

Efficiency Ahead Report

Frequently Asked Questions (FAQs) - Fall 2025

The following are answers to some frequently asked questions (FAQs) about Acadia Center's September 2025 report entitled, *Efficiency Ahead: How State Energy Efficiency Plans are Driving Utility Bill Savings and Benefits Across the Northeast*. The Executive Summary of the report offers a more detailed summary of the report's findings and content.

WHAT DOES THE REPORT COVER?

This report takes a closer look at the most recent energy efficiency plans developed by seven states in the northeast—the **six New England states and New York**. It examines program investment levels, projected benefits and energy savings, cost-effectiveness levels, the impact of recent proposed funding cuts, and states' progress relative to their peers on criteria like per-capita investment levels.

WHY DID THE REPORT FOCUS ON THOSE TOPICS?

State energy efficiency programs face a pivotal juncture, at a time when federal efficiency rebates have been cut, consumer affordability is front of mind, and other energy resources are rising in cost. Despite this, cuts to ratepayer funded programs have been threatened and implemented by leading states. **It is more important than ever** for policymakers, advocates, program administrators, and consumers to understand the evolution of efficiency programming and shape programs' future trajectories to meet the emerging needs of the region.

WHAT DID THE REPORT FIND?

The analysis in the report yielded the following findings for program activity in the next three years:

- **Record-level investments and lifetime benefits:** Seven states poised to invest almost \$10 billion in efficiency overall, with New England programs alone generating an estimated \$19.3 billion in lifetime benefits.
- **Wide range in per-capita investments by state:** Program budgets range from \$149 per capita in New York State to \$631 per capita in Massachusetts—revealing differences in population, portfolio mixes, cost-effectiveness screening, and overall program ambition.
- **Significant benefits and savings:** 700 TBtu in lifetime savings across all fuels, including 20 TWh of electricity savings (lifetime) from efficiency investments in New England—equivalent to 5.2 million homes using natural gas for one year in New England.
- **Missed benefits from recent budget cuts:** Massachusetts will lose out on \$1.49 billion in lifetime benefits, 20 TBtus of energy savings, and 1.8 MMT CO₂e emissions by cutting \$500m in budgets. Rhode Island too faces cuts of 30% that would lose the state some \$92m in benefits.
- **Strong ongoing cost-effectiveness:** Each dollar spent on efficiency yielding \$2.93 in benefits across New England, on average—indicating an opportunity to increase investment levels further and acquire deeper cost-effective savings across the region.
- **Major contributions to the region's grid:** Electric savings will help the region continue meeting a substantial portion of annual electric load via energy efficiency (20.6 TWh saved in 2023, or almost 15% of gross load).

ISN'T ENERGY EFFICIENCY SPENDING DRIVING UP MY ENERGY BILLS?

No: energy efficiency is helping keep your energy bills more affordable. Energy efficiency is among the only energy resources the region invests in that must, by law, be “cost-effective”—meaning the benefits must outweigh the costs. Efficiency program budgets do show up as line items on customer bills, but they are helping reduce basically all other line items on the bill, including supply/generation, transmission, and distribution charges. The vast majority of a gas customer bill, around 70-75 percent, goes toward natural gas costs in Massachusetts, for example—relating to gas supply, distribution, and maintenance—compared to just 15-25 percent going toward energy efficiency. Overall energy system costs would be billions of dollars higher without the cost reductions secured with efficiency.

HASN'T THE REGION INVESTED ENOUGH IN ENERGY EFFICIENCY?

The region has been investing in energy efficiency for two+ decades, and yes, many so-called “low hanging fruit” have been achieved. However, efficiency programs continue to offer strong cost-effectiveness and return on investment for ratepayers, with **each dollar spent on efficiency yielding \$2.93 in benefits across New England, on average**. And yet, still today not all achievable and cost-effective savings are being acquired that would save ratepayers additional money on energy, so more work can and must be done to avoid savings being left on the table. Greater levels of investment would reap deeper savings for families and businesses, and—with the power demand poised to grow considerably in the years ahead—there will be ample new opportunities for the region to acquire more technical, economic, and achievable efficiency potential.

WHY SHOULD RATEPAYERS BE RESPONSIBLE FOR FUNDING THESE PROGRAMS?

Historically, ratepayers have provided funding for these programs because they are investments made in lieu of other energy system/ratepayer costs—as **efficiency helps avoid and defer the need for new power plants, new transmission lines, new substations, new local distribution infrastructure, and beyond**. In the future, especially as efficiency programming supports new activities such as heat pump deployments and other electrification measures, it may well be prudent for states to supplement ratepayer funded programs with other sources of funding.

IS IT EASY TO COMPARE STATE EFFICIENCY EFFORTS APPLES-TO-APPLES?

No! Compiling the data for this report was extremely challenging, and many gaps/inconsistencies are noted throughout the report. To address the longstanding ‘apples-to-oranges’ challenges of comparing programs across state lines, **Acadia Center recommends that states in the region come together to better standardize metrics utilized for program measurement, evaluation, and reporting**. Major differences in reporting data persist, and the overall power and impact of energy efficiency in the northeast is limited without that alignment. With more universal reporting methodologies and benefit cost tests, programs in the region would collectively be more powerful, the ability to understand the value and design of programs would be substantially improved, and new opportunities for states to learn from one another would be unlocked.

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