



Cost Effectiveness and Non-Energy Benefits

When it comes to energy efficiency, many customers choose to take measures like adding insulation, installing new windows or purchasing a more efficient appliance *not* because they'll be saving KWHs or MMBTUs, but because their home will feel more comfortable or look nicer. Improved air quality, a quieter home, a safer environment; all good things. These effects are considered Non-Energy Benefits, or "NEBs."

It makes sense to consider these "soft" benefits when pondering statewide energy efficiency programs, especially when thinking about what will ultimately incentivize a customer to take the next step to incorporate (and spend money on) a deeper efficiency measure like installing a new boiler.

In Connecticut, energy efficiency programs are funded by ratepayers. Each year, there are limited resources available to cover the cost of different statewide programs that help consumers save energy and live more efficiently. The same fund pays for the evaluation, verification and measurement ("EM&V") of the same programs. When studying the cost-effectiveness of such programs, Connecticut currently includes some NEBs like water savings and emissions. There's an interest among some players to start including more of these soft benefits in the cost-effectiveness calculations, but measuring things like comfort and safety is a costly challenge.

OCC recognizes the value of NEBs, and believes that energy efficiency contractors who are serving Connecticut's customers should absolutely mention these benefits when dealing with a resident or business owner who is contemplating partaking in a program or implementing an efficiency measure. However, OCC does not believe that ratepayers should be covering the cost of including NEBs in cost-effectiveness testing. OCC believes that an electric customer should pay for measuring electric savings, but not for measuring things like comfort, health, and safety.

After all, where do you draw the line?