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American Council for an Energy-Efficient Economy

Building on Existing Efforts: State Policy and Clean Power Plan Outlook

ACEEE Webinar Series

March 24, 2016

ACEEE Webinar Series

"Energy Efficiency and the Clean Power Plan"

Series of 5 webinars through July

Upcoming Topics

- Expanding Low-Income EE Programs and Investments
- Opportunities for the Industrial Sector
- Paying for Clean Power Plan Compliance
- People's Choice!

Links to Register

http://aceee.org/blog/2016/03/introducing-aceee-webinar-series

Webinar Speakers

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What We'll Cover

- The highlights from our research on all major efficiency efforts in all 50 states
- Identification of states where energy efficiency is supported and states where there are opportunities for growth
- Big opportunities we expect regionally and in key states in the coming year

Clean Power Plan Context

- CPP regulates CO_2 emissions from existing power plants
- 'Existing' means onsite improvements are limited and can be more expensive than other methods of reducing pollution

Energy efficiency takes the stage

1. Energy efficiency saves electricity
2. Lower electric generation = Reduced emissions

Why is it the better option?

1. ALL states can take advantage of it (rate-based, mass-based, RGGI, early action, low-income, maintaining affordability….)
2. It cost less than the other compliance options.
3. There's enough of it to meet most if not all of the states' goals.

What Kind of EE Can "Count"?

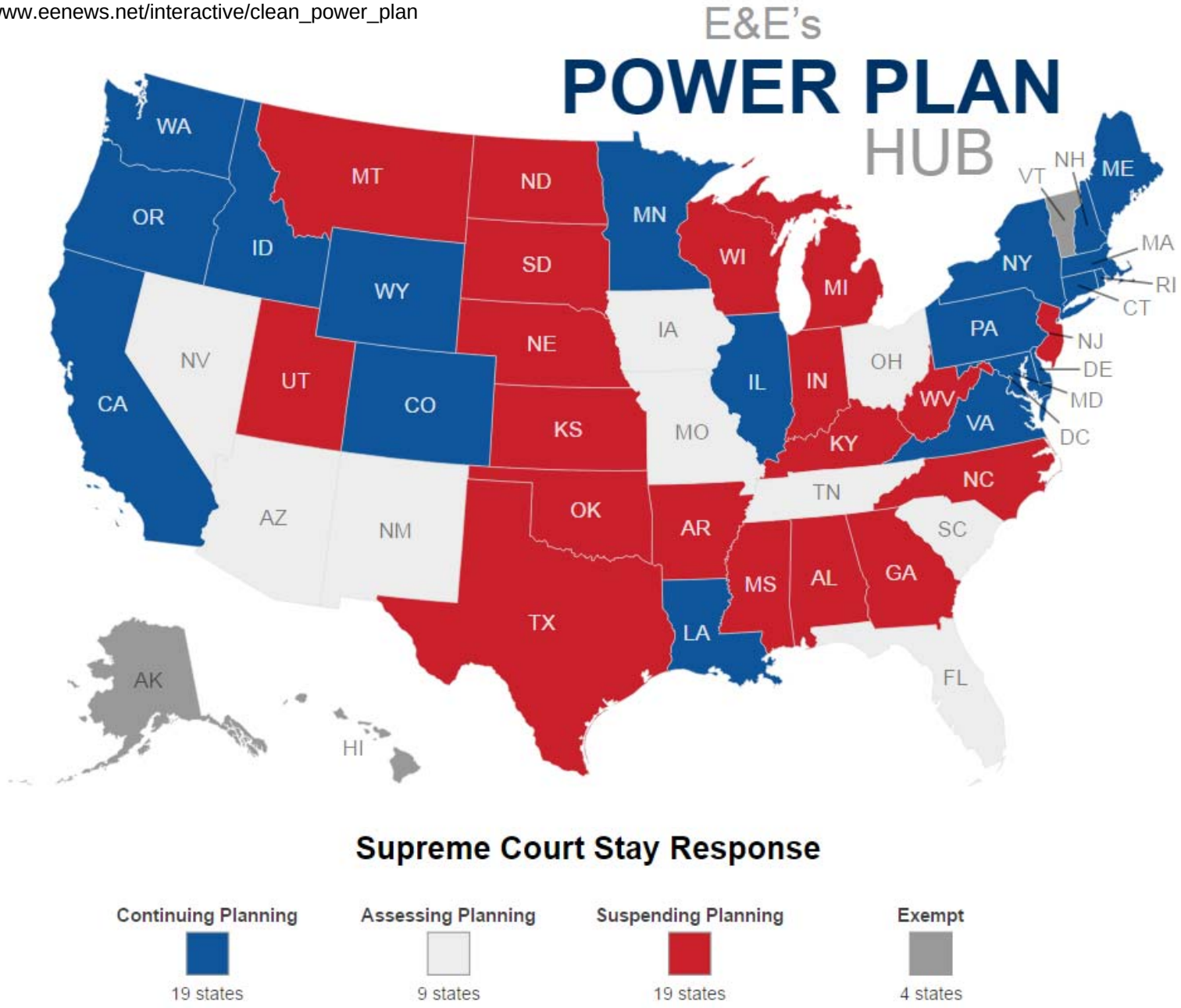
Pretty much everything!

- Utility and non-utility EE programs
- Residential, commercial and industrial measures
- Appliance replacement and recycling programs
- Behavioral programs
- Energy savings performance contracts (ESPC)
- Building energy codes
- State appliance and equipment standards
- Combined heat and power
- Water and wastewater programs

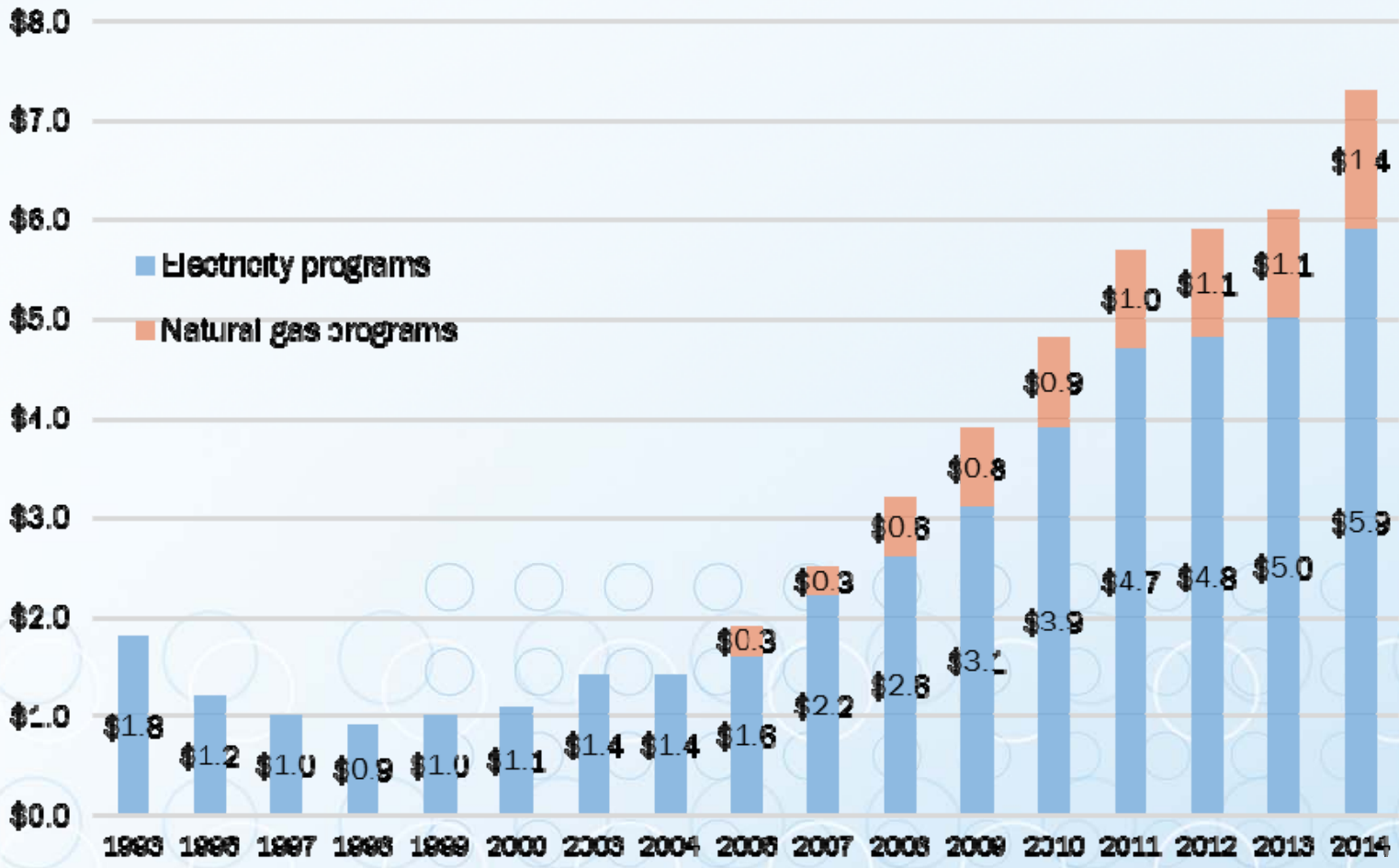
A Quick Word on the SCOTUS Stay

- The stay suspends EPA's timeline, it doesn't necessarily delay it.
- The CAA isn't changed. CO2 regulation is still coming.
- Half of the states (if not more) are still planning.
- Many states and actors are on a steep learning curve for EE.

http://www.eenews.net/interactive/clean_power_plan



Utility-Sector Energy Efficiency Spending



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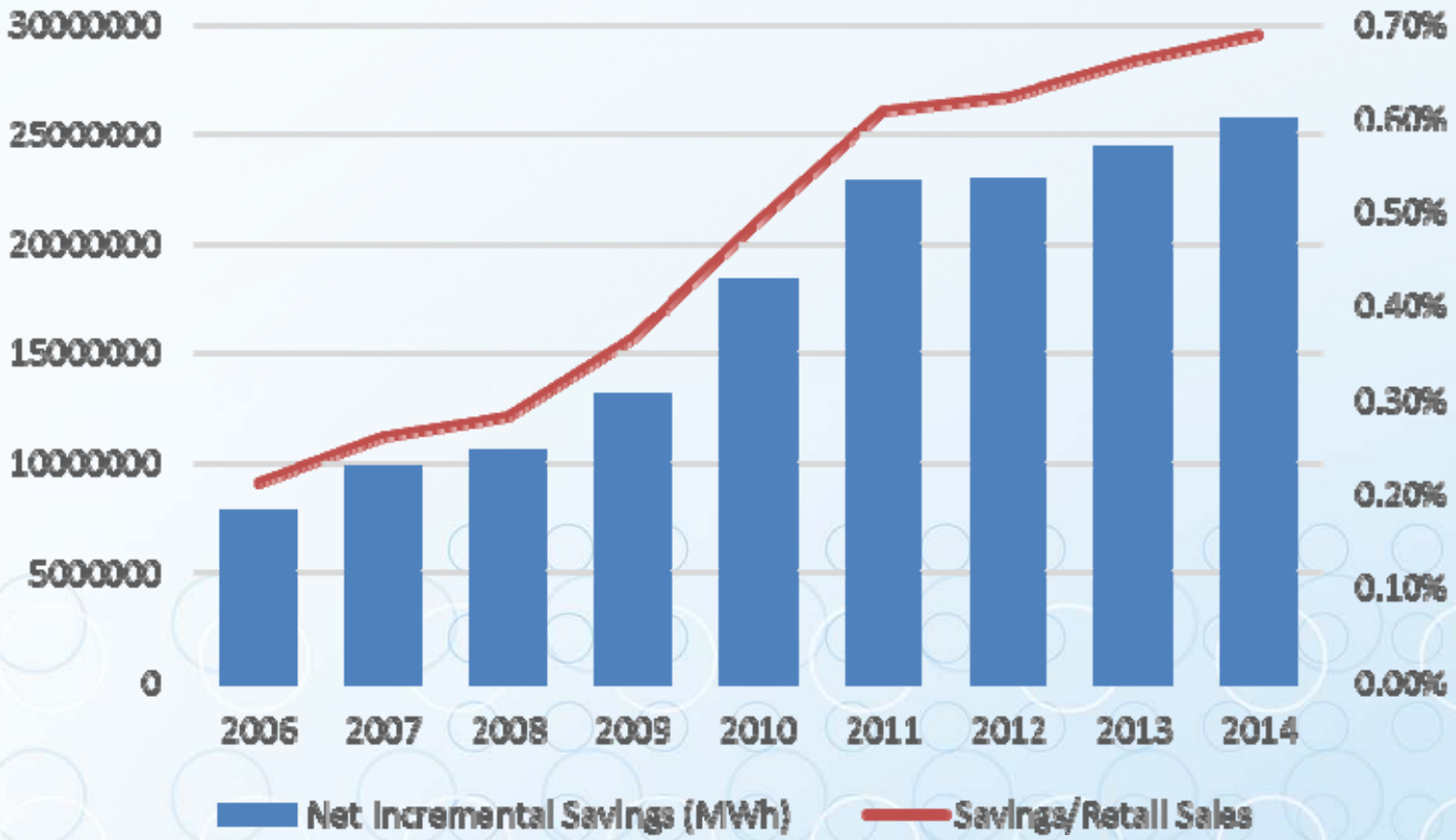
Utility-Sector Electricity Savings



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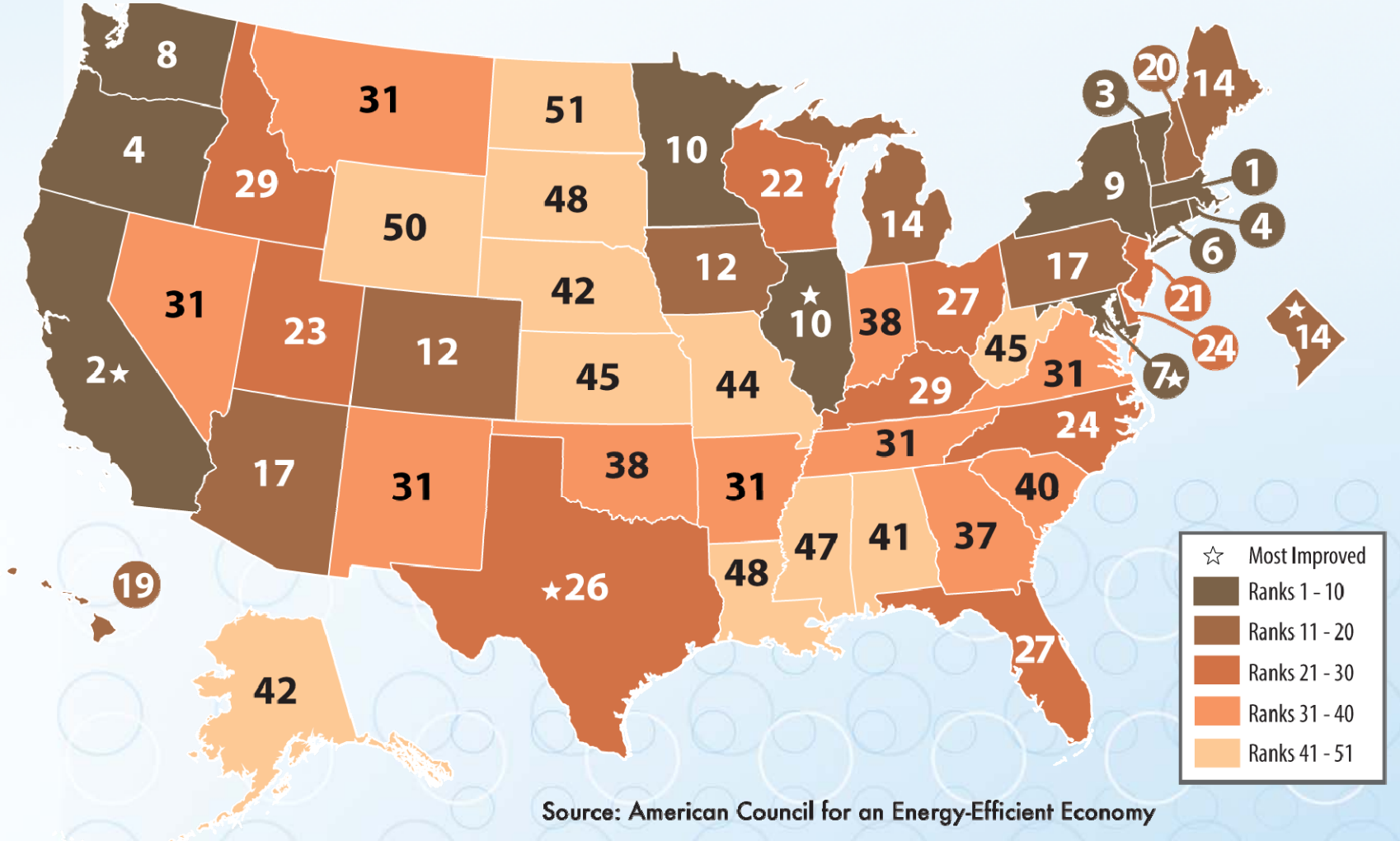
2015 State Energy Efficiency Scorecard



Source: American Council for an Energy-Efficient Economy

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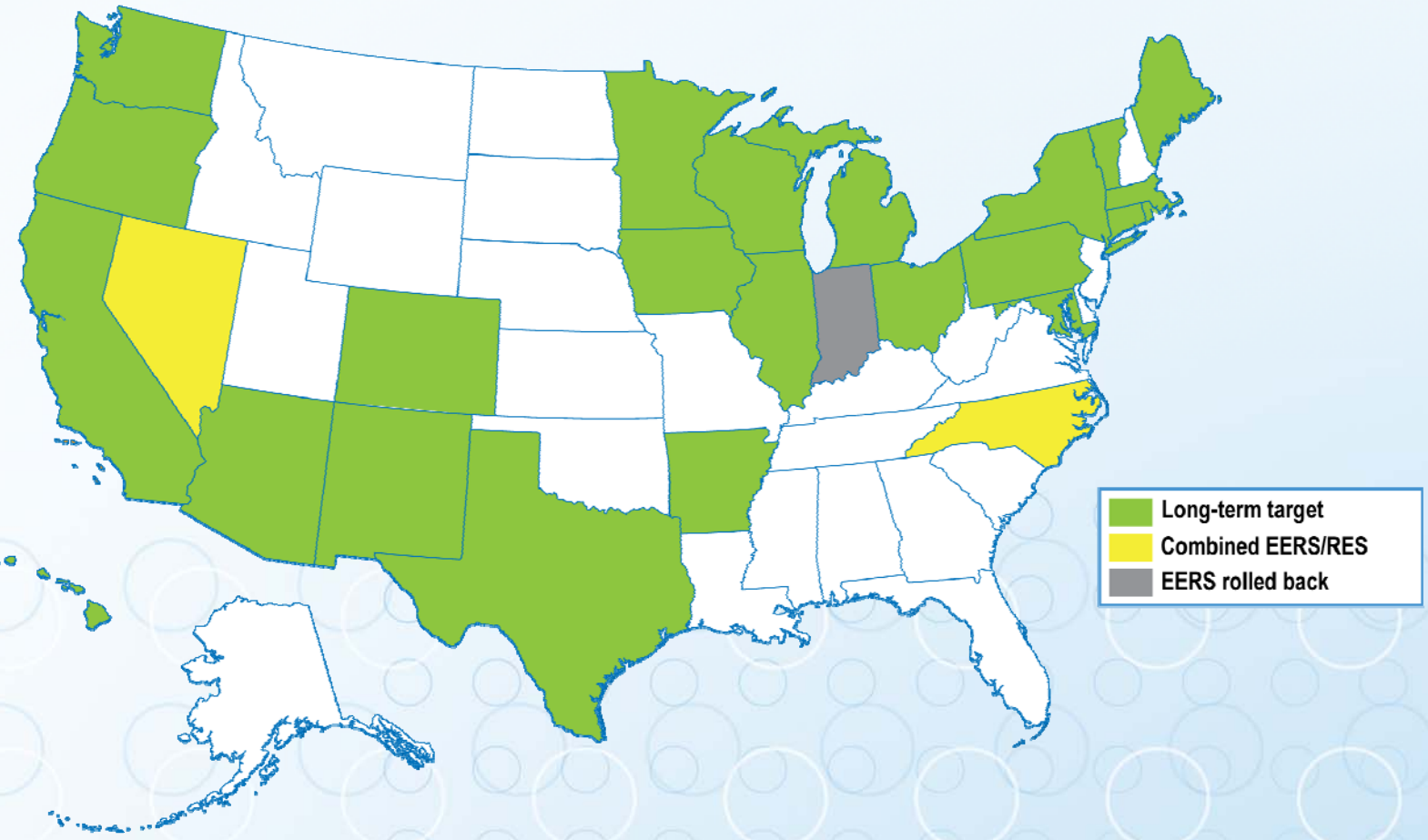
Energy Efficiency Resource Standards



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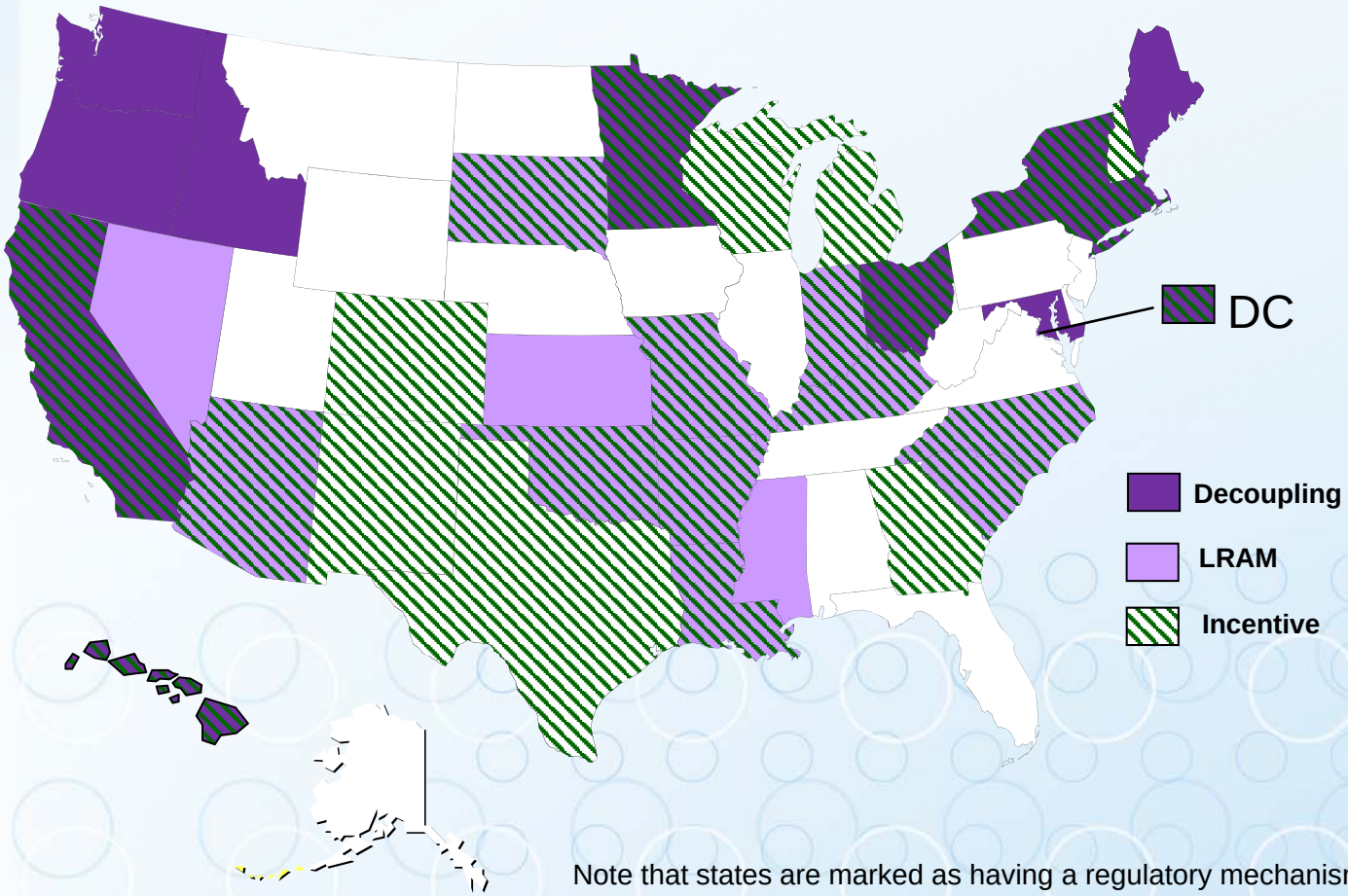
Business Model for Electric Utilities



Note that states are marked as having a regulatory mechanism in place if at least one large utility has that mechanism enabled. Some states have enacted a mix of LRAM and decoupling policies for various utilities. These states are marked as decoupled.

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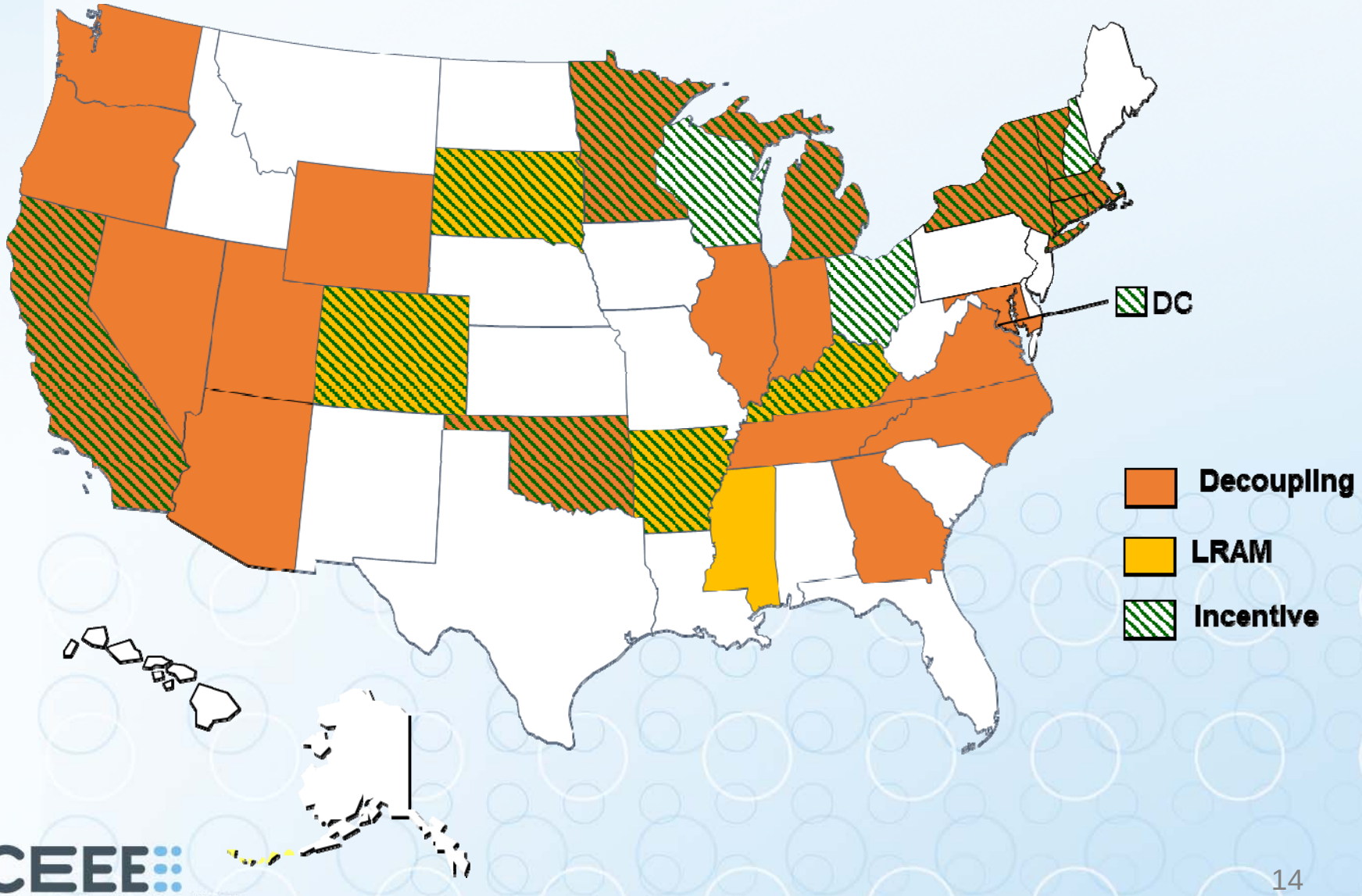
Business Model for Natural Gas Utilities



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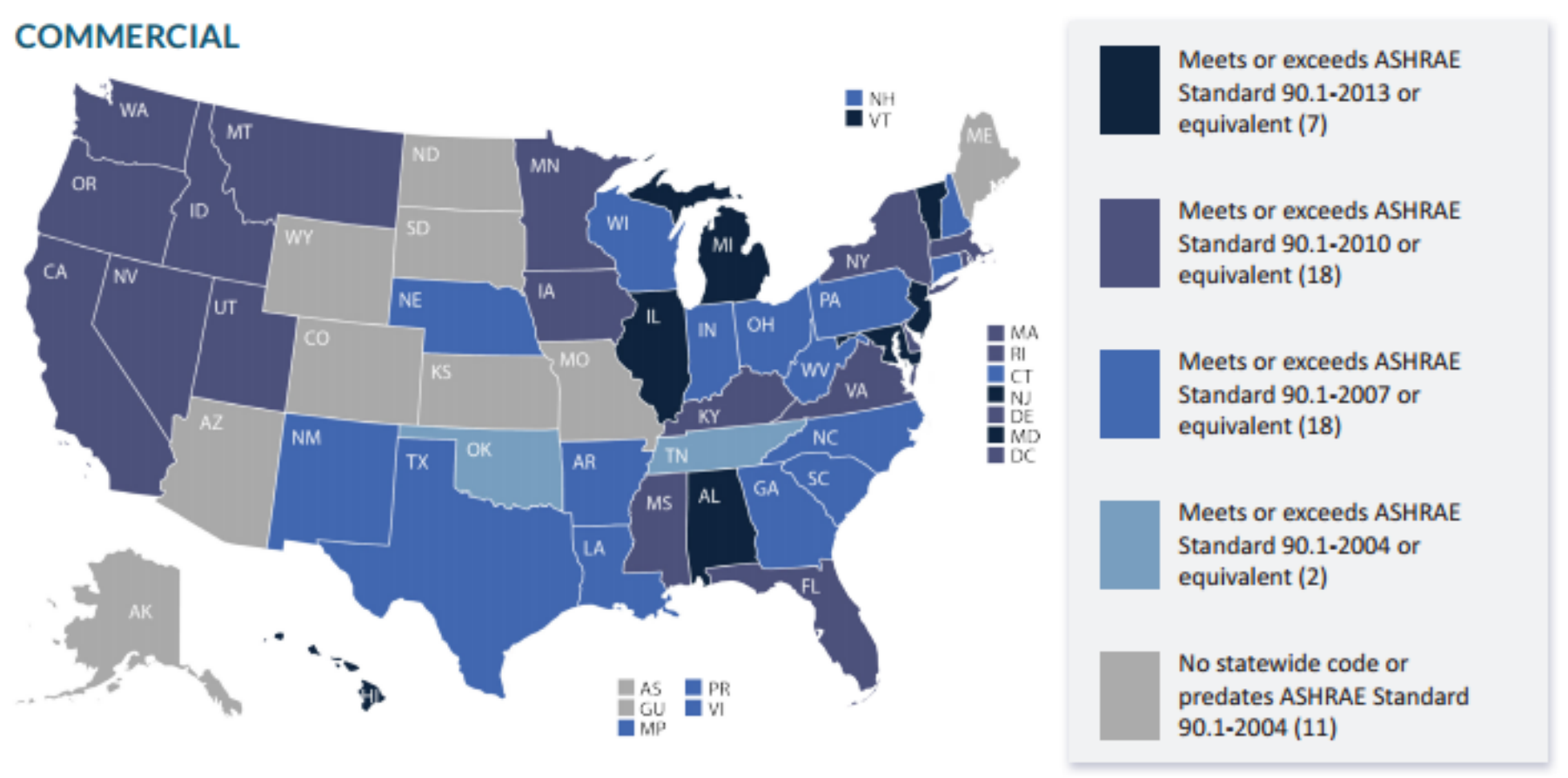
Building Codes



Building Codes Assistance Project (February 2016)

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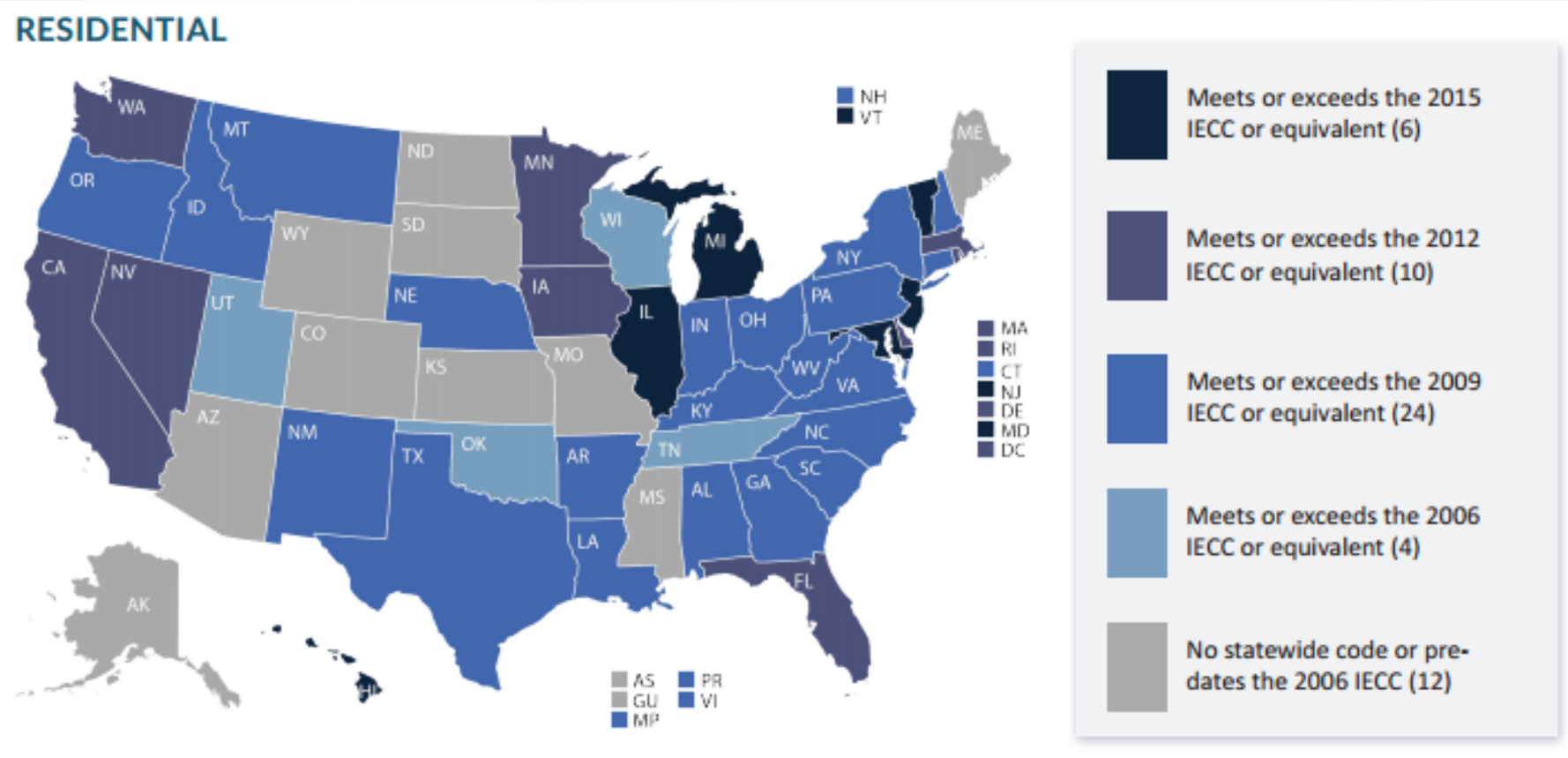
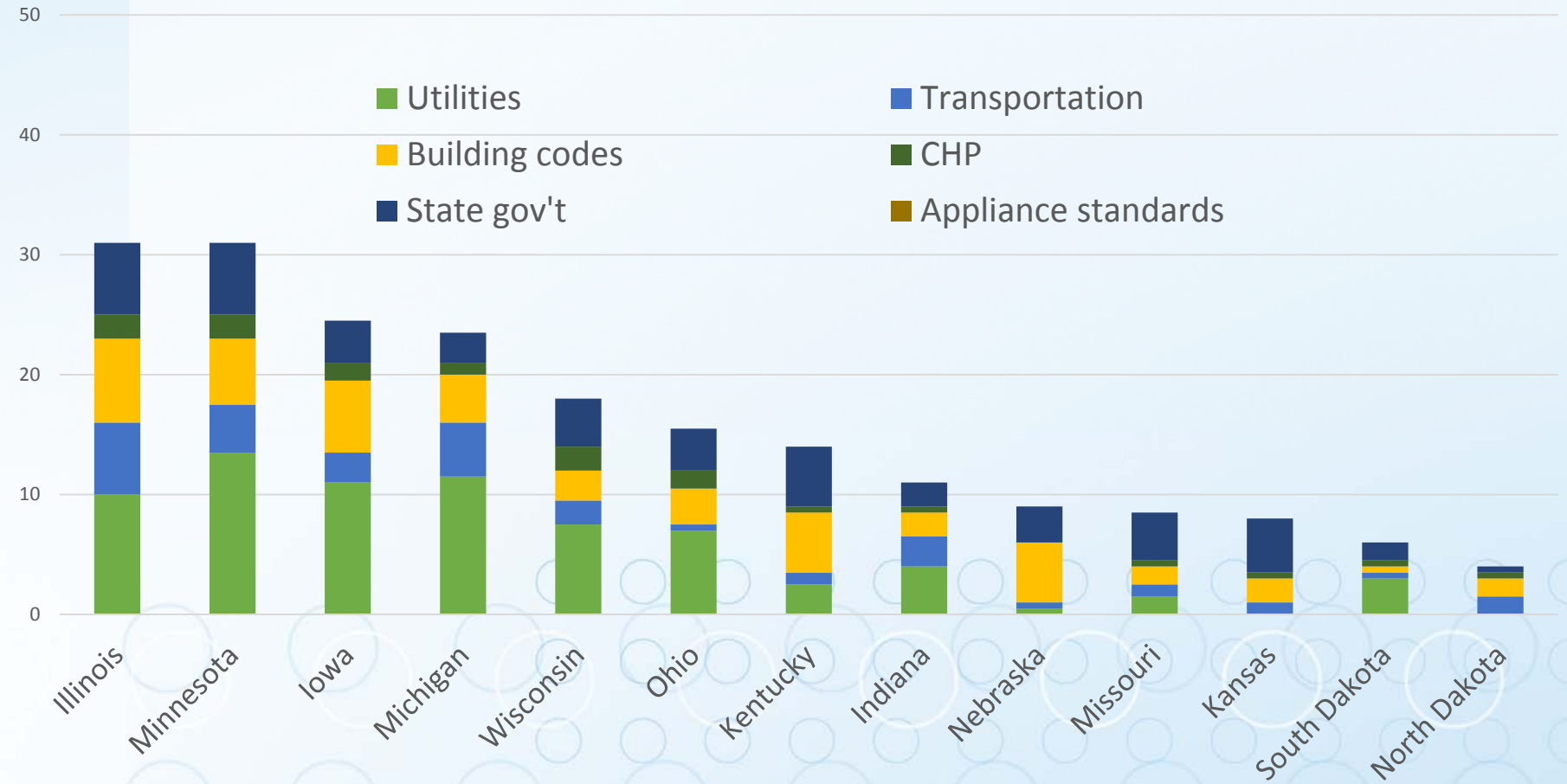
Building Codes



Building Codes Assistance Project (February 2016)

Midwest Policy Opportunities



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Midwest and CPP

- As with most regions, the Clean Power Plan (CPP) dominates a lot of discussions
- In the Midwest we have wide diversity from efficiency laggards to national leaders

Minnesota

Already on track to comply with EPA's 2030 goals. No new efforts needed.

Opportunities we see:

- Low-income offerings
- Large industrials and
- Private sector contracts (ESPCs)

North Dakota

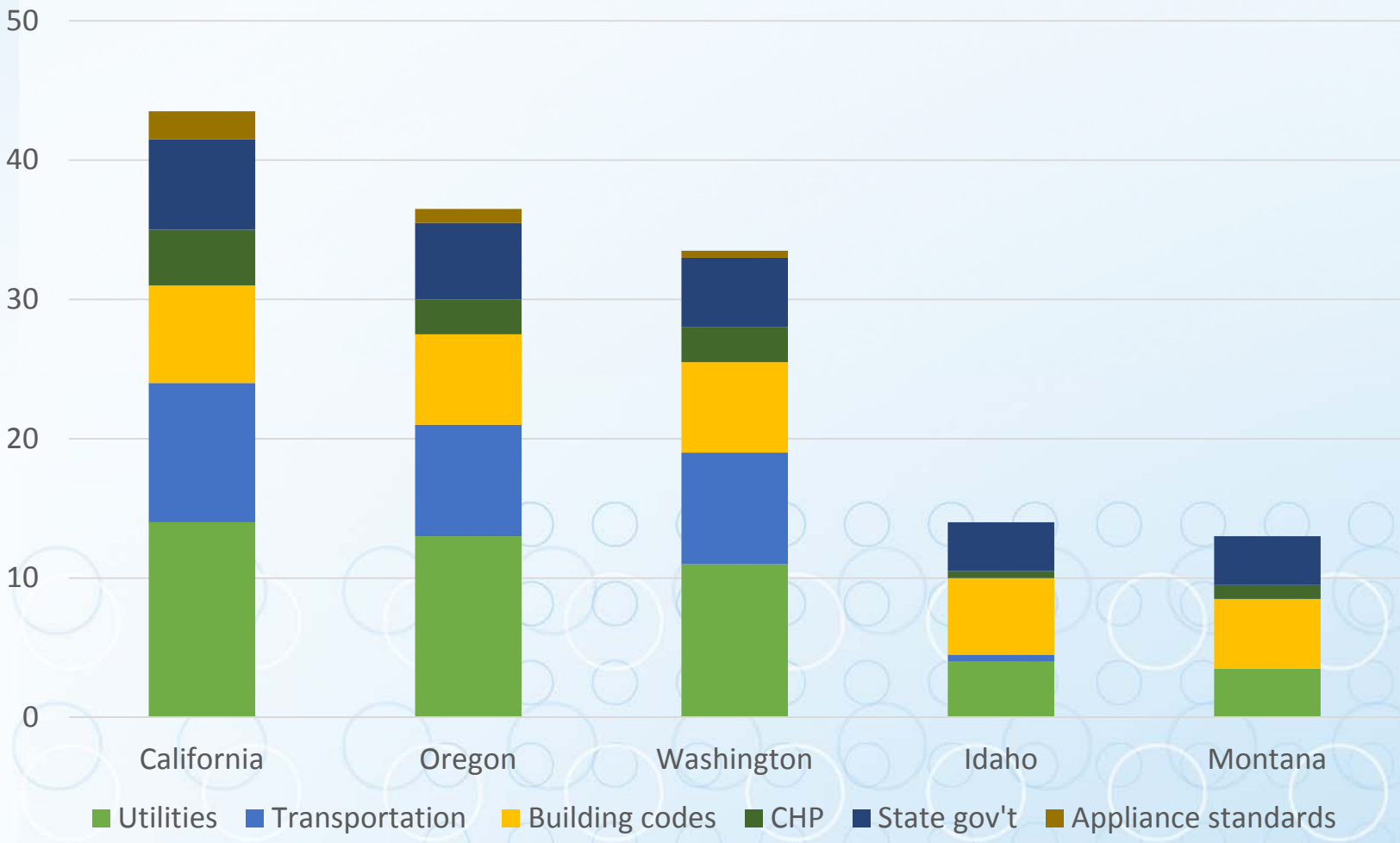
Has a really challenging goal and little experience with EE. Lots of work to do.

Opportunities we see:

- Anything that creates jobs
- Private sector and business
- Building relationships

What if these two states got together?

Northwest Policy Opportunities



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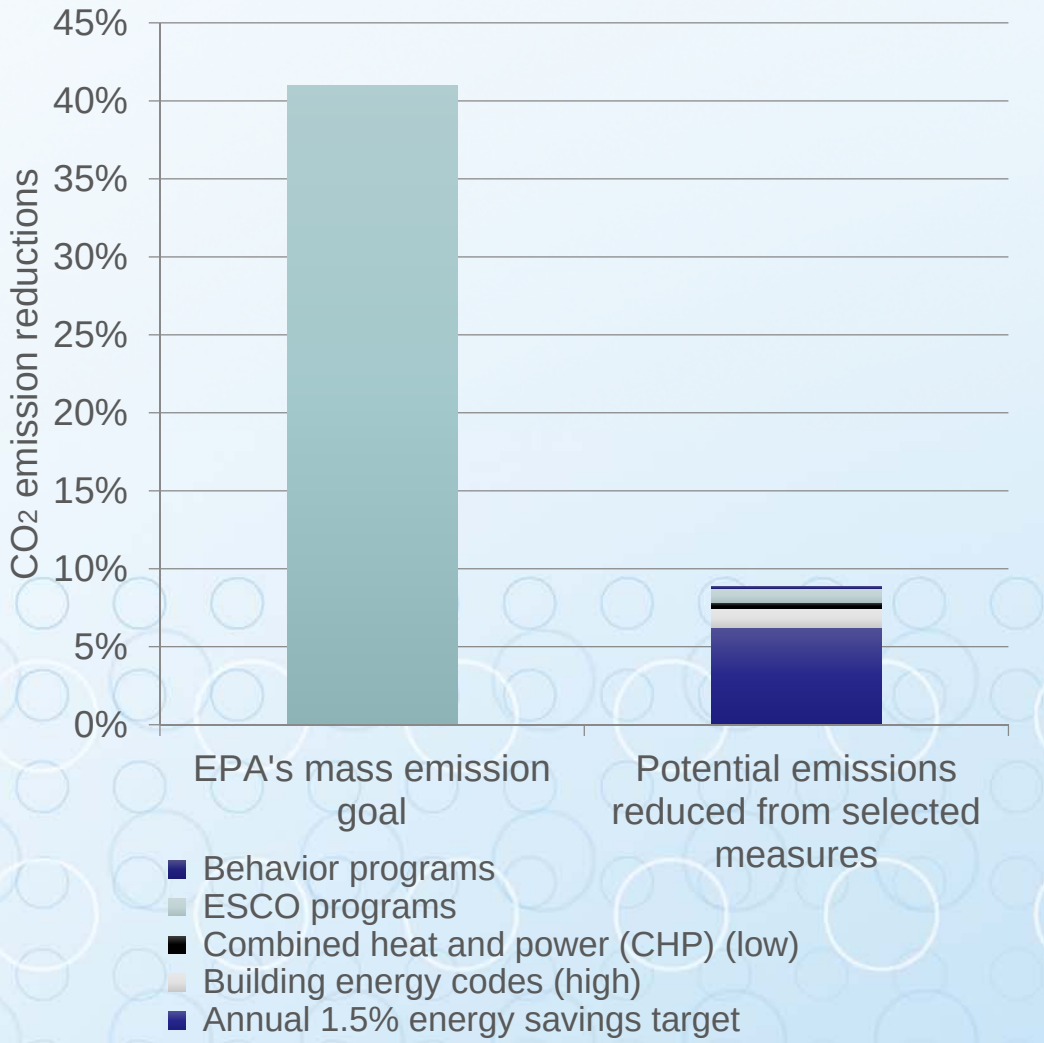
Northwest and CPP

- Oregon, Washington and Idaho are in pretty great shape. Existing EE efforts in OR and WA will have substantial impact on achievement of CPP goals.
- Montana has a heavy lift.

See our "kitchen sink" EE scenario for Montana →



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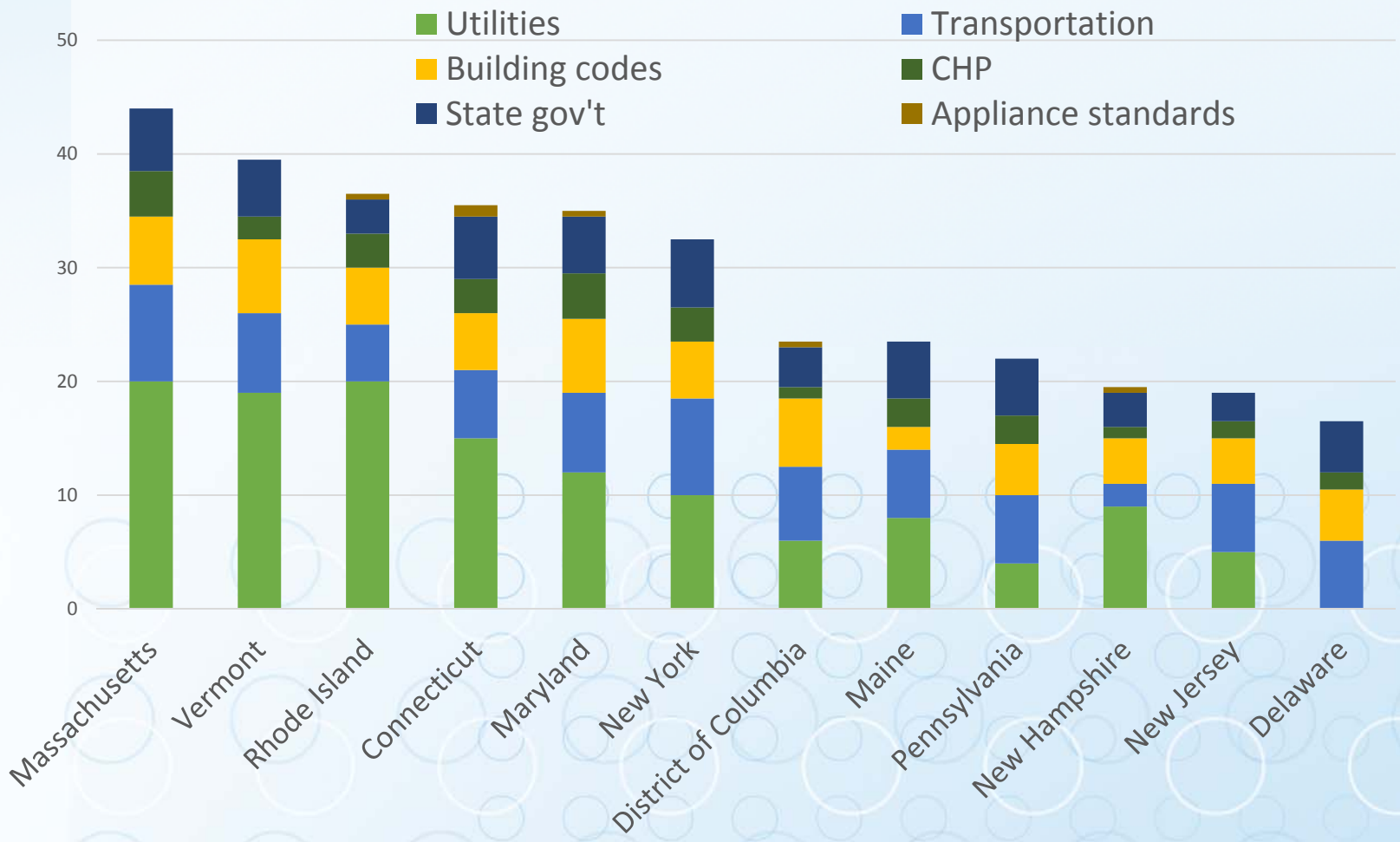
SUPR 2: http://aceee.org/research-report/e1601

Northeast Policy Opportunities



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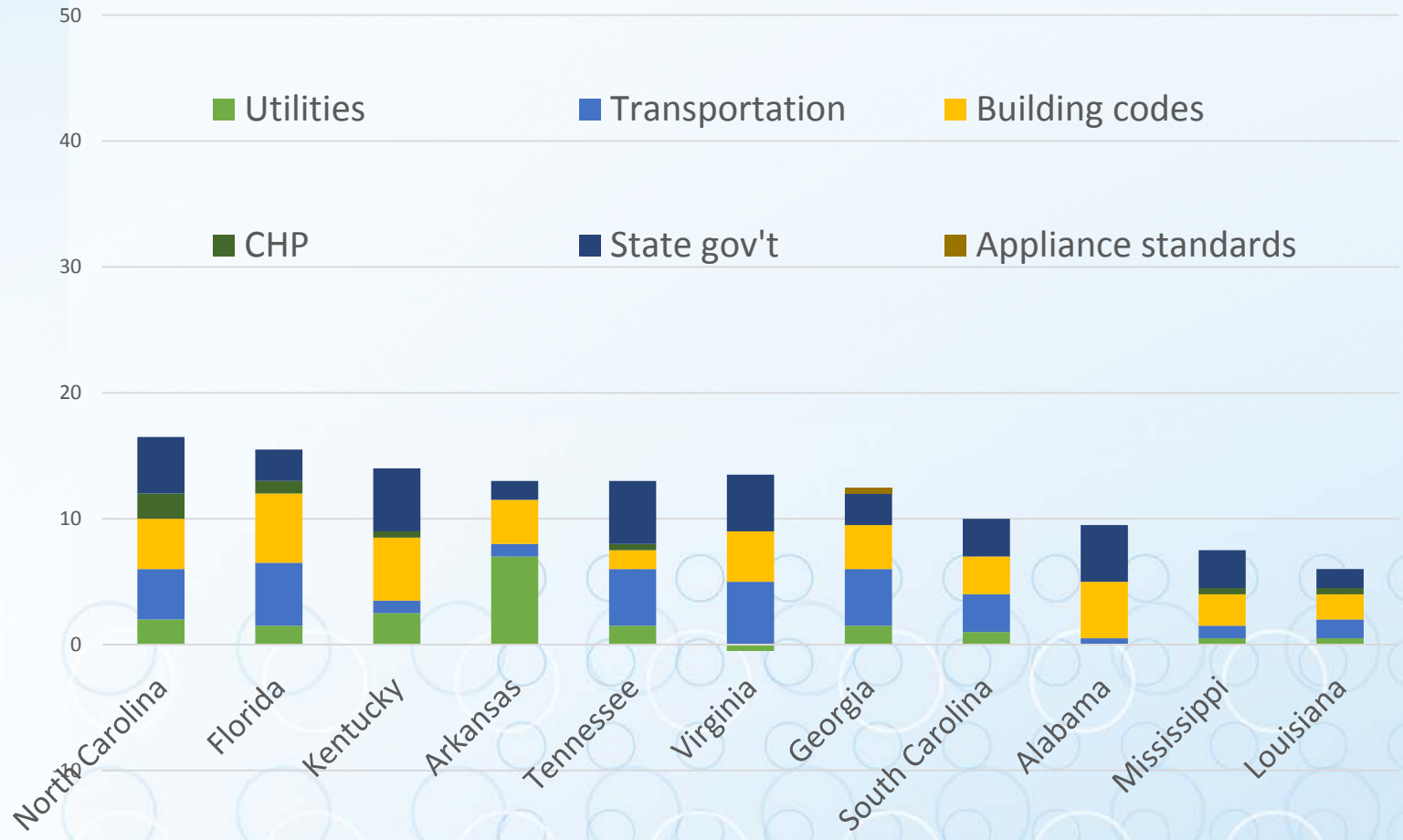
Northeast and CPP

RGGI

What more is there to say?

Southeast Policy Opportunities



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Southeast and CPP

We are really excited about what's happening in this region and feel like there's some kind of opportunity in just about every state.

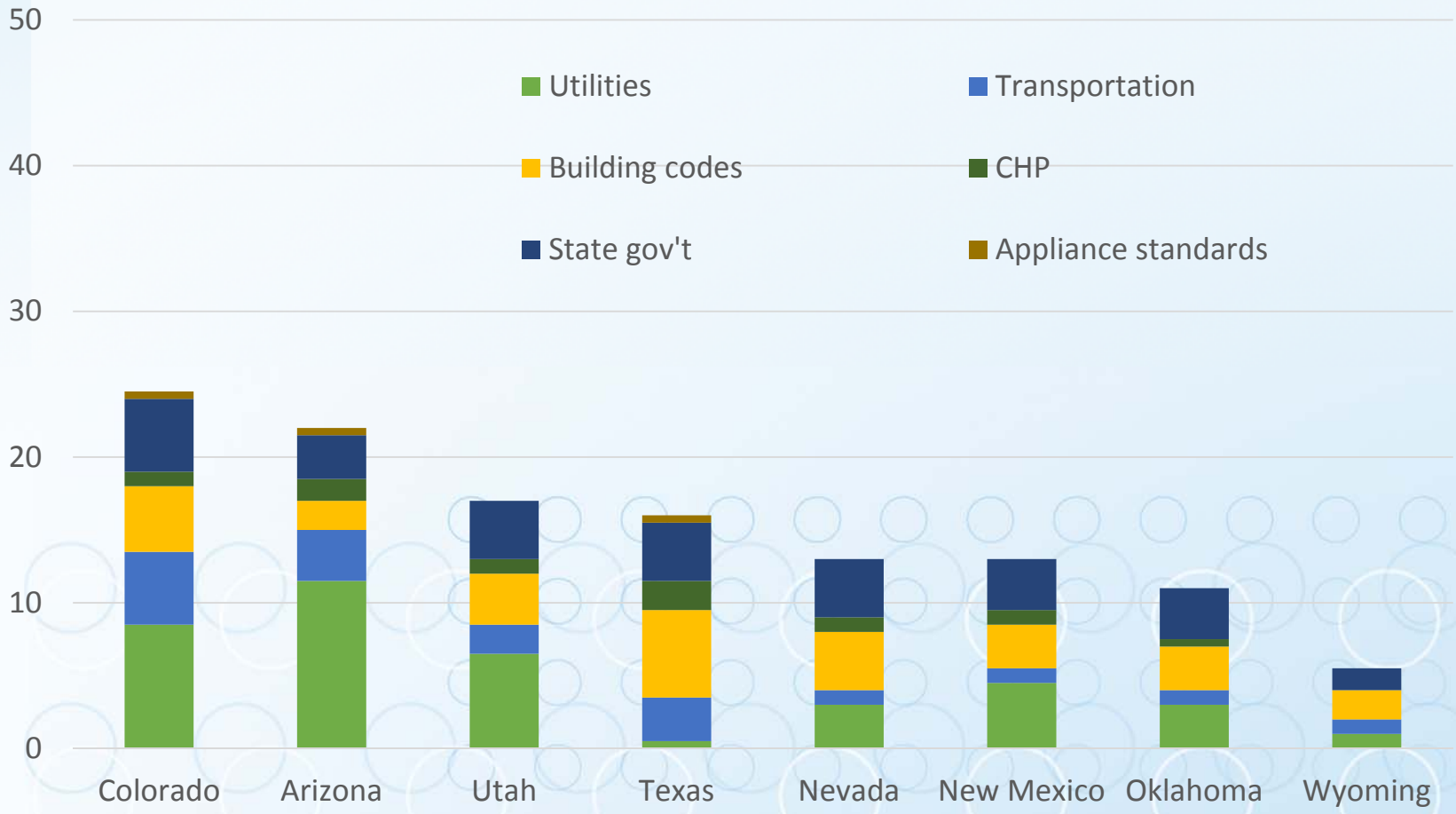
Reactions to the CPP:

- South Carolina – Leading the pack
- North Carolina – A calm after the storm
- Virginia – Great executive leadership
- Kentucky – Ice is melting?

Common issues:

- Low-income/affordability/EJ
- Non-utility approaches, leveraging businesses and markets
- Figuring out EM&V

Southwest Policy Opportunities



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Southwest and CPP

Region is diverse in terms of treatment of EE and position relative to CPP goals.

- Colorado – Is a leader and well positioned to comply with CPP
- Wyoming – Has a big lift and EE alone won't be enough. CPP requires a rate reduction of almost half!
- Texas – Tons of opportunity to deploy EE, but lack of political will. Has been a leader in the past and could be again….

What's Next?

EPA will continue to review comments and develop guidance

- Model rules, federal plan, EM&V guidance, CEIP details

States will continue to plan

- Pennsylvania
- South Carolina
- Tennessee
- Louisiana

EE community still has a LOT of work to do

- Air regulators
- Stakeholders (low-income, labor, faith…)
- Understanding multiple pollutants

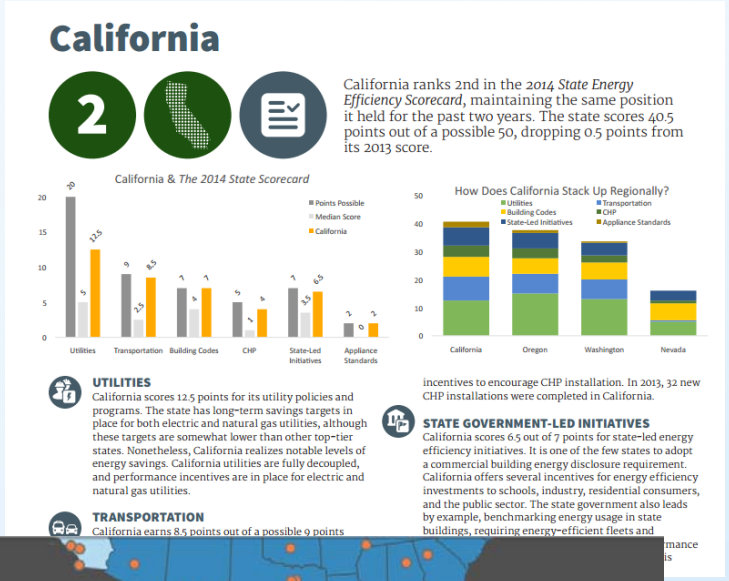
Resources & Tools

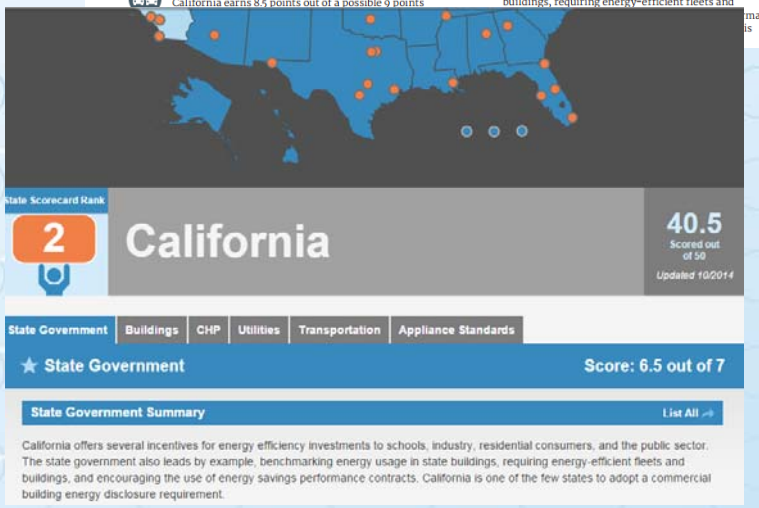
State Score Sheets
http://www.aceee.org/state-policy/scorecard

State & Local Policy Database
http://database.aceee.org/

CPP Resource Page
http://aceee.org/topics/clean-power-plan

SUPR 2 Calculator
http://aceee.org/research-report/e1601





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Upcoming Webinar

Leveraging the Clean Power Plan to Expand Low-Income Energy Efficiency Programs and Investments

Thursday, April 21st, 1:00 – 2:00pm EST

Register:
https://attendee.gotowebinar.com/register/5374582534623929090

Questions?

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