately, the state is well positioned to meet these challenges thanks to its history of highly successful energy efficiency programs, new policy commitments to tap even further into the energy efficiency resource and the political leadership to pursue a range of solutions that, when taken together, promise a more sustainable energy future for New Yorkers. To do so, the state will need to maximize its energy efficiency investments in ways that will allow the reach of energy efficiency programs and policies to go much broader and deeper than has ever been done previously in the state. It is NEEP's fervent hope that such a vision is articulated in the final State Energy Plan.

Lastly, as a regional partnership organization, NEEP is most encouraged at the Preliminary Finding that states that “New York may progress toward a number of its critical energy, economic, and environmental objectives through strategic inter-state and intra-state regional collaboration efforts.” NEEP is proud of its longstanding history of collaboration with NYSERDA and the Long Island Power Authority (LIPA), and looks forward to expanded partnerships with newer stakeholders who will play a role in implementing the state’s energy efficiency portfolio standard. We stand ready to assist the state in any way we can to help it fully realize the vision expressed in the Interim Report of a New York transformed “through the development and build-out of its clean energy industries.”