

THE 2008 STATE ENERGY EFFICIENCY SCORECARD

Executive Summary¹

October 2008

Introduction

Energy efficiency is the “first fuel” in the race for clean and secure energy resources. Faced with rapidly increasing energy prices, constraints in energy supply and transmission, and energy reliability concerns, states are turning to energy efficiency as the most reliable, cost-effective, and quickest resource to deploy. States are now investing two to three times as much as the federal government toward energy efficiency programs and resource.² In the race for clean energy resources, states are adopting aggressive energy efficiency policies, increasing investments in efficiency programs, and improving efficiency in their own facilities and fleets. While some states have been making commitments toward energy efficiency for decades, others are just getting started, and still others fall far behind. We present here a comprehensive state energy efficiency scorecard to document best practices and recognize leadership among the states. The scorecard can serve as a means of benchmarking state efforts, with the goal of encouraging states to continue to raise the bar in efficiency commitments and providing a roadmap for states that want to catch up to the leaders.

In 2007, ACEEE released *The State Energy Efficiency Scorecard for 2006*, which was the first of its kind to provide a comprehensive approach to scoring and ranking states on the adoption and implementation of energy efficiency policies and programs. This is a 2008 update to the scorecard, ranking all fifty states and the District of Columbia on energy efficiency policies and programs. The scorecard examines eight state energy efficiency policy areas: (1) utility-sector and public benefits programs and policies; (2) transportation policies; (3) building energy codes; (4) combined heat and power; (5) appliance efficiency standards; (6) Lead by Example in state facilities and fleets; (7) research, development, and deployment; and (8) financial and information incentives. States can earn up to 50 possible points in these eight policy areas combined, with the maximum possible points in each area weighted by the magnitude of its potential impact on energy savings.³

Summary of Rankings

Table ES-1 shows state scores for each of the eight policy areas, overall rankings and total scores out of a maximum possible 50 points, and change in a state’s rank compared to last year’s report. Figure ES-1 shows state rankings and classifies states into four bins.

¹ This report was prepared by Maggie Eldridge, Max Neubauer, Dan York, Shruti Vaidyanathan, Anna Chittum, and Steven Nadel. A copy of this report is available for download at <http://aceee.org/pubs/e086.htm>.

² In 2008, the federal government appropriated about \$800 million for energy efficiency programs. In 2006, state energy efficiency programs spent about \$1.9 billion on electric and natural gas programs (data are presented in Chapter 1) and the states had budgets for 2007 of about \$3 billion (www.cee1.org).

³ A companion report on state renewable energy policies and programs was developed by the National Renewable Energy Laboratory. Please see <http://www.nrel.gov/docs/fy09osti/43021.pdf>.

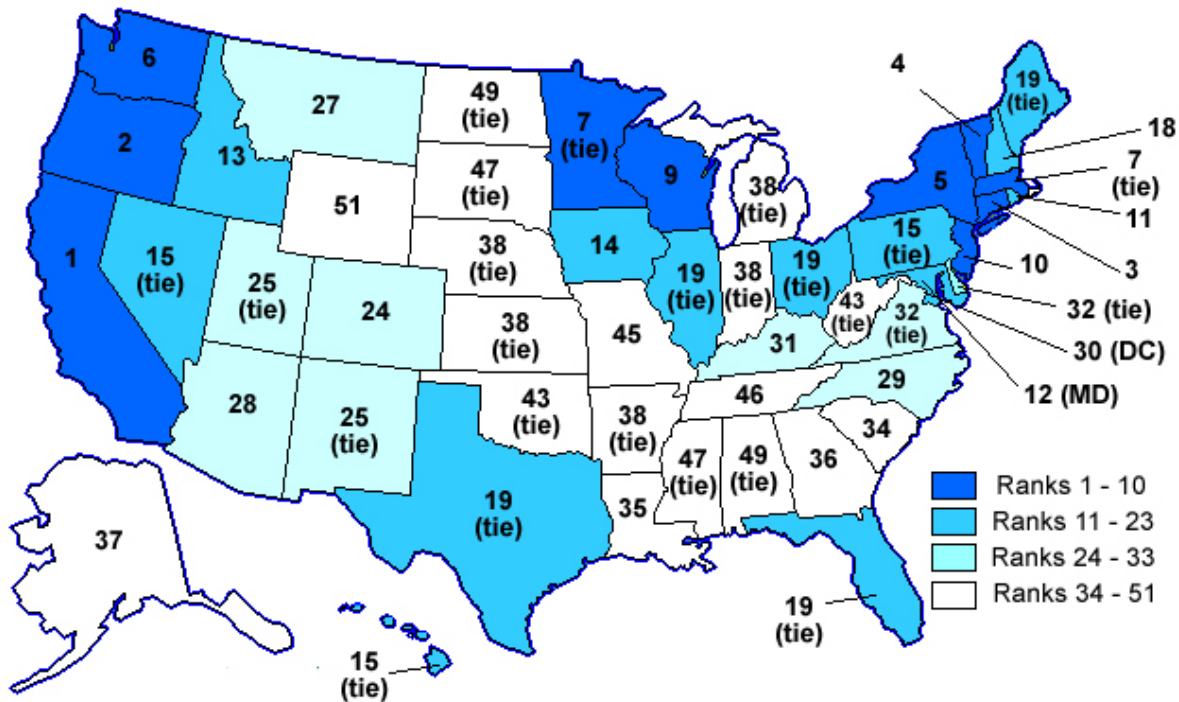
Table ES-1. Summary of Overall State Scoring on Energy Efficiency

Rank	State	Utility and Public Benefits Efficiency Programs and Policies Score	Transportation Score	Building Code Score	Combined Heat and Power (CHP) Score	Appliance Standards	State Lead by Example	RD&D	Financial and Information Incentives	TOTAL SCORE
	<i>Maximum Possible Points:</i>	20	6	8	5	4	2	2	3	50
1	California	14.5	4	8	5	4	2	2	1	40.5
2	Oregon	13.5	3.5	8	5	3	0.5	0.5	3	37.0
3	Connecticut	15.5	5	4	5	3	2	0.5	1	36.0
4	Vermont	19	2.5	5	2.5	1	2	0	1	33.0
5	New York	12.5	4.5	5.5	5	1	1	2	1	32.5
6	Washington	12	4.5	8	4	2	0.5	0	1	32.0
7	Massachusetts	12.5	3.5	3.5	3	1	1	1	1	26.5
7	Minnesota	13.5	1	5.5	2.5	0	2	0	2	26.5
9	Wisconsin	10	0.5	8	5	0	0.5	2	0	26.0
10	New Jersey	10	3.5	5	5	1	1	0	0	25.5
11	Rhode Island	10	3	4.5	1	3	1.5	0	0	23.0
12	Maryland	5.5	3.5	4.5	3	2	1	0	2	21.5
13	Idaho	10	0	6	3	0	0	0	2	21.0
14	Iowa	10.5	0	5	0.5	0	1	2	0	19.0
15	Hawaii	8.5	0.5	3.5	2.5	0	2	0	0	17.0
15	Pennsylvania	1	3.5	4.5	4	0	2	0	2	17.0
15	Nevada	8.5	0	5	0.5	1	0.5	0	1.5	17.0
18	New Hampshire	7.5	0	4.5	1.5	0	2	0	1	16.5
19	Maine	6.5	2.5	2	2.5	0	1.5	0	1	16.0
19	Florida	2.5	0.5	7	3	0	2	1	0	16.0
19	Ohio	5.5	0	3.5	5	0	1	0	1	16.0
19	Texas	3	0	5	5	0	1	1	1	16.0
19	Illinois	3	0	4.5	5	0	1	0.5	2	16.0
24	Colorado	8	1	3	2.5	0	1	0	0	15.5
25	New Mexico	4	3	5	1.5	0	0.5	0	1	15.0
25	Utah	6.5	0	6	0.5	0	2	0	0	15.0
27	Montana	6	0	5	1	0	1.5	0	1	14.5
28	Arizona	4	2.5	3	1.5	1	1	0	1	14.0
29	North Carolina	2	0	4.5	3	0	1	2	1	13.5
30	District of Columbia	2	2	3	2.5	1	1	0	0	11.5
31	Kentucky	3	0	6	0.5	0	0.5	0	1	11.0
32	Delaware	0	1.5	3	2.5	0	1	0	2	10.0
32	Virginia	1	0.5	5	0.5	0	2	0	1	10.0
34	South Carolina	1.5	1	5	1	0	0.5	0	0	9.0
35	Louisiana	0	1	4	0	0	2	0	1	8.0
36	Georgia	1.5	0.5	5.5	0	0	0	0	0	7.5
37	Alaska	0	1	3	1.5	0	0	0	1	6.5
38	Michigan	0.5	0	1.5	3	0	1	0	0	6.0

Rank	State	Utility and Public Benefits Efficiency Programs and Policies Score	Transportation Score	Building Code Score	Combined Heat and Power (CHP) Score	Appliance Standards	State Lead by Example	RD&D	Financial and Information Incentives	TOTAL SCORE
38	Indiana	2.5	0	1	2.5	0	0	0	0	6.0
38	Kansas	1	0	3	1	0	0	0	1	6.0
38	Nebraska	0.5	0	4	0.5	0	0	0	1	6.0
38	Arkansas	1	0	4	1	0	0	0	0	6.0
43	West Virginia	0	0	4.5	1	0	0	0	0	5.5
43	Oklahoma	0	0	4	0.5	0	0	0	1	5.5
45	Missouri	0	0	1.5	1.5	0	0.5	0.5	0	4.0
46	Tennessee	1	0.5	0.5	0.5	0	0	0	1	3.5
47	Mississippi	0	0	0	1	0	0	0	1	2.0
47	South Dakota	0.5	0	0	1.5	0	0	0	0	2.0
49	North Dakota	0.5	0	0	1	0	0	0	0	1.5
49	Alabama	0	0	0	0.5	0	1	0	0	1.5
51	Wyoming	0	0	0	0	0	0	0	0	0.0

Note: We do not score the U.S. territories due to lack of data, though hope to expand the scorecard in the future to include them in the rankings.

Figure ES-1. Map of State Energy Efficiency Scorecard Results



We note that although we provide individual state rankings, in terms of measuring commitment to energy efficiency, the difference between rankings is most significant among bins of every ten or fifteen ranks rather than individual scores. For example, the difference between states listed in “top ten” is much less significant than the

difference between the tier of top ten and the second or third tier of ten to fifteen. Figure ES-1 and Table ES-1 sort the state rankings in “bins,” which is the best way for readers to interpret the results of the scorecard.

The top ten states, as shown in Table ES-2, earn at least 25 out of the possible 50 points, with California, Oregon, and Connecticut taking the top three spots with 40.5, 37, and 36 points, respectively. Each of the next two bins of states earn between 10 and 23 points, while states in the last bin score less than 10 points.

Change from Last Year’s Scorecard

This year’s “top ten” states, based on their combined scores, are listed in Table ES-2, along with the “top ten” states from last year’s scorecard.

Table ES-2. Top Ten States for the 2008 and 2007 Scorecards

2008 Edition		2007 Edition	
1	California	1	California (tie)
2	Oregon	1	Connecticut (tie)
3	Connecticut	1	Vermont (tie)
4	Vermont	4	Massachusetts
5	New York	5	Oregon
6	Washington	6	Washington
7	Massachusetts (tie)	7	New York
7	Minnesota (tie)	8	New Jersey
9	Wisconsin	9	Rhode Island (tie)
10	New Jersey	9	Minnesota (tie)

The 2008 “top ten” are mostly the same as in the 2007 scorecard, with Wisconsin being the sole newcomer to enter these top rankings. These states lead the country in energy efficiency through best practices in most of the eight categories, including successful implementation of utility efficiency programs, transportation efficiency policies, and building energy codes. For example, the states in the top ten all rank in the top ten of the utility and public benefits programs and policies chapter, and seven of the top ten rank among the highest in terms of transportation policies, while five of them rank the highest with regards to building energy codes.

Outside of the top ten, there has been significant movement up the ladder since last year’s scorecard. Idaho was the “most improved” state, having moved up twelve spots compared to last year’s scorecard. Other states that climbed the rankings are Florida, which moved up ten spots, and Maryland and Ohio, which each ascended eight spots in the rankings, putting all of these states in the second tier in our scorecard and giving them the title of “most improved” states. These states have each expanded their efforts through various means, such as committing more resources to energy efficiency programs, setting long-term and aggressive energy savings goals, or making commitments to improve the efficiency of their own facilities and fleets. Readers should note that while some movement can be attributed to states advancing or expanding their suite of energy efficiency policies, some changes in rank are due to changes in our scoring methodology since last year’s scorecard, such as expanding Chapter 1 on utility-sector and public benefits programs and policies to include several additional variables (electric savings, gas program spending and decoupling/utility incentives) and adding a score in Chapter 3 for compliance with state building energy codes. States that do well on these new metrics have moved up in the rankings, while states that do not do as well have moved down.

In addition to the significant strides we have seen from states that are reflected in this year’s rankings, we are already seeing signs of the major efforts states are making that will be reflected in next year’s scorecard. For example, in September 2008 the Colorado PUC approved plans for one major utility to significantly increase funding for efficiency programs, laying the groundwork to ramp up program efforts in the state. Tennessee passed legislation in 2008 to update its building energy codes, which will become effective in January 2009. Also in September, Michigan passed legislation establishing an Energy Efficiency Resource Standard, which sets a long-term energy savings goal for utilities. The governor is expected to sign this bill shortly. The latest energy savings data from programs in Vermont, which will be reflected in next year’s report, have showed that efficiency is meeting nearly 2% of the state’s electricity needs, up from 1% in the previous year. And these are just a few

examples of the many efforts states are making to improve their energy efficiency. Though, because the Scorecard covers program results and policies generally effective as of June 2008, most of these efforts that will become effective in 2009 will be covered in next year's edition of the Scorecard.

Conclusions

States are leading the nation in advancing energy efficiency policies and programs, which is why it is important to recognize and document best practices among the states, both to encourage other states to follow and to encourage federal action to catch up. This year's scorecard builds on this need for a comprehensive review of state policies by improving scoring metrics to provide a clearer idea of states' commitment to promoting energy efficiency.

Energy efficiency is the only resource that can help states actually *reduce* energy consumption to combat rising energy demand and create a hedge against skyrocketing energy prices — making efficiency the “first fuel” states can use to balance their energy portfolios. And by shrinking the overall reliance on energy supply, efficiency allows new, clean energy resources — such as wind and solar technologies — to make up a growing slice of state energy portfolios. Recently, the National Renewable Energy Laboratory (NREL) undertook a review of state progress on expanding the use of renewable energy and the best practices that enable state development of renewable energy. The results of this companion effort serve as important complement to the review of energy efficiency policies in this scorecard.

ABOUT THE AMERICAN COUNCIL FOR AN ENERGY-EFFICIENT ECONOMY (ACEEE)

This report, *The 2008 State Energy Efficiency Scorecard*, is available for free download at <http://aceee.org/pubs/e086.htm>.

ACEEE is a nonprofit organization dedicated to advancing energy efficiency as a means of promoting economic prosperity, energy security, and environmental protection. For more information, see <http://www.aceee.org>. ACEEE fulfills its mission by:

- Conducting in-depth technical and policy assessments
- Advising policymakers and program managers
- Working collaboratively with businesses, public interest groups, and other organizations
- Organizing conferences and workshops
- Publishing books, conference proceedings, and reports
- Educating consumers and businesses

Projects are carried out by staff and selected energy efficiency experts from universities, national laboratories, and the private sector. Collaboration is key to ACEEE's success. We collaborate on projects and initiatives with dozens of organizations including federal and state agencies, utilities, research institutions, businesses, and public interest groups.

Support for our work comes from a broad range of foundations, governmental organizations, research institutes, utilities, and corporations.