



Energy Efficiency in Connecticut 2012
Seizing the Opportunities
Meeting the Challenges

What's the Deal Conference – October 5, 2011
CBIA / CPES

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First Vice Chair, Energy Efficiency Board

Connecticut Energy Efficiency Fund

- A ratepayer fund created in 1998 by legislation as part of deregulation. All electric and gas utilities participate. Raised by small surcharge on utility bills. 2011 EEF budget \$124MM
- Administered by the electric distribution companies CL&P and UI. Supports wide range of EE programs serving commercial & industrial, as well as small business & residential customers.
- Overseen by Energy Efficiency Board. With PA 11-80, now chaired by DEEP commissioner. Includes 9 voting members representing diverse stakeholders. Utilities are non-voting members. EEB advises and assists EDCs program planning & implementation. Responsible for program evaluations.
- DEEP is responsible for approval of the annual Conservation & Load Management Plan prepared and submitted by EDCs. (2012 Plan just filed – October 1.)
- PA 11-80 sets high goals. EEF is ready to grow to meet them.

CT Administration and Legislature: High Goals and High Expectations

- Governor Malloy and Commissioner Esty
 - Reduce energy consumption by 15% or more
 - Make Connecticut No. 1 in energy efficiency
- State legislation (PA 11-80)
 - Resource needs must first be met through all available and cost-effective EE and DR measures
 - Goal to weatherize 80% of the state's residential units by 2030

Strong Foundation to Build On

- Very good EE programs in Connecticut
 - Award-winning programs, many are best practices
 - New and enhanced programs or elements
- Commitment to acquire all cost-effective EE
- Prior efforts to achieve much higher savings
 - Developed several plans (IRPs and others) to achieve several times the historical level of EE savings
- EEB focused on performance and committed to continuous improvement

CT Rankings in Energy Efficiency

	2007	2008	2009	2010
Overall EE Rank	1st (tied)	3rd	3rd	8th
Rank on Utility & Public Benefits Programs/Policies	4th (1 st in targets)	2nd	3rd	14th

Source: ACEEE State Scorecard Reports, 2007-2010

Why did the rankings for Connecticut decline in the 2010 ACEEE State Scorecard?

- Lower EE program spending in 2009 due to spending constraints. CT fell from 5th to 14th in electric EE program spending (as % of revenues), and was 13th in gas EE program spending.
- CT has statute to acquire “all cost-effective EE” but the higher savings goals (about 20% savings over 10 years) proposed in two IRPs were not approved. Likewise the budgets to ramp-up to and support the higher savings necessary to comply with the “all cost-effective EE” statute were not approved. Result: CT fell from 8th to 27th in officially approved savings targets.
- Decoupling was not implemented despite legislative authorization; CT fell from 1st to 20th.
- State Government Initiatives, fewer points and lower ranking; CT fell from 4th to 27th.
- Small reductions in other areas (e.g., building energy codes, appliance efficiency standards)
- These factors explain the dramatic drop – and show what needs to change –

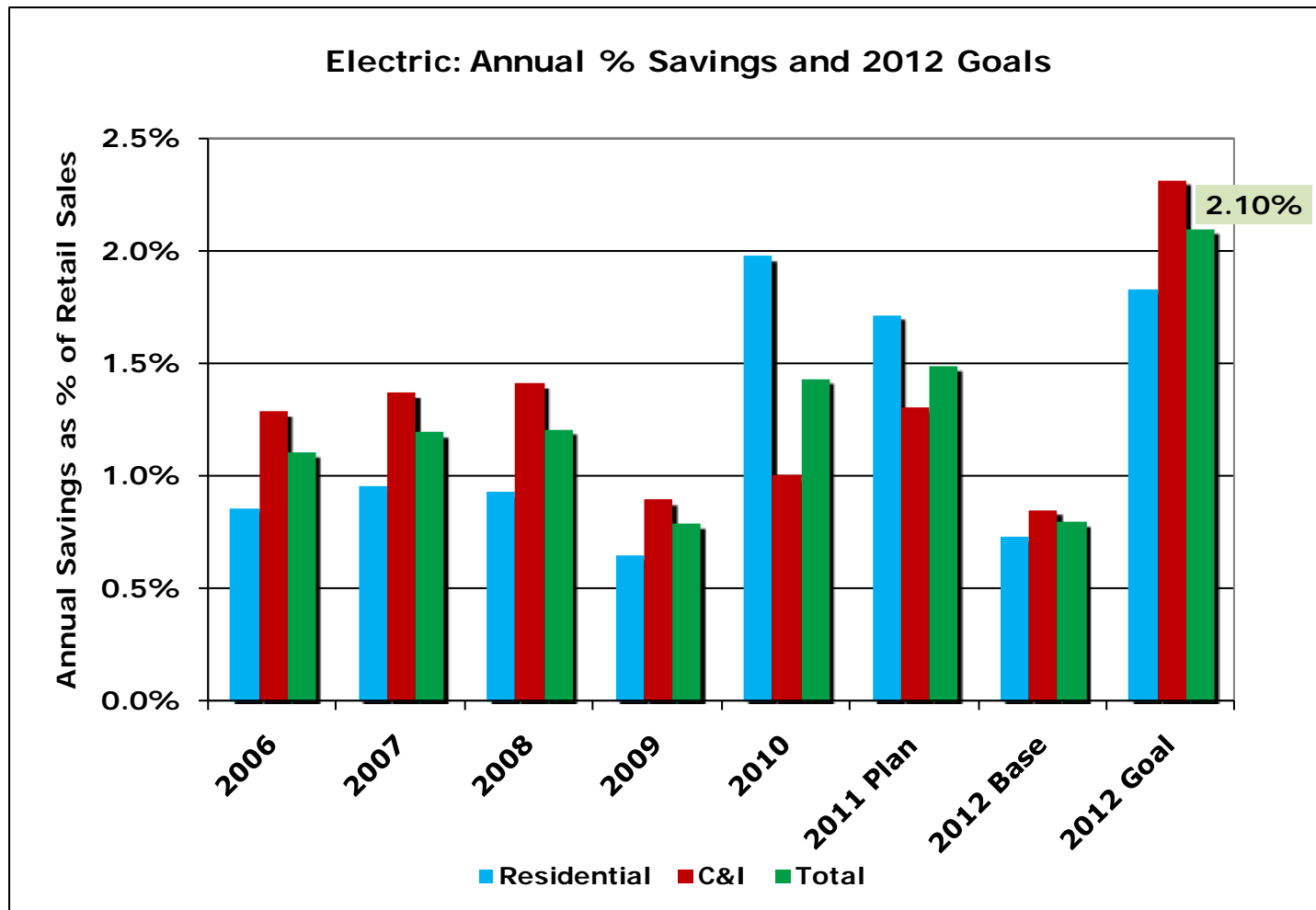
Returning CT to a Number 1 Ranking

ACEEE 2010 Top Ten

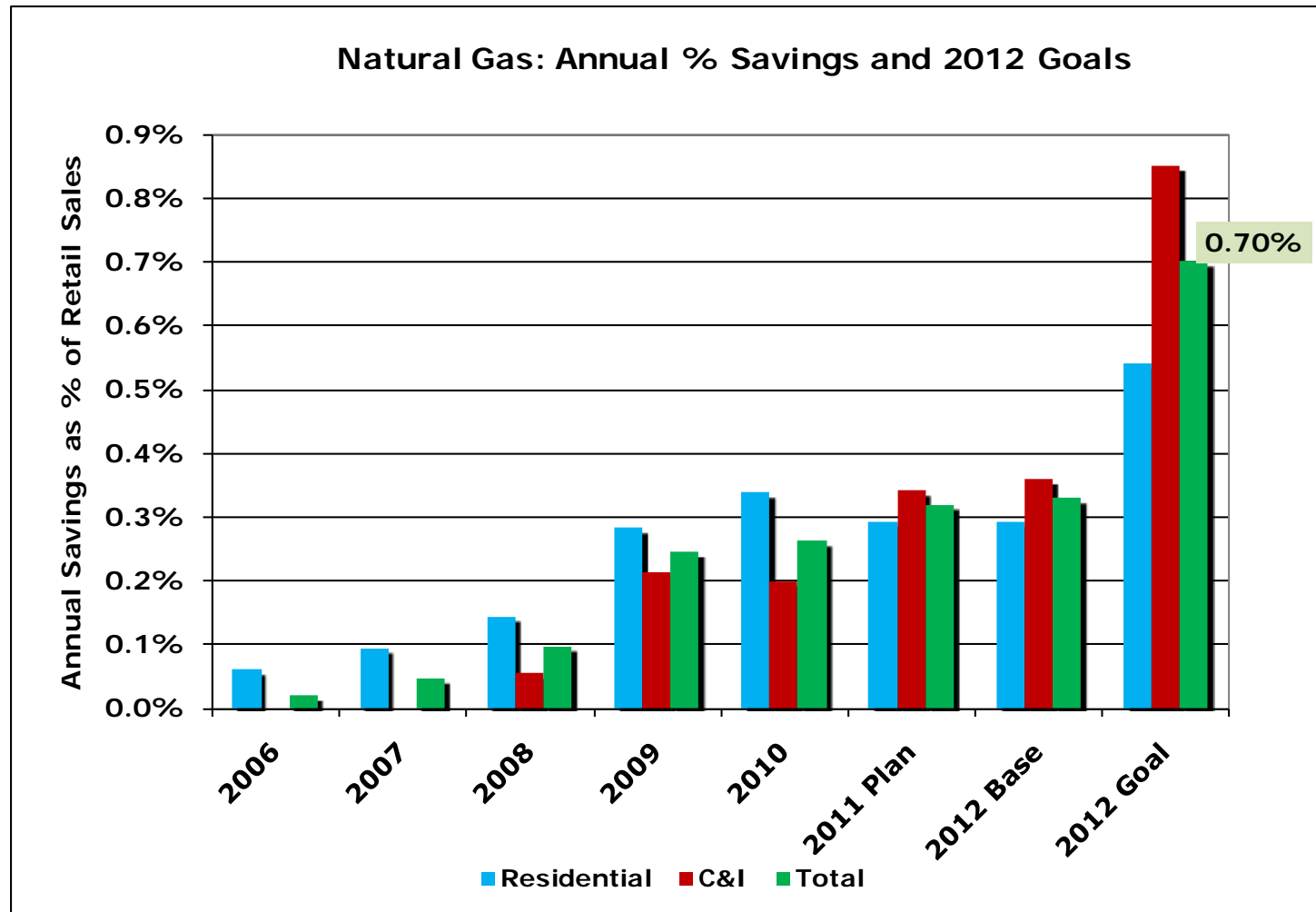
1. California
2. Massachusetts
3. Oregon
4. New York
5. Vermont
6. Washington
7. Rhode Island
8. *Connecticut*
9. Minnesota
10. Maine

- Returning to a No. 1 ranking will require significant efforts
- Other states have continued their progress and have leapfrogged ahead
- CT will need to get back on the path it was on earlier (i.e., all cost-effective EE), set ambitious goals, accelerate its efforts, & implement policies that support higher EE savings

Historical & Projected Electric Savings



Historical & Projected Gas Savings



Summary of Results of the Electric and Gas Potential Studies

Potential energy savings over a ten year period, 2009-2018

	Electric (GWh)	Natural Gas (Dth)
Technical Potential	10,714	11,568,192
(technically feasible)	36%	29%
Total Economic	10,722	10,100,924
(cost-effective)	36%	25%
Total Achievable	9,114	8,585,785
(achievable from all policies)	31%	22%
Program Achievable	6,616	6,626,397
(achievable from programs)	23%	17%

Connecticut Energy Efficiency Potential Study, KEMA, April 2010

Keys for Enhancing the EE Programs

- Achieve deeper energy savings in homes, commercial buildings & industrial processes; beyond equipment upgrades and single-measure installations
- Reach under-served market segments through enhanced outreach and responsive program design
- Leverage EE funds through innovative financing and project brokering
- Secure other sources of funding, including fuel oil funding
- Maintain strong commitment to EE as a cost-effective resource and to...
- Market transformation in many markets. I.e., promote high performance at the sustainability level (beyond code compliance) by market participants – vendors, service providers, designers, owners, managers, and occupants
- Provide comprehensive business energy solutions to enhance business competitiveness
- Promote sustainable energy management as a core consumer and business value through behavior and culture change

Key Challenges Ahead

1. Multi-year and multi-faceted program strategies focused on changing markets over time vs. a one-year plan and single-year regulatory framework
2. Policy framework to count all of the benefits
3. Funding support – stable and adequate EE funding
4. Acquiring all cost-effective EE (per the statute) vs. a narrower focus on the most cost-effective measures (those with the highest benefit/cost ratio)
5. Conflicting statutes that limit the achievement of goals and top priorities (weatherize 80% of homes)
6. Lower avoided costs for electric and gas

**For more information visit –
<http://ctenergyinfo.com>**

QUESTIONS?

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