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Maryland Alliance for Fair Competition (MAFC)

Representing HVAC, Heating, Cooling, and Plumbing Contractors in the Baltimore-Washington Corridor

Stakeholder responses to MEA draft *Report to the Senate Finance Committee and House Economic Matters Committee to Discuss Whether to Set EmPOWER Maryland Targets Beyond 2015*:

Global comments:

We request the MEA to include MAFC in all future stakeholder activities, directives and communications.

We recommend stronger efforts be made in all future energy programs to include greater formal representation of groups on the “front lines” in the marketplace such as contractors, manufacturers and distributors. We believe this representation should be mandated. The profound lack of understanding of the economic restrictions and urgencies in the marketplace has contributed to Maryland’s poor showing as compared to other states. Our consumer sales and marketing experience, as well as our technological knowledge of the latest equipment developments would significantly contribute to energy savings goals.

As part of this recommendation, we suggest the utilities be considered “participants,” as opposed to “directors” of programs. Currently, all new activity is pushed to the utilities for their “approval.” The utilities, then, view all new proposals from their business perspectives, as opposed to being unbiased stewards of the energy reduction efforts.

We recommend that EmPOWER Maryland actually be the program in its entirety, with the utilities simply executing the total program goals. Currently, every participating utility has its own program name and marketing program. Not only is this not cost effective, but it leads to vast customer confusion. It also leads to the programs being utility focused, first, and Maryland focused, a distant second.

We recommend Maryland more closely follow more successful states’ programs, details of which are outlined in the “Review of Other States’ Energy Efficiency and Conservation Programs,” on page 21 of the draft report:

- Common differences include rebate amounts for particular products and marketing strategies.
- ...increasing incentives to raise customer participation.
- ...spending needs to be at a level for an energy efficiency program to gain traction in the market, and produce the energy and dollar savings for a broad population of consumers across the state.
- ...it warrants comment that the utility commissions in those states weigh cost and savings differently than Maryland.
- Maryland’s utilities must have the power to spend more on programs that have a higher potential to save energy.

Conclusion: We strongly support extending EmPOWER Maryland targets beyond 2015. Maintaining strong energy efficiency programs should be an ongoing goal for generations.

Specific comments:

Fuel Switching

We support including a natural gas fuel switching component for future EmPOWER Maryland programs. To quote the “Findings” of the GDS study, “If there were a concerted effort to increase access to natural gas service, the savings from this program would increase correspondingly.”

Including a fuel switching program component would also function as a check and balance on the utilities’ overarching financial interest in electricity programs.

Expand HVAC Focus to Include More than Electricity

This expansion would allow for the targeting of hydronic and steam boilers, which currently don’t qualify for any incentives. Replacing an old boiler can save 40%-60% of fuel costs. Excluding this entire heating system group denies a substantial number of Maryland residents the opportunity to participate in EmPOWER Maryland programs, even though residents must contribute to the programs through their utility bill. Excluding these energy systems also denies the state much needed energy reduction opportunities. Consequently, we also recommend including audit and Home Performance retrofit rebates for hydronic and steam heat.

Whole Home Performance

We recommend including an entire programmatic focus on *Whole Home Performance*, as opposed to simply pushing home performance audits on reluctant consumers.

Note: The four recommendations above satisfy the 2011 ACEEE report, bullet #2, “Identifying and prioritizing targeted technologies and end uses, especially those that contribute significant energy savings,” outlined in page 21 of the draft report.

Cost Effective Definitions

We support bullet #1, “Do Not Define Cost Effective in the Statute,” though this support is qualified. We recommend that MEA request the Commission determine the definition of cost effectiveness in their regulatory proceedings, with a study on the true efficacy of the TRC mandated as part of the process of determination.