



January 6, 2011 - *Via electronic mail*

Andrew M. Cuomo
Governor-Elect
Church Street Station
P.O. Box 683
New York, NY 10008

Dear Governor-Elect Cuomo,

On behalf of Northeast Energy Efficiency Partnerships (NEEP) please accept our congratulations on your election as the next governor of New York. By way of introduction, NEEP is a regional non-profit organization that advances the efficient use of energy in homes, buildings, and industry in New England, New York, and the Mid-Atlantic states. We accomplish this 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.¹

We were pleased to join a coalition letter on matters pertaining to the clean energy sector in New York sent earlier this month, and wanted to send a follow-up letter going deeper on certain energy efficiency policy issues and suggestions. We know you are concerned with many of the same issues as we are, including mitigating the high costs of energy for the state's residents and businesses and creating jobs, while at the same time protecting New York's environment. In that vein, we offer some thoughts about to best harness the potential of energy efficiency as a tool to contain energy costs, grow the economy and protect the environment.

New York has distinguished itself as a regional leader in deploying energy efficiency as a means of achieving public policy goals and continues to receive national recognition for its efficiency efforts, again placing in the top ten in the American Council for Energy Efficiency (ACEEE)'s national 2010 Scorecard.² With continued strong and stable efficiency funding, New York's residents and businesses stand to reap major saving on their energy costs, putting money back in consumers' pockets to be spent in-state on other goods and services. The programs run by NYSERDA and the electric and gas utilities have real and lasting benefits for the state's ratepayers, both program participants and non-participants alike, as large scale efficiency has proven to deliver across the board price reductions in wholesale electricity costs³.

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

² ACEEE 2010 State Energy Efficiency Scorecard rankings are available at <http://www.aceee.org/sector/state-policy/scorecard>

³ <http://www.synapse-energy.com/Downloads/SynapseReport.2009-10.AESC.AESC-Study-2009.09-020.pdf>



Following are some priority stances which we hope you will take as governor:

Support Creation of a Permanent Stakeholder Board for Energy Efficiency

Many neighboring states have stakeholder advisory boards that brings together representatives from state government, business, academia, the utilities, industry, consumer and low-income advocates and the environmental community to administer the state's energy efficiency programs. These bodies help in creating consensus on innovative energy policy for the state, including policies to capture all-cost effective energy efficiency. They work with electric and gas utilities and other energy partners to help deliver comprehensive cost-effective energy saving solutions for all customers. From our experience, there seems to be strong support from a variety of parties to create a such permanent energy efficiency stakeholder board. We hope that your administration will support such a board for New York so that NYSERDA, LIPA the utilities and other parties can deliver these programs in a coordinated and effective manner, leveraging complementary public policies whenever possible.

Support Energy Efficiency within the Public Service Commission

As a governor, you will have the opportunity to make new appointments to the Public Service Commission (PSC). We encourage you to appoint commissioners who recognize the value of energy efficiency, and, in particular, the economics of efficiency. It is an unfortunate truth that the relationship between the Commission's staff and the state's energy efficiency program administrators (NYSERDA and the utilities) has been somewhat contentious in recent years.

We hope that the new commissioners will see the PAs as partners in providing efficiency solutions to ratepayers, and as such afford them greater flexibility in delivering efficiency services to customers. While oversight and coordination of programs are vital to ensure best use of ratepayer dollars, we believe the PSC has been overly aggressive in its scrutiny of efficiency program delivery. We suggest that relaxing reporting guidelines to bring them in line with neighboring states and applying the Total Resource Cost Test on a portfolio level instead of the measure level will benefit customers and ultimately deliver more energy savings faster.

In addition, it is our hope that your administration will appoint commissioners who recognize the importance of regional collaboration as a means of fully and uniformly valuing the contributions of energy efficiency across territories and states, and of controlling program administration costs. To that end, we urge that the next PSC be directed to support the efforts of the Regional Evaluation, Measurement and Verification Forum, a group facilitated by the Northeast Energy Efficiency Partnerships.



Improve Building Energy Performance

We congratulate the legislature and Governor Patterson for enacting [A42102](#), requiring use of the most recent Edition of the International Energy Conservation Code (IECC). This change will save building owners and tenants significantly in energy costs over the life of new and renovated buildings.

In addition we urge the state to implement an informative appendix to the building energy code, or “stretch code.” Such a provision could either be enacted to allow communities to optionally adopt a state-sanctioned building energy code that requires high performance building elements and uses at least 20 percent less energy than the baseline statewide energy code, or it could be adopted as the statewide building energy code itself, which is arguable what was intended by 2007 legislation setting an above code building energy standard for the entire state. As a reminder, “code” is the least efficient building allowed by law; it is, in fact, not only possible but highly cost-effective to build to a much higher energy efficiency standard, helping owners and occupants save on energy costs for the life of the building. Massachusetts is one neighboring state that has successfully implemented a stretch code, with more than 60 communities adopting it in the first year of its existence. NEEP helped drafting model language and continues to support municipalities in their adoption and implementation efforts.⁴ We have offered and will continue to offer to support any efforts in New York to develop and adopt a similar code.

A second related practice we would like to see advanced in New York is the concept of building energy rating. As the U.S. Department of Energy implements its pilot program to test its recently developed home energy scoring system – which will ultimately be made available as a model for states to adopt – we are seeing heightened interest among states to setting in place their own legal and regulatory frameworks to establish mandatory building energy rating and disclosure policies for residential and commercial buildings. We feel strongly that such a system is needed to provide consumers with the information needed to make informed decisions about the homes, apartments, offices and buildings they lease or purchase. As consumers are provided energy use information about a whole host of products they might purchase, from cars to water heaters, it would stand to reason that the largest single investment most people will ever make – purchasing a home – should also come with energy usage information to create a currency in the real estate market to value better energy performing buildings.

We hope your administration will support high performance building practices that complement ratepayer-funded efficiency and clean energy programs, with the informative appendix an important tool for new building construction and major renovation.

⁴ <http://neep.org/public-policy/building-energy-codes/model-policy>



Open up Energy Efficiency Programs to All Customers

Currently, comprehensive energy efficiency and weatherization programs are only available to natural gas and electric customers, despite the fact that many homes and businesses in more rural areas of the state heat with oil, propane or other fuels. Full access to thermal energy savings programs should be made available to these customers. Looking to neighboring states, Maine is leading the region in its efforts to develop all-fuel efficiency programs⁵, for the first time making whole-building efficiency a reality for many property owners. We urge your administration to support the creation of fuel oil and weatherization programs.

New Report Outlines Energy Efficiency Potential

We would like to call to your attention an important [new report](#) called *From Potential to Action: How New England Can Save Energy, Cut Costs, and Create a Brighter Future with Energy Efficiency*. This report highlights the economic potential of energy efficiency that can be captured for less than the cost of generating and delivering new electricity from power plants, and provides policy guidance for states to maximize this potential. While the report focuses on New England as a region, certainly the lessons on harnessing cost-effective efficiency in New York as well as policies that can help deliver greater savings are relevant for neighboring states.

From Potential to Action shows that New England states have the potential to reduce forecasted electric demand by about 20 percent over the next eight years. Capturing this level of efficiency by 2018 will increase gross state product by \$54.6 billion and create thousands of jobs in the region by adopting cost-effective energy efficiency policies. Enormous environmental as well as economic and public health gains stand to be realized when states pursue energy efficiency as a first order resource, as is the intent in New York state. The full report is available on NEEP's website at <http://neep.org/public-policy/policy-outreach-and-analysis/potential-study>. We would be happy to mail you a hard copy if requested.

During your tenure as attorney general, you demonstrated leadership on energy, economic development and environmental issues and we look forward to your continued leadership in these important related arenas. Thank you for considering our input during this important period for your new administration. Taken together, the above measures will lower energy bills for residents, create much-needed jobs, and produce meaningful reductions in harmful emissions. We look forward to working with your administration in years ahead. Please do not hesitate to contact NEEP at any time if you have questions about energy efficiency or other energy policy issues.

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⁵ The Efficiency Maine Trust will issue a Heating Fuels Efficiency and Weatherization Report to the legislature in January 2011. See <http://www.energymaine.com/in-your-community/heating-fuels-efficiency>.