

Stimulating Energy Efficiency Action

U.S. DEPARTMENT OF
ENERGY

Energy Efficiency &
Renewable Energy



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- DOE sought applications from states to achieve an annual minimum electricity savings target of 1%
 - FOA issued 04/09/2010, awards made ~09/30/10
 - Cooperative agreement between DOE and states
- Focus: helping states that are not harvesting low-cost energy efficiency resources become leaders in reducing energy use (states that have achieved less than 0.5% savings relative to electricity sales and/or States that have invested <1% of total electricity or gas revenues in energy efficiency*)
- FOA Area of Interest repeated for FY 2011 competitive funds.

* From the ACEEE 2009 State Energy Efficiency Scorecard

- Builds on the National Action Plan for Energy Efficiency Vision for 2025
- Investment in cost-effective EE for the long term
- Establishment of statewide electricity savings goal min. 1%
- Policy and program framework to achieve goal
- Suite of ratepayer-funded EE programs
- Frameworks generated through inclusive stakeholder process



National Action Plan for Energy Efficiency

- Released on July 31, 2006 at the National Association of Regulatory Utility Commissioners meeting
- Goal was to achieve all cost-effective energy efficiency by 2025
- Successes:
 - 60 member public-private Leadership Group developed five key policy recommendations
 - Commitments to energy efficiency made by over 120 organizations
 - Released a suite of resources, including the Vision for 2025
- US DOE & US EPA facilitated
- Concluded in 2010
- <http://www.epa.gov/cleanenergy/energy-programs/suca/resources.html>

National Action Plan for Energy Efficiency Recommendations

1. Recognize energy efficiency as a high-priority energy resource.
2. Make a strong, long-term commitment to implement cost-effective energy efficiency as a resource.
3. Broadly communicate the benefits of and opportunities for energy efficiency.
4. Provide sufficient, timely and stable program funding to deliver energy efficiency where cost-effective.
5. Modify policies to align utility incentives with the delivery of cost-effective energy efficiency and modify ratemaking practices to promote energy efficiency investments.



The Action Plan's Vision for 2025

- Released in 2007, updated in 2008 to measure progress
- Long-term Aspirational Goal: To achieve all cost-effective energy efficiency by the year 2025
- Framework for implementing Action Plan recommendations
 - Puts the 5 recommendations into Action
 - Is a living document; open to new ideas and refinements
 - Is a plan – need to know where you want to go in order to get there
 - A challenge for new thinking
- 10 Implementation Goals & 28 Policy Steps
 - Action needed over next 10-15 years to help lay policy foundation by 2025
 - Action encouraged by various parties, utilities, utility regulators, state legislatures, governors, energy offices, air offices, and all stakeholders
- Provides an approach to measure progress
- Not a mandate; respects state processes – not one size fits all



Action Plan Documents to Assist in Exploring Policy Options

Vision for 2025 Implementation Goal	Related Action Plan Resources
1: Establishing Cost-Effective Energy Efficiency as a High-Priority Resource	<ul style="list-style-type: none">- Guide on Potential Studies- Guide on EE Resource Planning
2: Developing Processes to Align Utility and Other Program Administrator Incentives Such That Efficiency and Supply Resources Are on a Level Playing Field	<ul style="list-style-type: none">- Issue Paper on Aligning Utility Incentives
3: Establishing Cost-Effectiveness Tests	<ul style="list-style-type: none">- Discussed throughout Action Plan Guides- Detailed Issue Paper on Understanding Cost-effectiveness of Efficiency Programs
4: Establishing Evaluation, Measurement, and Verification Mechanisms	<ul style="list-style-type: none">- Guide on Model EM&V
5: Establishing Effective Energy Efficiency Delivery Mechanisms	<ul style="list-style-type: none">- Program Best Practice Information- Executive Briefing on Customer Incentives Through Program Design- Rapid Deployment EE Toolkit



Action Plan Documents to Assist in Exploring Policy Options (cont'd)

Vision for 2025 Implementation Goal	Related Action Plan Resources
6: Developing State Policies to Ensure Robust Energy Efficiency Practices	<ul style="list-style-type: none">- Fact Sheet on Role of Building Codes- Lead-by-Example Guide- EE Program and Codes Paper
7: Aligning Customer Pricing & Incentives to Encourage Investment in Efficiency	<ul style="list-style-type: none">- Executive Briefing on Customer Incentives Through Rate Design
8: Establishing State of the Art Billing Systems	<ul style="list-style-type: none">- Utility Best Practices Guidance for Providing Customers with Energy Use and Cost Data
9: Implementing State of the Art Efficiency Information Sharing & Delivery Systems	<ul style="list-style-type: none">- Issue Paper on Coordinating EE and DR Programs
10: Implementing Advanced Technologies	<ul style="list-style-type: none">- Scoping presentation on Most Energy Efficient Economy
Related Policy: Emissions Reductions	<ul style="list-style-type: none">- EE as low-cost resource for carbon emissions reductions



Regulatory Assistance Project State Inventory of EE Policies

- RAP's research staff has compiled a state-by-state inventory of energy efficiency policies throughout the US, tracking recommendations contained in the National Action Plan for Energy Efficiency as well as other policy areas of interest.
- Information on resource planning, Energy Efficiency Resource Standards, decoupling, incentives, energy efficiency cost-recovery and cost-effectiveness tests are among the areas analyzed in the state inventory lists, which are updated through 2009.

<http://www.raponline.org/featured-work/rap-offers-state-by-state-analysis-of-energy-efficiency>

- Financial assistance is a cooperative agreement (not a grant) between DOE and the state. DOE has “substantial involvement” to:
 - Review action plans and recommend alternate approaches
 - Determine whether benchmarks have been achieved to warrant continued phased funding
 - Integrate the project efforts with EERE programmatic goals
 - Promote and disseminate program results
 - Provide technical assistance for issues that develop during policy and program design and implementation
- Two funding phases (phase 2 funding provided upon states’ successful achievement of agreed-upon benchmarks in phase 1):
 1. Establish an statewide energy savings goal of at least 1% through EE and develop action plan to achieve goal
 2. Implement the action plan to achieve the established goal

Selected States

State	Recipient	Funding	Contacts
Texas	Texas State Energy Conservation Office	\$500,000	Pam Groce Dub Taylor
Mississippi	Mississippi Development Authority – Energy Division	\$500,000	Motice Bruce Janis Hill
Kentucky	Kentucky Department for Energy Development and Independence	\$500,000	Lee Colton Greg Guess John Davies
Alaska	Alaska Housing and Finance Corporation and Alaska Energy Authority	\$700,000	Katie Conway Sean Skaling Scott Waterman
Puerto Rico	Puerto Rico Energy Affairs Administration	\$659,965	Damarys Gonzalez Luis Bernal
Total :		\$2.86 MM	

Review National Action Plan for Energy Efficiency "Vision for 2025: A Framework for Change"



Review existing state energy efficiency policies and programs



Engage stakeholders around energy efficiency opportunities



Analyze current energy consumption and forecasted demand, conduct energy efficiency potential study



Establish quantified energy savings goal informed by energy data analysis



Develop and implement energy savings programs



Conduct ongoing evaluation, measurement & verification of energy savings from programs, and track progress against the goal



Continue statewide strategic energy planning including setting new energy savings goals as established goals are met

Past Webcasts

- National Action Plan for Energy Efficiency Vision for 2025 – A Framework for Change (Presenter: Stacy Angel, US EPA)
- The Role of Public Utility Commissions in Energy Efficiency Program Delivery (Presenter: Rich Sedano, RAP)

Upcoming Webcast Topics

- Engaging stakeholders around energy efficiency
- Conducting energy efficiency potential studies
- Energy efficiency goal setting
- Evaluation, measurement and verification of energy savings
- Strategic energy planning

Presentations are available at

<http://www1.eere.energy.gov/wip/solutioncenter/webcasts/default.html>

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