



**Connecticut
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The Northeast Utilities System



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TESTIMONY OF RICHARD A. SODERMAN
THE CONNECTICUT LIGHT AND POWER COMPANY
and YANKEE GAS SERVICES COMPANY
Energy and Technology Committee—March 8, 2011

R.B. No. 6544 AN ACT CONCERNING ENERGY EFFICIENCY.

My name is Richard Soderman and I serve as Director of Legislative Policy for Northeast Utilities Service Company. I am appearing on behalf of the Connecticut Light and Power Company and Yankee Gas Services Company.

This bill proposes to require energy efficiency measures in new construction; to require disclosure of energy use in residential and commercial homes and buildings at the time of sale or lease; to obtain energy cost savings for state agencies and municipalities in Connecticut through rapid, effective and increased deployment of energy efficiency goods, services and practices. It also requires the DPUC to oversee an independent, comprehensive evaluation, measuring and verification process to ensure the Energy Conservation and Load Management Fund programs and measures are cost effective, that results are reliably and accurately reported and that programs are being administered properly and efficiently.

As a general matter, this bill seems poorly timed, based on the poor real estate market that is currently plaguing Connecticut. This proposal will add more costs and requirements to completing transactions, thereby potentially creating further disincentive for economic recovery and development.

Regarding the energy disclosures that must be made at the time of sale or lease of a home or commercial building, we are concerned that local utilities will be required to amass a substantial amount of data and retain such data to be used in a process to support the disclosure proposal. This could represent a significant administrative burden, and it also leads to a concern over liability related to disclosures. Would this bill now add utilities into real estate transaction disputes?



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An additional consideration is the privacy and confidentiality of the utility customers that previously occupied the residential and commercial premises. With limited exception, to preserve customer confidentiality and privacy, utilities limit the disclosure of customer energy usage information only to recipients authorized by customers. This bill would mandate the disclosure of confidential customer information that can be identified to a former occupant/customer without the customer's consent to such disclosure. It is not clear how a utility would be able to "maintain information in a manner that preserves the confidentiality of a customer" while providing such information to third parties.

With regard to the changes to the evaluation and monitoring of energy efficiency programs, there is already a substantial effort undertaken to complete this work and it represents over \$2 million annually. Before revising the approach and cost of this aspect of energy efficiency, we recommend that the Committee review the documentation already prepared for this purpose (a 250 page document to see that it is a technical analysis that requires substantial data gathering. We also suggest that the DPUC has already addressed the concerns that this bill attempts to remedy regarding the evaluation process, and it has (in a recent decision) ordered steps to accomplish what has been proposed in this legislation. The Final Decision in Docket 10-10-03 requires that evaluations be performed by the ECMB and that any Company interaction be treated as if it were a contested proceeding. Clearly, the DPUC has the authority it needs to make adjustments to the evaluation process on its own without the imposition of an inflexible legislative approach. For example, the proposal indicates that the "new" evaluation consultants cannot have any contact with the electric distribution companies or the ECMB. It may be that this requirement hinders, rather than helps the evaluation process, and the DPUC is today in a position to assure that proper procedures are followed. Further, this proposal will very likely result in a more costly, and perhaps, less accurate, assessment of the program performance.

We oppose this bill. Thank you for the opportunity to provide testimony on this proposal.