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MEMORANDUM

September 22, 2010

To: RGGI State Commissioners and Staff (electronic submission – info@rggi.org)

From: Derek K. Murrow, Energy & Climate Policy Director
Peter Shattuck, Carbon Markets Policy Analyst

RE: **Supplemental Comments on Draft RGGI Reference Case Assumptions for the Program Review**


ENE (Environment Northeast) appreciates the opportunity to provide a supplement to comments submitted to RGGI, Inc. on September 20th. These supplemental comments focus on state efficiency programs and potential impacts on load growth projections.

Regional Energy and Peak Demand

As stated in prior ENE comments, electricity demand is one of the most important drivers of RGGI-region emissions, and it is essential that the model incorporate increasing energy efficiency investments that are reducing electricity consumption across the region. While ISO forecasts may provide an adequate starting point for demand assessments, such forecasts do not adequately capture existing and new legal requirements at the state level that are significantly increasing investments in all cost-effective energy efficiency.

We believe that efficiency can be incorporated into the model most accurately by using ISO forecasts that are focused on economic trends, and layering additional efficiency requirements and investments on top of those ISO forecasts (as was shown at the NYC meeting in the supplemental slides). The importance of accounting for efficiency investments cannot be understated, as states ramping up to procure all cost-effective energy efficiency will achieve first year annual savings in excess of 2% (this process is underway in ME, MA, RI and VT, and is mandated and proposed by utilities in CT). NY has also made significant new commitments to expand efficiency investments. Savings goals for CTⁱ and MEⁱⁱ have been added to the goals of MAⁱⁱⁱ and RI^{iv} in Table 1.

Table 1: Energy efficiency savings goals for CT, MA, ME and RI

	2010			2011			2012			2013		2014
	CT	MA	RI	MA	ME	RI	MA	ME	RI	ME	RI	RI
Savings Target (% 2009 Retail Sales)	1.11%	1.40%	1.33%	2.00%	1.13%	1.36%	2.40%	1.45%	1.70%	1.56%	2.10%	2.50%
Annual Energy Savings (MWh)	349,345	624,427	88,546	897,232	129,000	102,566	1,103,423	165,000	128,570	178,000	158,820	189,068
Summer Demand (kW)	58,858	100,277	15,154	145,098	22,000	18,512	179,139	27,000	23,204	29,000	28,664	32,759

The [supplemental slides](#) (see slide 2) presented at the September 13th Stakeholder Meeting show negative load growth of approximately 1.4% for MA from 2010-2030, while all other states are shown with positive load growth, suggesting that the impact of efficiency savings plans was incorporated for MA but not for other states. Thorough efforts should be made to incorporate efficiency mandates in all states, where utility commissioners and energy regulators should be consulted in addition to state environmental

regulators. Supplemental information and links to state efficiency plans can also be found at the State Policy page of the American Council for an Energy Efficient Economy.^v

While the Connecticut efficiency plan currently extends only through 2010, the CT legislature mandated^{vi} that utilities procure all cost-effective efficiency, and as such we believe that it is reasonable to project aggressive savings targets for CT over the medium to long term despite present administrative delays.

Respectfully submitted,

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ⁱ CT savings projections based on Energy Conservation Management Board Electric Plan Filings (<http://www.ctsavesenergy.org/ecmb/documents.php?section=16>), with percentage savings calculated based on ISO-NE forecast data (http://www.iso-ne.com/trans/celt/fsct_detail/2010/isonc_fcst_data_2010.xls)

ⁱⁱ ME savings figures based on Triennial Plan of the Efficiency Maine Trust 2011-2013 (http://efficiencymainetrust.org/docs/EMT_Final_Tri_Plan.pdf)

ⁱⁱⁱ MA savings figures based on approved statewide electric efficiency plan (<http://www.ma-eeac.org/docs/DPU-filing/1-28-10%20DPU%20Order%20Electric%20PAs.pdf>)

^{iv} RI savings figures for 2010-2011 based on approved statewide electric efficiency plan ([http://www.ripuc.org/eventsactions/docket/3931-NGrid-ComplianceProcurePlan\(9-3-08\).pdf](http://www.ripuc.org/eventsactions/docket/3931-NGrid-ComplianceProcurePlan(9-3-08).pdf))

RI savings figures for 2012-2014 based on filing by Energy Efficiency Resource Management Council with the RI PUC in Docket number 4202 on 9/1/10 ([http://www.ripuc.org/eventsactions/docket/4202-EERMC-EST-Filing\(9-1-10\).pdf](http://www.ripuc.org/eventsactions/docket/4202-EERMC-EST-Filing(9-1-10).pdf))

^v Available at: (<http://www.aceee.org/sector/state-policy>)

^{vi} See House Bill 7432 (<http://www.cga.ct.gov/2007/AMD/H/2007HB-07432-R00HA-AMD.htm>)