

SESSION 2E

PUBLIC POLICY'S ROLE IN ENERGY EFFICIENCY INVESTMENTS VS. BENEFIT/COST REQUIREMENTS

Moderator: Carol S. White, National Grid

PANELISTS:

Ellen Nowak, Wisconsin Public Service Commission
Janine Migden-Ostrander, Regulatory Assistance Project
Abigail W. Anthony, Environment Northeast
Carol S. White, National Grid

SUMMARY DESCRIPTION:

Public policy regarding energy efficiency has evolved over the past three decades or more focusing on energy efficiency as a “least cost” resource to reduce states’ energy costs, energy efficiency as a component of state climate change mitigation plans, and energy efficiency as a driver of economic growth. Over the same time frame, benefit-cost criteria have been refined, debated, and adopted in various forms by regulators. But is there a disconnect between the public policy objectives driving energy efficiency and the benefit-cost test requirements imposed by regulators? A lively discussion is anticipated as a state regulatory commissioner, a consumer advocate, an environmental advocate, and a utility program administrator share their views on this important topic.

This panel will discuss current benefit-cost test requirements as well as views on how these assessments should evolve in response to energy policy objectives. What should be counted, both in terms of costs and in terms of benefits, as decisions get made? Where do we draw the boundaries around what can and should be included? What are the barriers to changing current benefit/cost test requirements? How does the focus of evaluation need to change in response to evolving benefit/cost test requirements? What are the program design and implementation implications of these decisions? If changes are needed, what is the best way to drive those changes?

Ellen Nowak, a commissioner from the Wisconsin Public Service Commission, will share her views on these fundamental questions. Janine Migden-Ostrander, a former consumer advocate from Ohio and a current principal from the Regulatory Assistance Project, will bring her perspective to the discussion. Abigail Anthony, an environmental advocate currently focusing on energy programs in Rhode Island will focus on why current approaches to assessing cost-effectiveness may inhibit energy efficiency investments. And Carol White from National Grid will focus on her view of cost-effectiveness test requirements in Massachusetts with the Green Communities Act in mind as the legislation enabling a focus on “all cost-effective” energy efficiency in that state.