

Alicia Barton President/CEO
New York State Energy Research and Development Authority
17 Columbia Circle
Albany, NY 12203-6399



Re: **New Efficiency, New York - Comments for Case Number: 18-M-0084**

Dear Ms. Barton,

BPCA applauds the development of the New Efficiency, New York package of proposals and reforms on energy efficiency policy issues, as well as the further development of the Governor's Reforming the Energy Vision (REV) process. Together these efforts provide a unique opportunity to sponsor innovative solutions that improve the way we value and deploy energy efficiency as a resource.

New York State has a history of investing in and developing an infrastructure for energy efficiency products and services, as demonstrated during the New York Systems Benefits Charge (SBC) period. These efforts produced one of the largest Home Performance with ENERGY STAR® programs in the country, with a network of highly trained and accredited (BPI.org) small businesses that has also invested in the training, credentialing, and equipment required in order to deliver high-performing energy efficiency services for residential, multi-family, and small commercial customers. This network is perfectly positioned to take on the challenge of meeting the Governor's energy efficiency targets in the residential sector, and should be an integral part of any program activity for transforming the marketplace. We encourage NYSERDA to utilize this extensive network as a resource.

BPCA also urges NYSERDA to re-animate the significant infrastructure that has already been created under SBC, ARRA and GJGNY to train and certify workers in the building performance trades. This effort needs to be continued if we are to create a sustainable market that can support serious job creation.

Using REV to bring energy efficiency to scale and to strengthen the ecosystem of home performance requires facilitation of many relatively small and unique transactions. Full market transformation will require synchronized action on several fronts simultaneously:

1. Foster market demand

We appreciate NYSERDA's efforts to develop and test new strategies for deploying on both residential and multi-family homes. We note that this marketplace that can easily be undermined by policy uncertainty, and we urge NYSERDA to:

- Leverage utility marketplace venues to provide a clear pathway for consumers that could benefit from an on-site energy assessment.
- Build up homeowners' understanding of the need for energy efficiency and home performance through multi-level public information campaigns that leverage proven "social norming" referral-based marketing strategies - with the potential to "go viral."
- Assist New York utilities in determining a base value for energy efficiency, which can initially be based on the Benefit Cost handbooks and related filings. The utilities can supplement this base value with location-specific values for areas where there additional or critical load reduction needs (as in the Non-Wire Alternative areas). These values can be updated based on changes in market conditions, utility needs, and policy developments, and should also include critical non-energy benefits.
- It has been several years since the Federal Energy Regulatory Commission (FERC) ruled that demand response efforts generating "negawatts" should receive the same benefits as generation resources in wholesale markets. This allows for a healthy balance between supply

and demand, rather than an ongoing reliance on increasing electrical generation.

2. Stimulate the workforce to provide the labor for energy efficiency work, and create jobs

New York's initiatives must be driven by policies and programs to create a market that can absorb newly skilled workers as part of a trained and credentialed workforce.

- Workforce development is an iterative process that requires a synchronized continuum of aligned organizational resources that can hand-off seamlessly; from recruitment to training to hiring in response to increased demand for energy efficiency.
 - Orientation / resources for high school guidance counselors and one-stop centers to better understand and address this market.
 - On-the-job training that also includes the development of training cooperatives that function like employee-owned businesses.
 - Interim hiring subsidies that will allow entrepreneurial energy-related businesses and small home performance contractors to pay union wages.

3. Utilize market forces for energy efficiency scalability

BPCA urges NYSERDA and the utilities to continue to leverage market forces that can drive cloud-based data gathering for a Pay for Performance program, rather than relying solely on utility data and systems.

- Data-driven quality assurance and strong standards (BPI, PassiveHaus, IECC etc.) should be key elements of any program design;
- Quantifying delivered energy efficiency is now possible by properly aligning competitive market forces that are currently forming around new data-driven technologies;
- A market-based “pay for performance” system should provide a basis for incentives regardless of the fuel, since at least one quarter of NY households are still heated with oil.
- We urge NYSERDA to consider significant reforms to the current Pay-for Performance model because the program as envisioned will:
 - encourage market players to focus on “low hanging fruit” to the exclusion of deeper energy savings opportunities, or non-energy benefits (a significant driver of energy efficiency work);
 - benefit mostly larger players while putting entrepreneurs and small businesses at a disadvantage, at a time when small businesses are critical partners as local employers;
 - not engage consumers in reducing their energy consumption due to the fact that it freezes all utility payments regardless of future energy use.

We also urge the use of recommendations from the National Efficiency Screening Project (NESP) Resource Value Framework (RVF) and the National Standard Practice Manual to improve the way that utility customer-funded electricity and natural gas energy efficiency resources are screened for cost-effectiveness.

Thanks to proactive efforts by the NY Public Service Commission and NYSERDA, we believe a viable market for energy efficiency services can be now brought to scale. This market reduces our energy dependence on fossil fuels, while also generating jobs and capping the constant export of NY dollars to pay for energy.

BPCA stands at the ready to support this effort with support, advocacy, and training resources. We appreciate the opportunity to do so.



Conrad Metcalfe
Executive Director