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Trends in Industrial Energy Efficiency Programs

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Industrial EE Program Trends

ACEEE Research currently being concluded:

- Forthcoming ACEEE report will reflect this research
- US and Canadian programs
  - Focus: publicly funded / primarily industrial
  - 35 full interviews conducted, 2008-2009
    - Augmented by secondary data collection
- Survey / interview structure
  - Qualitative
  - “Success” defined in subjective and objective way
  - Emphasis on outreach, planning, communication, challenges and overall strategy
- What is a trend?

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Selected Industrial Energy Efficiency Program Trends

- Energy management programs
- Sector-specific efforts strengthened, augmented
- More self-direct mechanisms in place
- Increase in natural gas programs
- Coordination with regional efforts
- General: multiple objectives and policy frameworks

Energy Management Programs

Multiple designs

- BC Hydro, Ontario Power Authority example:
  - Assistance to outsource / hire internally / train
  - Aggregate loads, aggregate needs for single person serving large need
- Long-term internal focus, including internal training, outreach to corporate leadership
  - Energy Star

Leverage utility's customer service rep.

- Point of contact is cemented internally

Sector-Specific Focus

Generally allows for a finer focus on geographic area's needs

- Specific technologies identified and targeted
- Still allows for cross-cutting efforts (e.g. PG&E)
- Lends itself well to energy management efforts

In some cases seen as more responsive by customers

- And customers more responsive: companies aware of competitors cutting their energy use/costs

Don't necessarily focus on the sectors that represent biggest load

- Also considered: degree to which sectors can be reached and will participate (CenterPoint)
- Can ignore sectors that represent large load but few individual number of companies (Energy Trust of Ore.)

Self-Direct Options

Unstructured

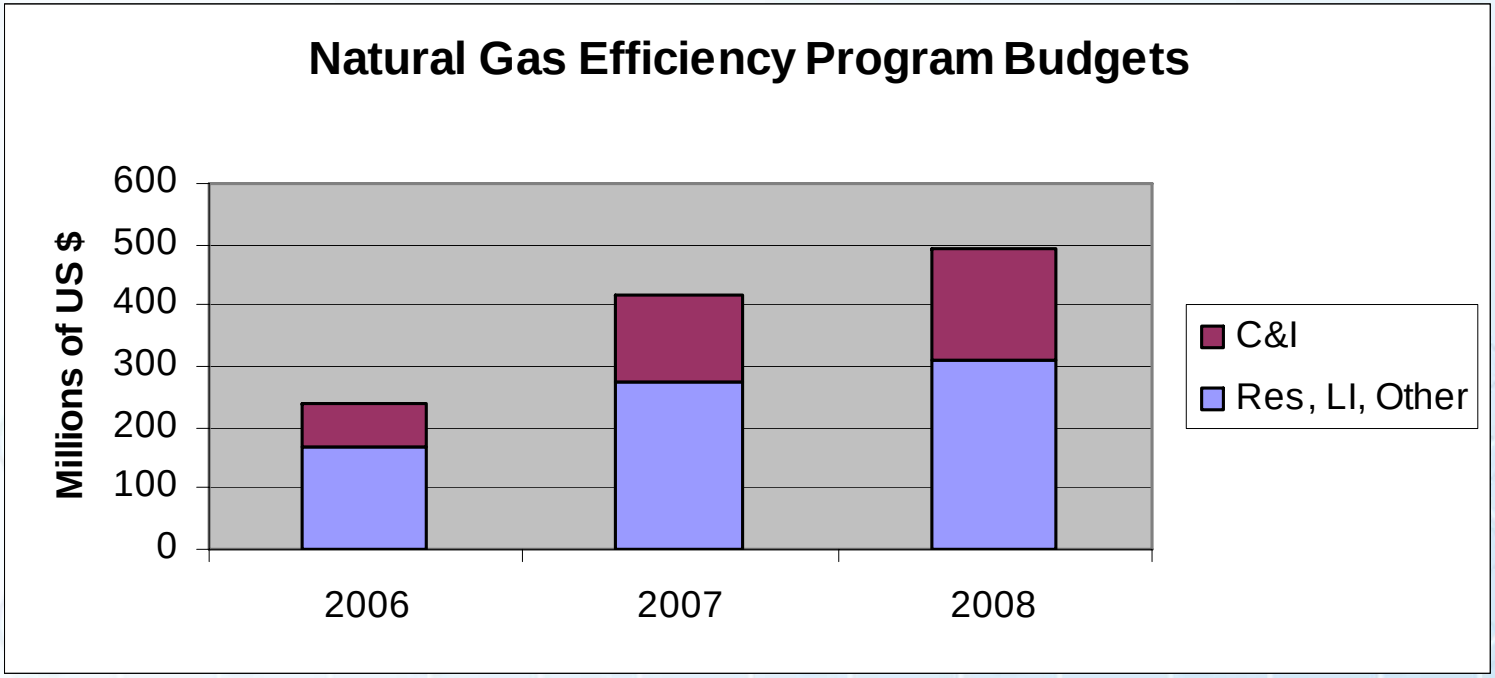
- Allow self-direct to occur – Some parameters on size, use
- Don't require proven savings, M&V (Idaho, Maine)
- Becoming more widely accepted
  - Easy to "administer"; there is no administration
  - Hugely problematic: those savings are being "counted on"

Structured

- Specific savings targets required, M&V (Oregon, Minnesota)
- In some cases, tech. assistance and PBF-funded programs and services are not totally off limits
- Partial self-direct: scale PBF programs to payment
- In some cases: rate credit
- Set time horizons for self-direct choices
- Built-in flexibility is essential to achieve savings and participation

Industrial Gas Efficiency Programs

New programs developed in conjunction with state-level efficiency savings targets



Source: CEE, 2008 Annual Industry Report

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Coordination with Regional Efforts

Response to:

- Regional concentration of certain sectors
- Companies with facilities in multiple service areas

Benefits:

- Brings in a different group of stakeholders
  - Environmental groups, government, labor, trade associations
- Can leverage resources not available to all utilities
  - Region-wide best practices, technical support
  - Region-specific tools, data, research and policies
- Multiple program involvement; lessons can be taken back
- Enhances outreach possibilities to industry

Challenges:

- Difficult to attribute energy savings for collective programs

Examples: NEEA, SEEA, SWEEP industrial efforts

Greater Complexity, Multiple Objectives

- Demand Response (kW) programs
- New smart grid investments
- Higher level relationships
  - Energy management programs: long term, higher level, national accounts
- Benchmarking/standardization
  - Energy Star voluntary agreements
  - Save Energy Now goal: reduce intensity 25% in 10 years
  - ISO 50001 standard (planned compatibility with 9001, 14001)
- Regional forward capacity auctions (PJM to allow EE, e.g.)
- State/regional/national greenhouse gas efforts
  - Crediting investments today for GHG savings tomorrow
  - Economic development issue: dealing with added costs
- National legislation: stimulus funds, energy bill, EERS/RPS

Existing Economic Context

- Key word: uncertainty
  - Access to capital
  - Failing companies
  - Shrinking companies
    - Inventory
    - Workforce
  - Risk reduction
- Relationships with energy efficiency programs
  - Persistence, constant contact
  - Difficulty meeting 2009 program goals likely

Possible Points of Discussion

- What has changed in the last 3-5 years?
- Do these trends resonate?
- Why are we seeing these trends?
- How are current challenges impacting your programs?
  - Workforce challenges
  - New challenges in goals/directives?
- Major sources of info.
  - Are regional efforts influencing program design?

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