



*Nation's Leading Retail Renewable  
Energy Provider*  
100% Renewable Energy

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January 30, 2007

Mary L. Cottrell  
Secretary  
Department of Telecommunications and Energy  
One South Station – 2<sup>nd</sup> Floor  
Boston, MA 02110

**Re: Petition of the Massachusetts Division of Energy Resources for an  
Investigation Into Establishing an Energy Efficiency Performance Standard  
for Basic/Default Service. D.T.E. 06-113**

Dear Ms. Cottrell:

Sterling Planet appreciates the opportunity to respond to the Department's request for written comments on this petition. We fully support the request to open an investigation into the creation of an Energy Efficiency Performance Standard (EEPS) for Basic Service customers. An EEPS presents a tremendous opportunity to drive energy conservation in Massachusetts. It's implementation could also help establish a voluntary market for Energy Efficiency Credits (EEC's) and could be used to meet the Regional Greenhouse Gas Initiative (RGGI) objectives or voluntary carbon reduction targets.

While Sterling Planet has become known as the leading provider of retail renewable energy, the company has also helped in developing market-based solutions for energy conservation through EEC's. In fact, Sterling Planet has testified at state hearings on the implementation of such programs, including the state of Connecticut, developed advanced Measurement & Verification (M&V) techniques recognized by national certification agencies and federal laboratories, transacted the first ever EEC sale in the United States, and worked with many top Fortune 500 companies, government agencies and universities in monetizing their energy efficiency projects.

Sterling Planet recognizes that significant energy savings can be derived from the implementation of conservation through operational modifications and retrofitting of existing equipment as well as installation of energy management controls, particularly in commercial and institutional buildings. In fact, many Fortune 500 companies have initiated "No Cost, Low Cost" energy conservation programs to identify and implement operational savings without the need for large capital appropriations and lengthy approval processes associated with such equipment purchases.

Market data and experience with energy efficiency programs suggest that a large part of the anticipated load growth over the next two decades can be displaced through energy efficiency, pricing reforms, and load management programs. And yet energy efficiency remains a critically underutilized resource in the nation's energy portfolio.

Displacing new load growth through energy efficiency can also reduce electricity prices. The Electric Power Research Institute (EPRI) finds that a 1% reduction in load during high peak periods can reduce wholesale electricity prices by 10%, and a 5% reduction in load can reduce peak prices by as much as 19%. Faced with blackouts, California adopted a series of new energy efficiency policies and reduced overall electricity use by 5% in 2001 alone.

Massachusetts has been effective in reducing energy consumption and driving down costs to rate-payers through programs supported by the existing Systems Benefit Charge. We agree that the additional EEPS goes a long way toward achieving a known, predictable energy savings goal, maps out a practical strategy for achieving that goal, provides a mechanism for cost-effective solutions, and includes a means to measure progress toward the goal.

Thank you for the opportunity to offer our comments. We enthusiastically support the DOER petition to open an investigation into an electric efficiency performance standard.

Sincerely,

Kelly J. Bennett  
Director, Northeast Region  
National Policy Director

cc:  
Rachel Graham Evans  
Legal Counsel  
Massachusetts Division of Energy Resources  
100 Cambridge Street, Suite 1020  
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