

The Connecticut Light and Power Company (CL&P) *Alliance to Save Energy "Galaxy" Star of Energy Efficiency – Award Submittal*

Energy is a "should" topic. We talk about how we should use less energy. We should reduce our carbon footprint. We should be doing things differently in this country. At CL&P, we are. "Energy for a Changing World" is our motto and the energy efficiency programs we provide for our customers are the tools that are changing how we use energy in Connecticut.

Who We Are: CL&P is a local electric distribution company serving over 1.2 million customers in 149 of Connecticut's 169 cities and towns. CL&P is a subsidiary of Northeast Utilities. CL&P has been a leader in energy efficiency for more than twenty years, when we began offering weatherization services to our limited-income customers. We have always believed that efficient use of electricity is good for our customers, good for our state, and good for business. The Connecticut legislature recognized the importance of energy efficiency in 1998 when it passed a statute creating the Connecticut Energy Efficiency Fund (CEEF). CL&P was charged with the task of creating and implementing a comprehensive portfolio of energy-efficient programs and services for homes and businesses within its service territory. Programs are funded by a small charge on customer bills. In 2006, natural gas energy efficiency measures were added to our premier residential program, Home Energy Solutions. The integrated program was such a successful model that in 2007, programs for commercial and industrial natural gas customers were added to the lineup. It made sense to build upon the existing energy efficiency program infrastructure in place at CL&P. This holistic approach to energy efficiency offers customers an easy-to-use, streamlined experience with greater overall savings and environmental benefits. CL&P administers natural gas efficiency programs for Yankee Gas (a Northeast Utilities subsidiary), Connecticut Natural Gas and Southern Connecticut Gas. Homes heated with fuel oil are also eligible for CL&P's residential weatherization and efficiency services.

Award-Winning Programs for All Customer Segments. Limited-income, municipality, non-profit, residential, school, small business, state government, university, large commercial and industrial customers – this holistic coverage of all customer sectors ensures that everyone, even if indirectly, benefits from CL&P's energy efficiency programs. Year after year, programs administered by CL&P win national awards from respected organizations and government agencies such as the *American Council for an Energy Efficient Economy*, the *Department of Energy* and the *Environmental Protection Agency*.

Our Energy Efficiency Program Portfolio: For residential customers, we perform in-home energy assessments and weatherization measures, promote and subsidize ENERGY STAR® retail lighting and appliances, and facilitate and incentivize energy efficient new home construction. Our commercial, municipal and industrial programs focus on energy efficient new construction, new equipment, retrofits, and operation and maintenance services. While the programs use a combination of incentives and rebates to offset the cost of the energy-efficient technology and services, low-cost or no-cost financing is another powerful tool to motivate people to act. For our small business customers, we make it very easy. Zero-percent financing is available and the loan payments appear on the customer's electric bill. Earlier this year CL&P hosted a symposium with vendors, other utility companies and local financial institutions to discuss ways to offer attractive energy efficiency financing to residential customers to encourage them to pursue greater efficiency gains such as window replacement and insulation upgrades.

Bringing More to the Table: For the first time in United States history, reduction in the demand for electricity has a financial value in the energy markets – just as electricity generated by power plants does. The new ISO-New England Forward Capacity Market (FCM) allows CL&P to enter anticipated peak demand savings from energy efficiency and load management programs into the capacity market for bid. The proceeds go back to the CEEF to fund additional energy efficiency projects. This valuable resource is available only to participants that meet rigorous qualifications. CL&P's ability to measure and verify energy savings and accurately forecast future savings has earned us a place at the table. CL&P also participates in the Class III Renewable Energy Credit market (Class III REC) and the Regional Green House Gas Initiative. In 2008 alone, CL&P was able to add more than \$10.5 million to the Fund's budget from the proceeds of the FCM and Class III RECs. This revenue stream enables us to provide even more customers with energy-saving services and so creates a profitable win-win scenario that benefits our region.

Flexible and Strong: Operating in a regulated environment, CL&P has to react quickly and effectively to the ever-changing legislative landscape. Midway through 2003, our CEEF funding was removed by the state's administration in an effort to close a budget gap, forcing CL&P to curtail most of our programs. Yet the next year, despite the disruption, we were able to bounce back rapidly and achieved energy savings at an even greater level than in 2002. In 2007, when legislation was passed requiring the natural gas companies to provide energy efficiency services to commercial and industrial companies, we went from annual savings of 163,431ccf in 2006, to 235,099 ccf in 2007, to 976,571 in 2008. We had the experience, expertise and, most importantly, the commitment of a dedicated staff determined to succeed. As more opportunities emerge for fuel oil conservation, we are able to integrate the measures quickly into our existing program framework. Energy efficiency is a prominent feature of the American Recovery and Reinvestment Act. Our programs are shovel-ready and we have the proven ability to ramp up immediately and generate the energy savings, along with the "green-collar" work force that grew by more than 1,500 non-utility jobs in 2008 alone, as a result of our existing programs.

Changing Behavior with Education and Outreach: CL&P understands that energy efficiency programs are an interim step. The ultimate goal is to change how people use energy. CL&P reaches out with the efficiency and environmental message in a variety of ways. Many of CL&P's departments work together to deliver the message – Conservation & Load Management, Economic Development, Community Relations, Account Executives, Communications – all these groups work in concert to promote wise energy use at chamber of commerce meetings, country fairs, urban festivals and senior centers. Our people sit on conservation boards and volunteer their time with grass root environmental groups. We also administer an award-winning program, *eesmarts™*, that teaches energy efficiency and conservation curriculum to grade-school teachers. We participate in partnerships with several museums and facilitate the creation of energy exhibits for adults and children. CL&P, through Northeast Utilities' philanthropic organization, the NU Foundation, recently contributed \$1.5 million to a new Connecticut Science Center. The Center was built to LEED certification standards and features a *Smart Energy* gallery and a *Forces in Motion* gallery.

Electric Savings Achieved: From 2000-2008, CL&P spent approximately \$574.1 million on energy efficiency and achieved more than 1.97 billion annual kWh savings over that same 9-year period. Over the lifetime of the measures installed during those 9 years, more than 27.8 billion kWh will be saved and almost 15 million tons of carbon dioxide emissions will be avoided. The last three years, 2006-2008, have seen encouraging growth in energy savings. During those three years, CL&P spent almost \$225.5 million on programs and achieved 827 million annual kWh savings and 10.56 billion kWh over the lifetime of the installed measures. The average annual spending during that same 3-year period was almost \$75.2 million with average annual energy savings of 275.66 million kWh and average lifetime savings of more than 3.5 billion kWh. 2007 saw the greatest electric energy savings: 281.32 million annual kWh and 3.42 billion lifetime kWh, with more than 1.83 tons of carbon dioxide emissions avoided during the lifetime of the installed measures.

Natural Gas Savings Achieved: From 2006-2008, CL&P (on behalf of the natural gas utility companies) spent \$8.5 million on programs and achieved more than 1.37 million annual ccf savings and 23.6 million ccf over the lifetime of the installed measures. The banner year for natural gas savings was 2008, with 976,571 annual ccf savings and 15.95 million lifetime ccf, with more than 96,210 tons of carbon dioxide emissions avoided over the lifetime of the installed measures.