

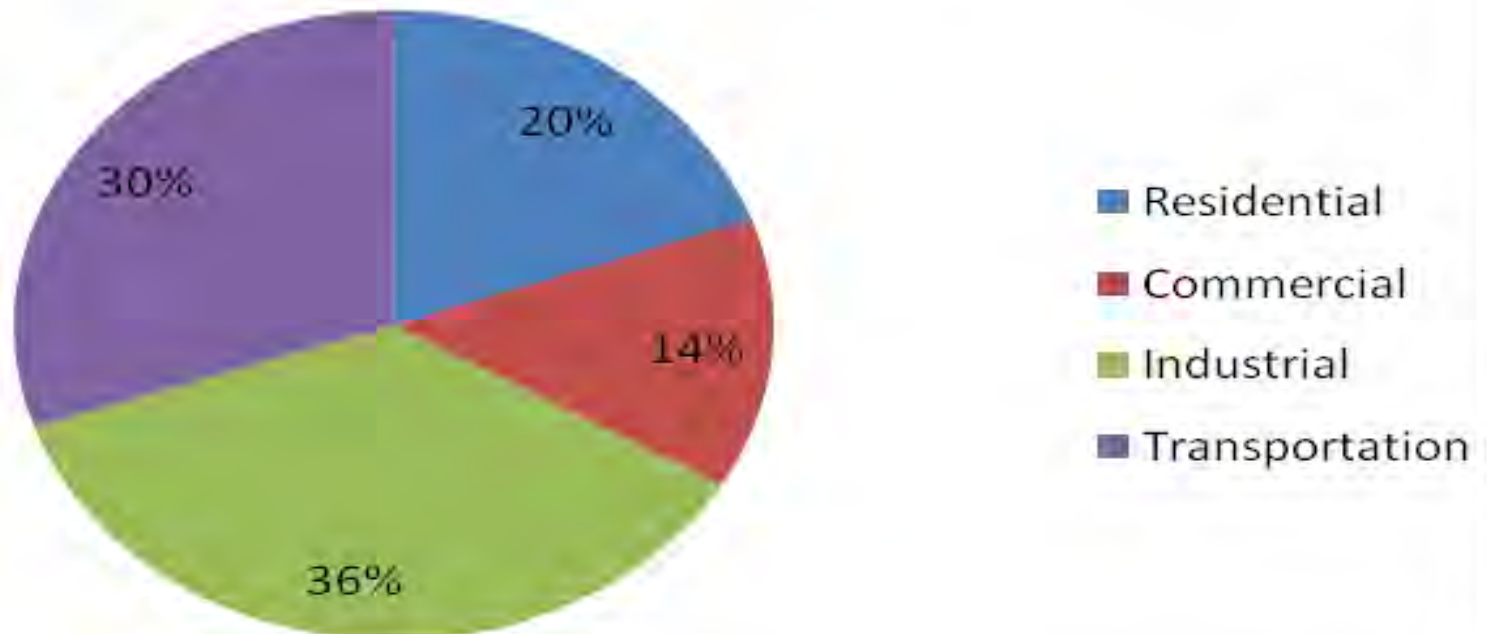
STIMULATING ENERGY EFFICIENCY ACTION MISSISSIPPI PROJECT UPDATE

September 14, 2011

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Mississippi Development Authority-Energy Division

Project Need: MS Energy Use

Mississippi Energy Consumption



Project Need: MS Utility EE Programs

- **No specific guidance by statute or rule on integrated resource planning or aligning utility incentives with investment in energy efficiency.**
- **In 2008, PSC opened a Docket to Consider Standards Established by the Energy Independence and Security Act of 2007 (Docket No. 2008-AD-477), including standards on integrated resource planning and rate modifications to support energy efficiency.**
- **December 2009, the PSC declined to adopt the PURPA standards but committed to open a docket to consider the development of standards on the same subjects more appropriate to the particular circumstances of Mississippi.**
- **Simultaneously, proceedings were underway in Docket No. 2008-AD-158 to Review Statewide Electric Generation Needs. Resource planning and energy efficiency as a resource was even more vigorously debated in this docket than in the PURPA docket.**

Project Background

January 2010, the PSC opened Docket No. 2010-AD-2 to investigate the development and implementation of EE programs and standards in MS, specifically:

- EE programs that will produce the quickest and most cost-effective results
- The appropriate cost/benefit test to use in screening potential EE programs
- Cost recovery and reward structure for utilities
- Overall funding level for EE programs
- Best methods for tracking and measuring program effectiveness
- Development of state energy and demand savings goals and targets
- The establishment of an integrated resource plan with EE as a priority resource

The Mississippi Energy Efficiency Collaborative (MEEC) provided input to draft potential guiding principles to inform the docket

POTENTIAL PRINCIPLES FROM MEEC

- Begin with “quick start” programs
- Use best practices from other states, adapted to MS
- Avoid start-stop with multi-year programs
- Budget at sufficient scale to provide meaningful savings
- Reward utilities with costs and incentives
- Recognize job creation and other economic development benefits

MS – Stakeholders

Mississippi Energy Efficiency Collaborative

Utilities

Entergy

Mississippi Power

Centerpoint

Atmos

Wilmut Gas & Oil

Entegra

EPAs of Mississippi

(representing TVA co-ops)

SMEPA

(representing member co-ops)

State Entities

Attorney General

Users

Mississippi Manufacturers Assn

Ergon, Inc.

NGOs

25x'25

Sierra Club

Southeast Energy Efficiency Alliance

Others

Private/Small Business

PROJECT PURPOSE, FUNDING, TIMELINE

- Objective: Policies and programs to support utility investment in energy efficiency
- Goal: Annual electricity savings of 1%
- Funding: \$500,000 to MDA-ED with SEEA as principal contractor
- Timeline: Until September 30, 2013

Project Process

Work with PSC, utilities, and other public and private stakeholders

Foster collaboration among stakeholders in working toward the savings goal for MS

Build on the progress of the MS EE Collaborative (MEEC) through the PSC Filing

Create educational and outreach materials tailored to MS to support stakeholder efforts & EE filing

Develop and implement programs that support EE rule in collaboration with PSC, utilities, and other stakeholders

EDUCATION AND OUTREACH MATERIALS

- MS-specific study of economic benefits of an EE goal or other savings strategies
- Study of best practices for “quick start” in SE
- Study of cost recovery and incentives in SE
- Case study of AR process, programs, policies
- Study of EE potential as “least-cost” resource
- Other materials as identified by stakeholders

Project Opportunities

- New jobs when jobs are most needed
- Least-cost resource for needed new capacity
- TVA's aggressive ramp up of programs
- Breadth of existing EE activities in MS
- Emerging best practices in the SE
- Access to national expertise

Achievements /Status

1

- Selected Contractor Southeast Energy Efficiency Alliance (SEEA), participated in development of guiding principles for EE programs under PSC docket as part of MS EE Collaborative stakeholder group.

2

- Developed information reports to inform stakeholder group and potential PSC EE rulemaking process including EE potential in MS, economic/jobs analysis, analysis of prototypical policy mechanisms in the southeast, compiling of best practice Quick Start programs for utilities in the southeast, and analysis of cost/benefit tests applicable to MS.

3

- Formed SEE Advisory Committee : Informal and voluntary small group. Members from the NGO, academic, government, utility and private sector highly engaged in energy efficiency in Mississippi. Assist in design of policies and energy efficiency programs

4

- August 4, Mississippi PSC issued a draft Energy Efficiency order for Mississippi.
- Public comments due by September 16, 2011

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- MDA to file comments. Several NGO's like 25x25 will file comments
- On behalf of MDA, SEEA is conducting 1 on 1 outreach to key stakeholders to encourage and help them file comments

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