July 1, 2019

VIA ELECTRONIC FILING

Hon. Kathleen H. Burgess
Secretary to the Commission
New York State Public Service Commission
Empire State Plaza, Agency Building 3
Albany, New York 12223-1350

Re: Case 18-M-0084 – In the Matter of a Comprehensive Energy Efficiency Initiative

Dear Secretary Burgess:

The Alliance for Clean Energy New York (ACE NY), on behalf of itself and Advanced Energy Economy Institute (AEEI), submits for filing comments on the Updated NY Utilities Report Regarding Energy Efficiency Budgets and Targets, Collaboration, Heat Pump Technology and Low- and Moderate-Income Customers which was filed in Case 18-M-0084.

Respectfully Submitted,

Deb Peck Kelleher
Director, Policy Analysis and Operations
The Alliance for Clean Energy New York
(Case 18-M-0084)

Alliance for Clean Energy New York  
Advanced Energy Economy Institute


The mission of ACE NY is to promote the use of clean, renewable electricity technologies and energy efficiency in New York State, in order to increase energy diversity and security, boost economic development, improve public health, and reduce air pollution. The mission of Advanced Energy Economy Institute (AEE Institute), the charitable and educational organization affiliated with Advanced Energy Economy (AEE), is to raise awareness of the public benefits and opportunities of advanced energy. Our stakeholder companies are engaged in the full range of energy efficiency services, from information technology, financing and data analysis as applied to building operations and management; to efficiency in heating, ventilation, and cooling; to retrofits of multifamily buildings, lighting, industrial processes, and commercial operation; to residential weatherization; to advising on energy efficient new construction to net zero or passive house standards. These companies contribute to the 110,000 energy efficiency jobs in New York State¹. Efficiency jobs comprise the majority of clean energy jobs in New York and the U.S. as a whole; among the 3.4 million advanced energy jobs in the United States, approximately two-thirds are in energy efficiency.²

Both organizations support the Commission’s pursuit of the Reforming the Energy Vision (REV), which seeks to unlock the value of advanced energy so as to meet important state policy objectives and empower customers to make informed choices on energy use, for their own benefit and to help meet these policy objectives. We also support and welcome the Governor’s

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April 2018 commitment to a 185 TBtu fuel-neutral energy savings goal by 2025, as well as the sub-target of 30,000 GWh by 2025 in end use savings below the 2025 forecast.

ACE NY and AEE Institute are supportive of the broad clean energy and emissions reduction goals of the Climate Leadership and Community Protection Act (CLCPA) that recently passed both houses of the Legislature. This sweeping legislation sets economy-wide greenhouse gas emission limits at 40% of 1990 levels by 2030, and 85% by 2050, and has strong and extensive provisions to invest in disadvantaged communities. This Act recognizes the importance of energy efficiency in meeting these goals and requires that any State plan include energy efficiency measures. In short, the passage of this law heightens the need for aggressive progress on energy efficiency. We have the following brief comments:

A. The EE Organizations are supportive of the collaboration between NYSERDA and the Utilities to reach our energy efficiency goals. It is important that our State’s energy efficiency programs work as effectively as possible and appear seamless to consumers, homeowners and property owners.

B. We are supportive of NYSERDA’s statewide actions to facilitate the installation of heat pumps. These activities should also include workforce development, cooperative advertising with the utilities, marketing, tools and calculators, and technical assistance and financing.

C. It is important that the targets for energy efficiency programs and heat pump programs outlined in the Joint Utilities Report be treated as a floor, and not a ceiling. The recently passed Climate Leadership and Community Protection Act requires net zero carbon emission across the State by 2050. The expanded and new efficiency programs discussed in this Report have an opportunity to facilitate the actions that residents, contractors, retailers will need to do to meet that ambitious goal.

D. Within the heat pump programs, the EE Organizations see the need for a stronger inclusion of program pieces to address the building envelope. The Joint Utilities Report outlines a number of benefits for improving the building shell, including greater energy efficiency savings and greater comfort for the building’s residents. The EE Organizations recognize that these improvements to the building envelope increase initial costs and program complexity. The Report states that approaches to synchronizing building shell improvement with heat pump installations will be explored in the implementation phase. It is critical that the Commission ensure that these plans create this synchronization. There should be a recognition of the NYSERDA’s home and business energy audit program and its importance in providing information to homeowners or property owners as they upgrade their buildings. The weatherization of our State’s existing housing stock is important part of reaching out State’s net zero carbon emission goal by 2040.

E. Additionally, the Commission should direct the utilities to make heat pump incentives available for all types of customers, no matter what type of heating fuel they currently use. Given that the CLCPA requires a 40% emission reduction by 2030, it is crucial that all
residents of the State have access to programs to help them reduce their greenhouse gas emissions.

F. We also note that the proposed reliance on “deemed” savings for the heat pump programs is not an ideal solution, but is necessary given the cost of evaluation, measurement and verification; the limited deployment of AMI, and the need to get the program moving. These deemed savings estimates and TRM values, as the report states, should be revised to match the real-world savings achieved by heat pumps. To the extent that the savings fall short of expectations, we agree with the report’s recommendation that the portion of overall EE target attributable to heat pump savings should be revised. If such a revision occurs, other programs should be increased to ensure that the overall 31 TBtu goal is met.

G. Within the heat pump program, the EE Organizations are supportive of Utilities efforts to create a uniform program framework, a common program manual and similar incentive levels for utilities in the same region. We also support the development of a new statewide collaborative approach model for the program framework and program delivery. Given the investment needed from homeowners or property owners to install heat pumps, it is important that any program be easy for the owners to access and receive their incentives.

H. The Utilities Report does not contain detailed information about other energy efficiency programs that are or might be conducted by the utilities with the except of lighting and heat pump programs. The Commission should require the Utilities to pursue all cost-effective energy efficiency measures. Again, the CLCPA requires all residents and businesses to assess and reconfigure their energy usage, with tight time frames. The Joint Utilities, working with NYSERDA, have an opportunity to jumpstart our State’s transition to a net zero carbon economy.

I. Finally, we also express concern over energy efficiency plans that propose mandatory effective useful lives (EULs) or incentives that encourage utilities to deploy long-lived measures. A long EUL is not a value in itself. Instead of favoring long-lived measures over shorter ones, utilities should focus on value—the most energy saved at the least cost. Some short-lived measures may out-perform long-lived measures on value, and an incentive structure should not encourage utilities to overlook these.

The EE organizations sincerely appreciate the opportunity to comment on the Updated NY Utilities Report Regarding Energy Efficiency Budgets and Targets, Collaboration, Heat Pump Technology and Low- and Moderate-Income Customers and we look forward to working with the Commission in the coming years to bring New York’s energy efficiency goals to full fruition.