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The logo for The Boston Globe, featuring the words "The Boston Globe" in a black, serif font.

## A leaner, cleaner Massachusetts

By **Tedd Saunders and Daniel L. Sosland** | May 31, 2008

AS OIL PRICES reach historic highs and global warming's impact unfolds, it is clear that what is needed is a new path toward a safer future and a stronger economy. Massachusetts is poised to be a lead us in that new, clean energy direction.

An energy reform bill positions the state to become one of the most energy-efficient and competitive economies in the country. It moves Massachusetts into the vanguard of states that recognize energy efficiency's unrivaled potential to save consumers money, create jobs, and combat the climate crisis.

It does this by putting efficiency first, and by creating the market conditions that will allow renewable energy to flourish.

A centerpiece of the bill is a bold, new directive to the Commonwealth's electric and gas utilities requiring them to invest first in efficiency, the cleanest and cheapest energy "resource."

Under this common-sense approach, utilities must help their customers save energy before turning to higher-cost power plant supply to meet demand. In practice this means energy-efficiency measures, such as appliance rebate programs for homeowners or lighting upgrades for businesses, will get priority over traditional energy sources.

Economically it makes sense. Electric efficiency measures cost just 3 cents per kilowatt-hour, one-quarter the cost of traditional power plant supply. Massachusetts now spends \$6 billion - 50 times more - on conventional electric supply than it does on the less costly efficiency resources.

A recent report by The American Council for an Energy Efficient Economy shows untapped savings from efficiency opportunities even in states with aggressive efficiency funds. Massachusetts can do better, and the new bill will ensure it does.

Ramping up energy efficiency will save consumers and businesses billions of dollars over the next decade - and money spent on efficiency stays in the local economy, creating new positions on all rungs of the job ladder, from laborers and electricians to engineers.

With the new bill, businesses will be able to enroll in energy-efficiency programs. Small businesses, for example, will have expanded opportunities for energy audits and lighting controls, and large commercial users will find it easier to replace aging, inefficient equipment or motors for pumps and fans.

There will also be more weatherization and energy conservation education for low-income residents.

Elliott Jacobson, chairman of the Low-Income Energy Affordability Network, says the new bill "will help more low- and middle-income residents better afford their energy bills, and current programs showing savings up to 30 percent."

Even those not signing up for an efficiency program will benefit because expanding efficiency resources reduces the demand for new, expensive power plants, lowering everyone's costs.

But these efficiency benefits for electricity and natural gas must also be extended to heating oil and propane customers in Massachusetts. Last winter, heating oil prices soared, leaving many families scrambling for financial assistance.

A small charge on the wholesale price of heating oil could fund a statewide program to give these customers equal access to efficiency programs, such as home insulation rebates. If the energy bill passes, the Legislature should consider this important proposal so that all citizens may benefit.

As the new efficiency-first paradigm spreads across the region, the Northeast is beginning to rival energy-smart

California, which has reduced its energy consumption by 15 percent in recent years. Connecticut and Rhode Island each passed legislation that mirrors Massachusetts's requirements. Maine and Vermont have similar mandates.

Already the region is benefiting from this new approach. Less than one year after Connecticut passed its legislation, electric utilities there submitted a plan to invest in 1,600 megawatts of efficiency resources over the next five years - that's the equivalent amount of energy ordinarily supplied by three large natural gas plants.

Under Connecticut's plan, utility spending on efficiency programs will rise to \$352 million in five years, a fivefold increase from current program budgets, and save customers \$1 billion in avoided power plant contracts.

Massachusetts's energy bill holds similar promise. Its benefits should be extended to help the state's heating oil users.

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