



Getting Started: A Guide for States

Bill Prindle

Vice President, ICF International

ACEEE-CEE Market Transformation Symposium

March 31, 2008

First Principles

- Don't wait until you are “ready”
- Don't make the perfect the enemy of the good
- Learn by doing
- Learn from your peers

Don't Wait 'Til You're "Ready"

- Fast-track programs well proven, cost-effective, and have extensive platform support
- Efficiency resources require years to fully mature—don't wait until a supply decision is pending
- Start modestly and grow with experience

The “Perfect” vs. the “Good”

- There is a cost-effective EE resource base in every state
- Some technologies and program designs are proven enough to start cold
- EM&V practices need not strangle well-designed and well-run programs
 - Define what’s “good enough” by technology and market
 - Use a portfolio approach vs. a micro-management approach
- Learn by doing:
 - Take a continuous quality improvement approach rather than over-studying the problem

Learn From Your Peers

- (...they are sitting next to you...)
- EPA: Energy Efficiency Program Sponsors (EEPS) Resources
- Use published resources
 - ACEEE exemplary programs
 - CEE Initiatives and other resources
 - DSIRE database: www.dsire.org
- Regional EE organizations:
 - NEEP: <http://www.neep.org>
 - SEEA: <http://www.seealliance.org>
 - MEEA: <http://www.mwalliance.org>
 - SWEEP: <http://www.swenergy.org/>
 - NEEA: <http://nwalliance.org>

“We’ve Got to Get Organized...”

- Engage the stakeholders who can make the effort succeed or fail
 - Utilities
 - Energy Star resource providers
 - Regulators
 - Customers
 - Advocates
 - Trade Allies
- Collaboration is preferable to adjudication
 - Use consultative process, but don’t let it become endless
 - A credible regulatory alternative tends to focus discussion

First-and-Second Principles

- “Fast-track” programs don’t need a lot of study
 - Energy Star® lighting, appliances, electronics, HVAC, etc.
 - Regional initiatives
 - Building on national and regional platforms keeps costs low
- Conduct resource planning and policy development in parallel with fast-track programs
 - Conduct a demand-side resource assessment to gauge long-term goals, as well as technology and market targets
 - Develop an integrated resource plan that considers demand and supply options
 - Link IRP to resource decisions, e.g. certificate applications
- Make the economic case
 - Quantify net economic benefits, job creation, GSP gains

Key Policy Drivers

- Setting resource targets: Energy Efficiency Resource Standards
 - 15 states and growing
 - Long-term, quantitative targets in kW and kWh
 - Flexibility in attainment
- Public Benefits Funds
 - 20 states and growing, \$2 billion in funding
 - Provides continuity, simplifies cost recovery issues
 - Allows flexibility in delivery mechanisms
- Align utility incentives
 - Cost recovery, revenue stability, shareholder incentives

Don't Forget the “Infrastructure”

- Delivering EE requires pipeline(s)
 - Manufacturers and their supply/distribution chains
 - Design professionals—architects, engineers
 - Contractors—HVAC, lighting
 - Energy service companies—both performance contracting and fee-for-service
 - Builders and developers
 - Local governments
- Education fills the pipeline for the longer term
 - Colleges and universities
 - Community colleges
 - Vocational education programs
 - Professional education/licensing/CEU programs

My contact info:

1725 Eye St. NW, 10th Floor
Washington, DC 20006

202-862-1179

wprindle@icfi.com

www.icfi.com