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'Green' plan would save homes \$1,000 a year

Nonprofit utility proposed to focus on conservation

By *JEFF MONTGOMERY, The News Journal*

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A state task force released a far-reaching plan Tuesday to help consumers and businesses conserve energy and expand use of "renewable" supplies, potentially altering the course of a running debate over the need for a new state power plant.

The Sustainable Energy Utility proposal would create a state-supervised nonprofit dedicated to helping consumers, businesses and builders switch to energy-efficient appliances, energy-saving building features and small-scale renewable energy projects.

Officials estimated the approach -- which would support investments in small-scale solar-electric panels and geothermal heating and cooling systems -- could cut energy waste by 30 percent by 2015 for each participant, saving households \$1,000 annually on average.

"Energy costs are too high for our families, and they really hurt our state's economy," said state Sen. Harris B. McDowell III, D-Wilmington North, a task force co-chairman. "You cannot get a unit of energy cleaner or cheaper than to find a way effectively to not use it."



Jack Buckley's solar panel system generates up to 6.6 kilowatts on sunny days, an initiative lawmakers want more Delawareans to take up.

News Journal file GINGER WALL

Other states have formed conservation utilities, but none is as broad as the one proposed by the task force. The nonprofit would help homeowners and businesses purchase high-efficiency appliances at costs comparable to regular systems by paying the difference. It also would help low- and moderate-income families install small-scale solar or other generating units by expanding the state's weatherization program.

The nonprofit would pay for the projects initially with proceeds from bonds. It would then make money by having the businesses and homeowners share energy credits with it. The proposal is politically palatable, in part, because the bonds would be wholly separate from state bonds.

John M. Byrne, director of the University of Delaware's Center for Energy and Environmental Policy, said the approach could save about 300 megawatts of electricity

generation in Delaware.

The 16-member task force's plan relied heavily on university researchers for support and expertise. Lawmakers created the group in June, shortly after ordering Delmarva Power to seek a new in-state source of electricity.

The Public Service Commission has been wrestling for months with a proposal to send Delmarva Power recommendations for one or more long-term power purchase agreements. Three bidders are in the running, with up to 400 megawatts of electricity and billions of dollars in long-term customer costs at stake.

Delmarva Power has opposed the projects, favoring conservation and better management of customer demand instead. Some lawmakers have predicted the commission and three state agencies judging the plans could decline all the offers, or postpone action by seeking proposals from a wider area.

"Nobody wants to do nothing," said John A. Hughes, secretary of Delaware's Department of Natural Resources and Environmental Control. "Harris' proposal clearly gives us a do-something option."

Lawmakers ordered Delmarva Power to seek bids for a new plant last year, after rates jumped 59 percent following deregulation and a six-year freeze.

In the task force proposal, costs to ratepayers would be about 18 cents monthly through a proposed increase in the Green Energy Fund surcharge on state utility bills. The fund was enacted in 1999 and collects \$1.5 million annually to promote conservation and renewable energy sources.

Among the projects the nonprofit could subsidize are solar panels for Delawareans.

Albion resident Allen R. Locke Jr. installed a solar power system about half the size he wanted for his home because of subsidy limits in 2001 and 2002. But the 48 panels still have cut his electricity costs in half -- even after installation of a new central air-conditioning system and Delmarva Power rate hike.

"During the day, on a bright, sunshiny day like today, it handles the whole house," Locke said. "We're probably pumping power back to Delmarva today."

Delaware homes consume far more electricity than those in eight other states evaluated by the center that Byrne directs.

An average home in New York, which has aggressively pursued conservation, uses about 46 percent of the electricity an average Delaware home uses. New Jersey consumes about 53 percent of the amount used in Delaware.

Hughes said the Minner administration is supportive of the task force approach.

In addition to legislation to create the nonprofit, the task force recommended that utilities set a goal of getting 20 percent of energy from renewable supplies by 2019, doubling the current target.

Senate Minority Leader Charles L. Copeland, R-West Farms, said the plans would

provide rapid returns for the state.

"It's just the right time, the right place," Copeland said.

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