



# Energy Outlook

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## ECHO<sup>SM</sup> "Scores" with the U.S. Department of Energy

Over the past year, ECHO<sup>SM</sup>, the sustainability enterprise of Energy New England, LLC, has been working with the U.S. Department of Energy (DOE) on its Home Energy Score evaluation service. The DOE's Home Energy Score is a residential energy tool that provides detailed information to help homeowners understand their home's energy efficiency and how to improve it. The Home Energy Score is comprised of three parts including: 1) the Score, 2) facts about the home, and 3) recommended improvements to increase the Score. The Score reflects the energy efficiency of a home based on the home's structure and heating, cooling and hot water systems.

*"The DOE is currently partnering with ECHO<sup>SM</sup> and 28 other state and local governments, utilities, and non-profit organizations across the country to make the Home Energy Score widely available to homeowner."*

A key benefit of the Home Energy Score system is that it provides a uniform means to evaluate the energy efficiency of individual residences across the country. The Home Energy Score allows homeowners to compare the energy performance of their homes to other homes nationwide. It also provides the homeowners with suggestions for improving their home's efficiency.

The process starts with an energy auditor collecting energy information during an evaluation of the residence. Using the Home Energy Scoring Tool, the energy auditor then scores the home on a scale of 1 to 10, with a score of 10 indicating that the home has excellent energy performance. A score of 1

indicates the home needs extensive energy improvements. In addition to providing the Score, the auditor also provides the homeowner with a list of recommended energy improvements and the associated cost savings estimates.

The DOE is currently partnering with ECHO<sup>SM</sup> and 28 other state and local governments, utilities, and non-profit organizations across the country to make the Home Energy Score widely available to homeowners. ECHO<sup>SM</sup> has been at the forefront of this nationwide initiative. Moreover, ECHO<sup>SM</sup>'s auditing staff has taken a qualifying exam, as required by the DOE for all Partners. Also, as part of this alliance, ECHO<sup>SM</sup> staff participates in regular calls and webinars with DOE, and will also continue to collaborate with DOE on delivery and continuous improvement of the program.

## Energy New England Welcomes Littleton Electric Light & Water Department

Energy New England (ENE) has seen continued growth over the past 5 years in its wholesale customer base. While we have had a transactional relationship with Littleton for quite a while, August marked the beginning of our service relationship with our 20<sup>th</sup> Public Power system – Littleton (MA)! The Littleton Electric Light & Water Department (LELWD) is a 55 MW electric system that provides service to customers in Littleton and Boxborough. We are providing ISO market management, administration and representation, settlement verification, credit and market-to-market transaction monitoring and reporting, and portfolio review and later will assist Littleton with resource analysis and procurement. This brings our total Public Power system load to over 840 MW peak load and 3,400,000 MW annually across four states.

"The Littleton Electric Light & Water Department is looking forward to working with ENE on power supply management services. LELWD has historically maintained some of the lowest electric rates in New England and we see our relationship with ENE as an opportunity to secure this position both short and long term. In this complex and ever changing market, LELWD needs a partner who can stay ahead of the curve in meeting our demanding real time, day ahead and forecasting obligations and we believe ENE is the partner to undertake these tasks", remarked Savas Danos, General Manager of LELWD.



## I Want My \$9 Million! (A Year)

A legislative effort is underway in Massachusetts for Public Power utilities to gain access to Regional Greenhouse Gas Initiative (RGGI) funds in order to support energy efficiency and demand side management initiatives. Generators in Delaware, Maryland, New York, and all 6 New England States that emit carbon build the cost of RGGI allowances into their variable cost structures, which then work their way into New England spot and forward electricity prices.

Recent changes to RGGI market rules have increased this price impacts from around 0.1 ¢/kWh in 2012 to 0.15 ¢/kWh in 2013. At 2013 rates, this would mean more than \$9 million annually would be redirected to the 41 municipal utilities in Massachusetts that serve nearly 424,000 customers that represent more than 1,850 MW of demand throughout the Commonwealth. The legislation is expected to be taken up by the House and Senate Joint Committee on Telecommunications, Utilities and Energy after summer recess and will later be voted by both the House and Senate. ENE, along with a number of municipal utilities, has advocated for this change and is prepared to provide the services and programs to realize the potential benefits under the legislation.

## ECHO<sup>SM</sup> EXHIBITS at NORTHEAST BUILDING & FACILITIES MANAGEMENT CONFERENCE

On June 12 & June 13, ECHO<sup>SM</sup> staff hosted a display at the Northeast Building & Facilities Management Conference in Boston, MA. This annual conference takes place at the Boston Convention Center in Boston and attracts some 2,000 visitors each year. The focus of the conference is to help facility managers operate, manage, renovate and maintain all types of buildings, facilities and plants throughout New England.

Among the featured services promoted by ECHO<sup>SM</sup> team at the Conference, was ECHO<sup>SM</sup> Analytics our proprietary energy dashboard. This web-based service provides real-time information on a facility's electrical consumption, demand and costs, along with other timely features. Several dozen dashboards have been installed in multiple states, and numerous facilities – across a spectrum of industries – have used this service to better understand their facility usage, their demand profile, energy spikes, anomalies and costs – all on a real-time basis.

Also, at this event attendees earn IFMA-CFM and AFE-CEU credits. Numerous presentations are also provided on issues such as sustainability design, energy management, conservation and renewable energy, building commissioning, facilities management and maintenance, and more.

### ECHO<sup>SM</sup> Analytics Featured

In addition, ECHO<sup>SM</sup> Analytics was also featured in a full-page article in the *New England Real Estate Journal*. This publication was distributed at the Conference and was also sent to some 21,000 readers before the show. The Journal is the largest weekly commercial investment newspaper in the world, and the article discussed ECHO<sup>SM</sup> Analytics' features and how property and facility managers could benefit from the dashboard's real-time load monitoring and management features.

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## ENE Enhances Services with Regulatory Manager

In mid-June, ENE welcomed David Cavanaugh to its team, to serve as its first official Regulatory Manager. President and Chief Executive Officer, John G. Tzimirangas noted, “the appointment of David Cavanaugh to the regulatory role at ENE will be a significant benefit to the systems we represent and all of public power as Dave brings a well of knowledge and experience, and his previous interactions with ISO-New England and the representatives on the ISO committees, gives ENE a seat at the table in participating in the regional wholesale market rulemaking and stakeholder process”. This will provide benefits to ENE’s public power, load serving, and generation customers and is a timely addition given the current focus on new winter reliability rules as well as the coming redesign of the forward capacity market.

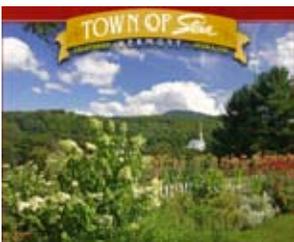
Dave comes to ENE from Northeast Utilities where he has served for past 15 months as Project Manager, Conservation & Load Management, with primary responsibility of managing CL&P and WMECO’s Forward Capacity Market participation. Prior to that, Dave worked at ISO New England for 13 years in a number of capacities, including training, supervising the group that fields ISO customer inquiries (and there are many), Manager of Market Services and later as Director, Market Services. Dave brings an intimate knowledge of the market rules, the rule development process and many participants. He is widely known and respected in that space, having spent several years as a liaison between various market participants and the ISO. He lives in Holyoke and brings a broad base of ISO senior management and staff business relationships to ENE, which is something we haven’t enjoyed in the past. Prior to ISO, Dave worked at Northeast Utilities for 13 years holding many operations positions in the Fossil & Hydro generation side of the house and later in his career various corporate staff training positions at NU Service Company and Western Massachusetts Electric.

Since joining ENE Dave has been active monitoring the many initiatives making their way through the ISO/ NEPOOL stakeholder processes such as Participants, Markets and Reliability Committees, engaging ISO staff for supporting or resolving ENE customer issues related to participation in the New England Markets and leveraging his skills and experiences in Demand Response to support ENE customer participation.

Strategic ISO initiatives, currently in the stakeholder process, such as the 2013-2014 Winter Reliability Program, FCM Redesign, FCM Performance Incentives, Energy Market Enhancements and other market design initiatives will change how ENE customers will participate in the New England Markets in the coming months and years. ENE’s understanding of those initiatives is necessary to effectively manage risk for its customers.

In the area of Demand Response Dave is actively supporting ENE customers, with both Active and Passive Demand Response Resources, in: managing participation in all aspects of FCM; finding commercial counterparties; and structuring commercial arrangements for current and future Capacity Commitment Periods.

## ENE Celebrate 5 Years in Vermont working with Stowe Electric Department



Our involvement with Stowe Electric Department (SED) has included commodity and resource procurement, ISO market management and administration, settlement verification, performing special contract design, Time of Use rate analysis and design, snowmaking rate design, designing an Integrated Resource Plan, attending Town Meeting and pursuing Board approval for long-term contracts. Public Power entities in Vermont are regulated by the Public Service Board and interact with and report to the Department of Public Service. This has

involved us in the state regulatory process and has led to growth in our capabilities and services. We are looking forward to another 5 years and then some working with SED!

## ECHO<sup>SM</sup> Expands into New York State

ECHO<sup>SM</sup> has expanded into New York State and is now installing ECHO<sup>SM</sup> Analytics at a Berry Plastics' production facility in Solvay, NY. ECHO<sup>SM</sup> was able to provide the Solvay plant with this proprietary service that enables users to monitor their electrical usage and demand on a real-time basis. Through ECHO<sup>SM</sup> Analytics, Berry's facility team will be able to monitor energy usage, electrical demand and costs, and will also receive demand notifications to mitigate demand spikes and the impact of demand charges. ECHO<sup>SM</sup> Analytics has been touted by numerous customers throughout Connecticut and Massachusetts as a valuable and timely service that helps them better monitor and manage their electrical load. As a consequence of installing ECHO<sup>SM</sup> Analytics, these customers have been able to take proactive steps to optimize their facility operations, enhance their load profile and reduce energy costs, including demand charges. Now, as a consequence of this sale, ECHO<sup>SM</sup> has been able to extend the company's footprint outside of the six-state, New England region.

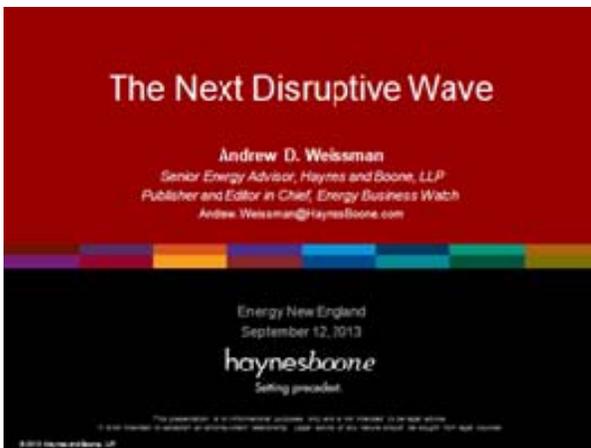
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Berry Plastics is a leading provider of value-added plastic consumer packaging and engineered materials. With headquarters in Evansville, Indiana, the company serves over 13,000 customers, ranging from large multinational corporations to small local businesses. Electrical service is provided by Solvay Electric Department, established in 1896, and a recognized public power leader in the Empire State.

## An Afternoon with an Energy Market Expert



ENE welcomed Andy Weissman, a Senior Energy Advisor at Haynes and Boone, to its offices on September 12 for an interesting discussion about natural gas market developments that could lead to significant changes in how gas is priced throughout North America. Several customers attended and were in for a detailed discussion of major market trends and their potential for disruptive impacts to gas prices. Of note was his discussion of five areas of potential and substantial increases in natural gas demand that could tip the supply-demand relationship and lead back to higher and more volatile prices, at least for a time. This included a discussion around LNG and pipeline exports, as well as power sector demand, general gas demand growth and potential for transportation fuel use for heavy trucks.



Highlights from his bio include: During the course of his more than 30-year career, Andy has helped to transform energy and environmental policy at the state and federal level and to develop innovative new structures for major energy transactions. Andy continually focuses on identifying major developing trends in the natural gas, oil, electricity and coal markets, and is Editor-in-Chief and Publisher of *EBW AnalyticsGroup*, a market advisory service that provides in-depth, cutting-edge analyses of the U.S. and global oil and natural gas markets.

## ECHO<sup>SM</sup> supports Wellesley's Power to Save Program

Building upon its designation as the first EPA Green Power Community in Massachusetts for voluntary purchase of renewable energy, the town of Wellesley is seeking to create a better footprint. That is why, earlier this year, Wellesley Municipal Light Plant (WMLP), with the support of the town's Sustainable Committee, launched the innovative Power to Save Program. A key goal of this initiative was to increase the number of residential energy audits within the community, including natural gas heated homes. Accordingly, WMLP, ECHO<sup>SM</sup> staff and the town's Sustainability Committee worked with Conservation Services Group and National Grid to make this program a reality. For this first-of-its-kind conservation initiative, a municipal utility and an investor owned utility worked collaboratively to help community residents make their homes more energy efficient.

The Power to Save Program seeks to increase the rate of participation in residential energy audits among natural gas, oil and electrically heated homes and, as important, increase the rate of implementation for the energy conservation measures recommended during each audit. Through this initiative the town helps to foster sustainable energy goals, reduce community greenhouse gas emissions, and encourage greater participation in conservation.

As part of the ECHO<sup>SM</sup> residential energy audit, Wellesley customers were provided with a sample estimate (quote) for the recommended work and a list of pre-qualified participating contractors. To accomplish this expanded service, ECHO<sup>SM</sup> worked with National Grid's current weatherization contractors serving the Wellesley area. Participating contractors have signed a Letter of Agreement with ECHO<sup>SM</sup> to abide by certain terms of service. Further, they have agreed to complete weatherization work for non-gas WMLP customers set by the National Grid program pricing and Material and Installation Standards of National Grid's Home Energy Save program.

ECHO<sup>SM</sup> is working with those contractors to track WMLP customers who have chosen to implement recommended measures via participating contractors. To date, ECHO<sup>SM</sup> has completed nearly 100 energy audits for WMLP residents.





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