

March 2, 2016

The Honorable Susana Martinez  
Governor of New Mexico  
490 Old Sante Fe Trail  
Sante Fe, NM 87501

Dear Governor Martinez:

As you know, energy efficiency is the lowest-cost demand side energy resource – cheaper than electric or gas generation, or renewables. Even with the U.S. Supreme Court’s recent stay of the Clean Power Plan, the electric power sector is evolving toward a cleaner, more efficient energy system. As the regulators and energy planners in your state continue their daily work to ensure reliable and affordable electricity to consumers, we encourage you to maximize your investment in energy efficiency. By reducing the need for central power generation, energy efficiency provides emissions reductions quickly, locally, and at a lower cost than other compliance options. It is also the only option that achieves sustained local job creation and concurrently reduces emissions while mitigating the cost impacts of Clean Power Plan implementation and giving New Mexico residents and businesses control over their energy bills. Actions such as improving manufacturing energy efficiency, reducing commercial buildings’ energy use, and delivering residential energy efficiency upgrades are the quickest and cheapest means to meet energy demand while simultaneously improving air quality.

Today, every state has at least some experience delivering energy-efficiency programs administered by electric and natural gas utilities, and the private sector. These programs have been very successful and can be expanded significantly. In addition, there are opportunities in New Mexico to achieve significant emission reductions through the implementation of non-utility administered energy-efficiency policies and programs. Such programs include investments in combined heat and power, adoption of building energy codes that leverage above-code green building certification, residential retrofit financing programs, and procurement of energy savings performance contracts (ESPCs) to upgrade large buildings and facilities. Non-utility efficiency programs, taken as a whole, generate as much investment in energy savings as utility programs and should not be underestimated. For example, the ESPC market in the U.S. generates more than \$5 billion annually in new investments.

We commend the leadership New Mexico has taken by offering energy-efficiency incentives, such as the sustainable building tax credit and authorizing bonds for energy-efficiency investments. The Clean Power Plan offers new incentives to expand your existing programs and maximize the use of this least-cost mechanism for compliance. To maximize cost-effective emissions reductions under the plan, we also recommend that you opt into the Clean Energy Incentive Program (CEIP).

The attached fact sheet shows how the implementation of a few common energy-efficiency policies, such as adoption of an energy-savings target, updated building energy codes, and increased use of combined heat and power can achieve 78 percent of New Mexico’s 2030 compliance goal under the Clean Power Plan, all while saving customers money and growing the New Mexico economy. In fact, utilizing efficiency measures to reach New Mexico’s goal would save the people of New Mexico \$645

million, not to mention avoiding 3.8 million tons of carbon dioxide, and reducing toxic air pollutants that negatively affect our health.

Energy efficiency is not a “new” resource; however, applying these tools to achieve carbon reduction goals under Section 111(d) of the Clean Air Act is an entirely new context. Several tools are available for your staff and responsible state agencies to guide your decisions about Clean Power Plan implementation options, regardless of whether you pursue a mass-based or a rate-based plan. For further information and to ask questions specifically about incorporation of energy efficiency in your plan, please contact the National Association of State Energy Officials at <http://cpp.naseo.org/asq>, as well as any of the signatories below.

We are ready to work with you and your state officials to ensure that efforts to reduce emissions via the Clean Power Plan or any other means are as cost effective as possible. **Energy Efficiency is the cleanest, fastest, most cost-effective compliance strategy available, and has the most direct impact on controlling consumers’ utility bills.** Energy efficiency is also embraced by the private sector, for the operating costs it saves, and for its value for resilience and risk reduction. Additionally, energy efficiency creates lasting, non-exportable jobs and grows the economy while reducing consumer costs. We encourage you to use it robustly, and we stand ready to assist you.

Cc: New Mexico Public Utilities Commission; New Mexico Energy, Mineral and Natural Resources Department; New Mexico Environment Department, Air Quality Bureau

Sincerely,

**ABB Inc.**

Jim Creevy, Senior Director, Government Affairs  
[Jim.creevy@us.abb.com](mailto:Jim.creevy@us.abb.com)

**Alliance for Industrial Efficiency**

Jennifer Kefer, Executive Director  
[jennifer@dgardiner.com](mailto:jennifer@dgardiner.com)

**Alliance to Save Energy**

Kelly Speakes-Backman, Senior Vice President of Policy and Research  
[ksbackman@ase.org](mailto:ksbackman@ase.org)

**Ameresco**

Ashley Patterson, Director of Government Affairs and Public Policy  
[apatterson@ameresco.com](mailto:apatterson@ameresco.com)

**American Chemistry Council**

Rudy Underwood, Vice-President of ACC State Affairs  
[Rudy\\_underwood@americanchemistry.com](mailto:Rudy_underwood@americanchemistry.com)

**American Council for an Energy-Efficient Economy**

Sara Hayes, Senior Manager and Researcher, Air and Climate Policy  
[shayes@aceee.org](mailto:shayes@aceee.org)

**AMSEnergy Corp**

Michael Sams, CEO & President  
[michael.sams@amsenergy.com](mailto:michael.sams@amsenergy.com)

**Bruce Harley Energy Consulting, LLC**

Bruce W. Harley, Principal  
[bruceharleyenergy@gmail.com](mailto:bruceharleyenergy@gmail.com)

**Building Performance Institute (BPI)**

Larry Zarker, CEO  
[lzarker@bpi.org](mailto:lzarker@bpi.org)

**CALMAC**

Mark M. MacCracken, CEO  
[Mm@calmac.com](mailto:Mm@calmac.com)

**Columbia University, School of International & Public Affairs**

Lloyd Kass, Adjunct Faculty, Environmental Science and Policy Program  
[Irk13@columbia.edu](mailto:Irk13@columbia.edu)

**Danfoss**

John Galyen, President, North America  
[johngalyen@danfoss.com](mailto:johngalyen@danfoss.com)

**E4TheFuture**

Stephen Cowell, Executive Director  
[scowell@e4thefuture.org](mailto:scowell@e4thefuture.org)

**Ecothermal Filters**

Darcy McMenamin, President and CEO  
[Darcy@ecothermalfilters.com](mailto:Darcy@ecothermalfilters.com)

**Efficiency First**

Kara Saul Rinaldi, Government Affairs  
[kara@anndyl.com](mailto:kara@anndyl.com)

**Energy Resources Center**

Cliff Haefke, Interim Director  
[chaefk1@uic.edu](mailto:chaefk1@uic.edu)

**Environment Texas**

Sara E. Smith, Staff Attorney  
[sara@environmenttexas.org](mailto:sara@environmenttexas.org)

**Environmental and Energy Study Institute**

Carol Werner, Executive Director  
[Cwerner@eesi.org](mailto:Cwerner@eesi.org)

**Hannon Armstrong**

Robert Johnson, Senior Vice President at Hannon Armstrong Sustainable Infrastructure  
[rjohnson@hannonarmstrong.com](mailto:rjohnson@hannonarmstrong.com)

**Home Performance Coalition**

Kara Saul Rinaldi, Vice President of Government Affairs and Policy  
[kSaul-rinaldi@homeperformance.org](mailto:kSaul-rinaldi@homeperformance.org)

**Honeywell**

Nick Kirkhorn, Government Relations  
[nicholas.kirkhorn@honeywell.com](mailto:nicholas.kirkhorn@honeywell.com)

**JW Crouse, Inc.**

Jesse Crouse, President  
[jwcincps@verizon.net](mailto:jwcincps@verizon.net)

**Knauf Insulation**

George R. Phelps, Public Affairs Manager  
[George.phelps@knaufinsulation.com](mailto:George.phelps@knaufinsulation.com)

**Lime Energy**

Adam Procell, President and CEO  
[aprocell@lime-energy.com](mailto:aprocell@lime-energy.com)

**NAESCO**

Donald Gilligan, President  
[dgilligan@naesco.org](mailto:dgilligan@naesco.org)

**National Electrical Contractors Association (NECA)**

Marco A. Giamberardino, MPA, Executive Director, Government Affairs  
[mgiamberardino@necanet.org](mailto:mgiamberardino@necanet.org)

**National Housing Trust**

Todd Nedwick, Housing and Energy Efficiency Policy Director  
[tnedwick@nhtinc.org](mailto:tnedwick@nhtinc.org)

**North American Insulation Manufacturers Association**

Curt Rich, President and CEO  
[crich@naima.org](mailto:crich@naima.org)

**Ohio Sustainable Business Council**

Mayda Sanchez, Executive Director  
[Msanchez@ohiosbc.org](mailto:Msanchez@ohiosbc.org)

**Owens Corning**

John Libonati, Vice President of Government and Public Affairs  
[John.Libonati@owenscorning.com](mailto:John.Libonati@owenscorning.com)

**Powder River Basin Resource Council**

Bob LeResche, Chair

[sanderson@powderriverbasin.org](mailto:sanderson@powderriverbasin.org)

**Schneider Electric**

Anna Pavlova, Vice President, Government Relations

[Anna.Pavlova@schneider-electric.com](mailto:Anna.Pavlova@schneider-electric.com)

**Siemens Corporation**

Tom Phillips, Senior Director, State & Local Government Affairs

[tom.phillips@siemens.com](mailto:tom.phillips@siemens.com)

**Stoney Point Farms**

Larry Lambeth, President

[llamrtment@hotmail.com](mailto:llamrtment@hotmail.com)

**TerraShares**

John Atkins, President

[jatkins@terrashares.com](mailto:jatkins@terrashares.com)

**The Dow Chemical Company**

Greg Bergtold, Business Advocacy & Policy Director

[gsbergtold@dow.com](mailto:gsbergtold@dow.com)

**Trane**

Douglas M. Young, Energy Services Leader

[dmyoung@trane.com](mailto:dmyoung@trane.com)

**U.S. Green Building Council**

Elizabeth Beardsley

[Ebeardsley@usgbc.org](mailto:Ebeardsley@usgbc.org)

**VEIC**

Mary Sprayregen, Deputy Director, Policy and Public Affairs

[msprayregen@veic.org](mailto:msprayregen@veic.org)

**Veolia North America**

Elinor Haider, Vice President, Market Development

[elinor.haider@veolia.com](mailto:elinor.haider@veolia.com)

**Washington Gas, a WGL Company**

Doreen Hope, Federal Government & Business Relations

[dhope@washgas.com](mailto:dhope@washgas.com)