



NASEO 2011 Annual Meeting

Stimulating Energy Efficiency in Kentucky
(SEE KY)

Stimulating Energy Efficiency in Kentucky (SEE KY)

- Cooperative agreement between the Federal Dept of Energy (DOE) and the Kentucky Department for Energy Development & Independence (DEDI)
- Goal: Achieve 1% increase in energy efficiency annually across the Commonwealth and all economic sectors
- Concentrated on electricity energy savings, but including natural gas
- DEDI has secured support for this project from:
 - Midwest Energy Efficiency Alliance (MEEA)
 - American Council for an Energy Efficient Economy (ACEEE)
 - Smith Management Group (SMG)
 - US DOE - OWIP

Stimulating Energy Efficiency in Kentucky: Project Roles & Responsibilities

- DEDI: Program management
- MEEA: Stakeholder processes
- ACEEE: Analytical products, e.g. Price-consumption forecast, Utility program comparison, Kentucky utility program analysis, macro-economic analysis, etc.
- Smith Management Group: Subcontractor to MEEA
- US DOE/ OWIP: Facilitator, TA resources

Heightened need for Energy Efficiency

- Historically, Kentuckians have enjoyed some of the lowest electricity rates in the Nation. However, that is likely to change in the near future.
- In 2008, Governor Beshear released his 7-point energy security strategy, and articulated a goal of meeting 18% of Kentucky's projected energy needs by 2025 through energy efficiency.

Heightened need for Energy Efficiency

- Utilities are preparing for rate increases in the face of proposed EPA Clean Air Act regulations that will cost billions in \$\$ to comply with
- Given this increasing pressure, EE may be the lowest-cost alternative to help better manage energy bills across sectors, and is a risk avoidance strategy to mitigate future increases in costs

Process to Achieve the SEE KY Goal

- Individual stakeholder meetings
 - DEDI and MEEA are meeting with individual stakeholders to discuss with them what they think is and is not working in achieving energy efficiency in KY and what they think would work to realize this goal.
 - Have met with utilities, manufacturers, legislators, nonprofit and advocacy organizations, state and local government, agricultural representatives

Summary of Preliminary Common Findings

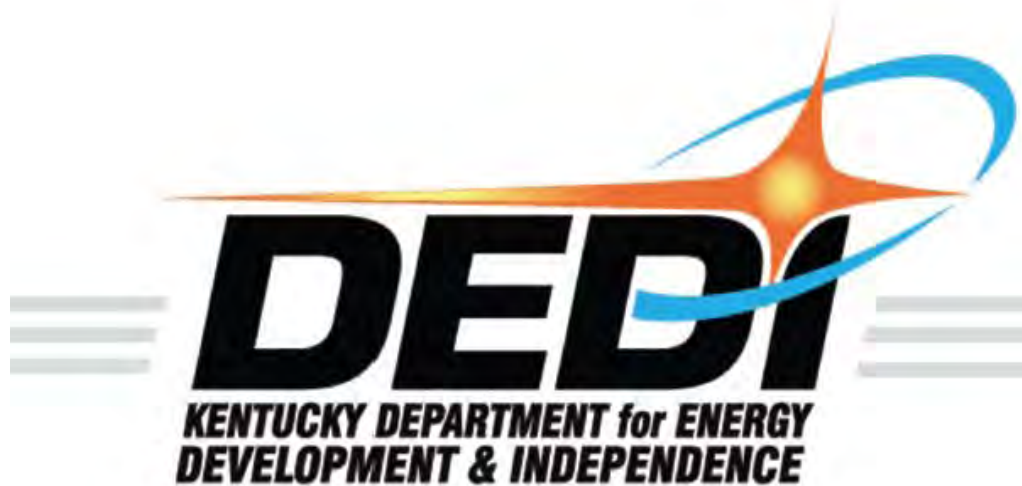
- Overall, almost no support for mandatory energy efficiency standards
- Support for the current DSM statute -- IOUs
- Programs for low income consumers are needed
- Rate Design – Co-ops
- Older manufactured housing/mobile homes negatively impact energy efficiency
- Industry opt-out

Insights on Barriers to Energy Efficiency

- Current appraisal and mortgage systems do not value energy efficiency
- Zoning can impact replacement of energy inefficient manufactured housing/mobile homes
- The cost recovery of energy efficiency upgrades is generally limited to a 1.5-5 year time frame
- Lack of standardized metrics to compare EE programs

Next Steps in This Initiative

- Sector-specific stakeholder meetings held throughout Summer 2011 to assess the effectiveness of current EE programs and policies within Kentucky, and practices in other similar states
- Large stakeholder meetings will take place in September-December 2011 to narrow a suite of program and policy measures to achieve energy savings through EE



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