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**American Recovery and Reinvestment Act of 2009
Weatherization Assistance Program**

**Testimony of Richard A. Soderman
The Connecticut Light and Power Company
and Yankee Gas Services Company**

**Appropriations Committee
Energy & Technology Committee
Human Services Committee
Public Hearing
May 4, 2009**

Good afternoon, my name is Richard Soderman, Director of Legislative Strategy and Policy for Northeast Utilities, parent company of The Connecticut Light and Power Company and Yankee Gas Service Company. I am here today to provide comments on the Weatherization Assistance Program provisions of the American Recovery and Reinvestment Act of 2009 ("ARRA"). The ARRA federal economic stimulus legislation provides \$787 billion to be distributed or allocated to various programs and initiatives to help our economy. Of particular note to Connecticut is the \$64 million designated for the state's low-income weatherization program. We believe that these stimulus funds can assist in helping Connecticut reach its desired goals of:

- Assisting low income persons to minimize energy-related costs and fuel usage in their homes;
- Increasing green jobs,
- Reducing energy dependence on foreign oil,
- Promoting energy efficiency,
- Reducing greenhouse gas emissions.

Today's hearing addresses the draft state plan and applications prepared by the Department of Social Services. Before I comment on that plan, let me provide some background on our companies.



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CL&P has been part of everyday life in Connecticut for more than 100 years, providing safe and reliable electric service to homes, neighborhoods and businesses. With 1.2 million customers in 149 cities and towns, CL&P is an active member in the communities it serves, including the largest taxpayer in many, offering programs in energy efficiency, economic development and

environmental stewardship. Yankee Gas is Connecticut's largest natural gas distribution company, delivering safe, reliable natural gas service to 205,000 customers in 71 cities and towns. Yankee Gas is expanding Connecticut's energy options and increasing customer choice by extending the availability of clean, efficient natural gas throughout the state. Taken together, our companies have over 4,000 employees located in Connecticut.

Connecticut's energy efficiency programs, developed by utilities with oversight by the Energy Conservation Management Board (which is composed of business and low income constituencies as well as governmental representatives from the Consumer Counsel and Attorney General), and regulated and approved by the DPUC, are nationally recognized for their effectiveness. Numerous studies and evaluations have shown that Connecticut's programs are among the best in the nation at saving customers money. Among the more notable facts about our energy efficiency programs are that:

- CL&P's energy efficiency budget for 2009 is \$67.6 million and Yankee Gas' conservation budget is \$3.9M for 2009. These amounts will provide for a diverse set of electric and gas efficiency programs to all classes of customers;
- Our electric programs provide \$4 in system benefits for every \$1 spent, and they are nationally recognized;
- Efficiency measures installed in 2008 alone will provide customers with \$360 million lifetime power supply savings and eliminate 1.8 million tons of carbon dioxide, a major greenhouse gas;
- Tens of thousands of customers have participated annually in our nationally recognized, award-winning programs since 2000;



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- During 2008, over 10,000 limited income households participated in our Lighting programs provided 2.4 million efficient bulbs, on average more than two per home, thereby saving each home \$16 per year.

We have a full time staff with significant experience in energy efficiency and a well-developed network of support engineers, vendors, installers and consultants that permit us to effectively deliver efficiency programs.

CL&P's Limited Income Weatherization Assistance Program

The objectives of the Companies' limited-income programs, CL&P's Weatherization Residential Assistance Partnership ("WRAP") are:

- To provide comprehensive weatherization, energy conservation and education services to limited-income customers in order to reduce their energy burden.
- To make utility bills more affordable and homes more energy efficient and comfortable.
- Providing energy efficiency education to raise customer awareness of conservation and to encourage them to take behavioral and other steps beyond weatherization to further reduce energy consumption.
- Having a streamlined program delivery mechanism from WRAP program administrators, to the Community Action Agencies ("CAAs") and vendors who implement the services within Connecticut.

The target customers for the WRAP program are those meeting the following criteria:

- income that is at or below 60% of the state median income,
- energy burden (percent of total annual income spent on energy) that is high,
- have not received energy conservation services in the prior 18 months, and
- target customers who reside within Community Reinvestment Act areas and their eligible census tracts.



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The Companies can also target financially challenged customers facing other issues that may interfere with their ability to take advantage of conservation services. Examples of these customers include group living settings, such as residential treatment facilities, group homes, halfway houses, disabled veterans groups and shelters.

This program offers offer a full range of energy conservation measures to address inefficient lighting, water heating, inefficient heating equipment, refrigeration and insufficient insulation. Measures may include the direct installation of CFLs, lighting fixtures, low-flow showerheads, low-flow faucet aerators, waterbed insulated covers, door sweeps, thermostats, duct sealing, weatherization and insulation. Energy-efficient refrigerators, freezers, dehumidifiers, clothes washers, ductless heat pumps (pending evaluation results) and room air conditioners are provided and installed to qualifying customers. Program participants may receive: burners and furnace repairs/replacements. WRAP program participants who exclusively use electric heat can be considered for replacement of single-pane windows with double-pane Low E Argon 0.35-0.30 windows. These windows would require a co-pay from the landlord or property owner.

We coordinate our program services to limited-income communities through their vendor and/or the local CAA in conjunction with the local natural gas companies. This coordination enables us to maximize their outreach and serve more families. The following services may be delivered by contractors who have been selected through either a competitive bidding process or by a CAA:

- Conduct a fuel-blind energy audit or walk through needs analysis survey of the household.
- Identify causes of high electricity use related to lighting and appliances.
- Identify solutions to high-use problems by working cooperatively with customers in their homes.
- Install all cost-effective energy-saving measures including those listed above.
- Educate customers on use and care of conservation measures to ensure continued savings.



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- Consolidate service delivery whenever possible to reduce operating inefficiencies and minimize customer inconvenience, such as multiple home visits.
- Conduct neighborhood canvassing to targeted areas to maximize program participation.

In addition to these services, customers may be provided with educational literature such as energy-use tips and with literature on energy budget management. CL&P also sends a newsletter ("Help Line"), which contains energy education, conservation tips, safety information, and other useful resource listings to participants. We also provide training for the network of CAAs that deliver direct services. We have been actively responding to programmatic improvements recommended by the 2006 third-party evaluation. We are active participants in the statewide efforts addressing the energy needs of limited-income households, including staff participation on the Low Income Energy Advisory Board's ("LIEAB") Conservation and Weatherization subcommittee.

CL&P has increased outreach to non-English speaking communities; specifically targeted electrically heated homes and high-use customers for services; and increased communication and coordination with other state agencies and providers of limited-income programs. Intake can be conducted by several entities including C&LM staff, the Companies' Credit & Collections and Customer Service Departments, CAAs, program delivery vendor and DSS. Infoline also refers customers to these intake organizations.

DSS's Weatherization Assistance Program

DSS has developed a comprehensive plan for the delivery of federal funds to support weatherization at low income homes. Clearly, an increase in the weatherization program from an annual amount of approximately \$2 million to a program that would amount to \$64 million will create challenges to the existing delivery system.



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The full report was made available to interested parties on May 1, 2009. As part of the low income advisory board, we will participate in discussions with that group as to the best means for coordinating our limited income programs with those included in the DSS plan.

We have in place delivery infrastructure for our WRAP and other energy efficiency programs that may be helpful to the extent that the existing systems may become overwhelmed by the large amount of funding that must be processed in a relatively short period of time. We stand ready to assist the DSS and CAAs in the effective deployment of these programs.

Thank you for the opportunity to provide testimony on this matter.