



NARUC

Serving the consumer interest
by seeking to improve the
quality and effectiveness
of public utility regulation
in America.

Efficiency as a Resource for Consumers and Utilities

President David Coen, NARUC
Commissioner, Vermont Public Service Board



Introduction

- Benefits of Efficiency to Consumers and Utilities
- Challenges
- Overcoming the challenges
- Efficiency Vermont as a case study



Overview of Efficiency Vermont

- Efficiency Vermont created in 2000
- Statewide energy efficiency provider
- Funding
 - Volumetric wires charge
 - Forward Capacity Market
 - Regional Greenhouse Gas Initiative
- State Energy Office conducts M&V
- Geographic Targeting



Role of Vermont Public Service Board

- Appoints the Efficiency Vermont provider
- Sets overall policy
- Sets Budgets
- Sets performance goals



Services Provided by Efficiency Vermont

- Every customer eligible to participate in EVT program
 - Residential customers – prescriptive rebates
 - Commercial/industrial customers – custom measures
- Low interest loans for weatherization



Benefits Provided by Efficiency - Consumers

- Negative load growth
- Net benefits = \$66.5 million
- Cost of 3.7 cents per kWh; less than a third of supply resources
- CO₂ reduction



Challenges of Implementing Efficiency - Consumers

- Explaining concept of system wide benefits
 - Even consumers that do not participate receive benefits – decreased power costs
- System benefits charge increases electric rates
 - However, efficiency programs reduce bills



Overcoming the Challenges - Consumers

- Education
 - Require information to be provided with bills
- Patience
 - Takes time for consumers to see the system wide benefits
- Energy Savings Accounts



Benefits Provided by Efficiency - Utilities

- Decreased power costs
 - Peak hours
- More accurate resource planning
- Decreased investments in transmission infrastructure
- Reduced need for new generation to meet capacity requirements



Challenges of Implementing Efficiency - Utilities

- Consideration of efficiency as a legitimate resource
 - Lack of visible infrastructure
- Accounting for efficiency in resource planning
 - Efficiency as a substitute for transmission or generation



Overcoming the Challenges - Utilities

- Ensure stringent measurement and verification protocols
 - Independent third party to review savings claims
- Require coordinated system planning
 - Ensure that efficiency has a seat at the table