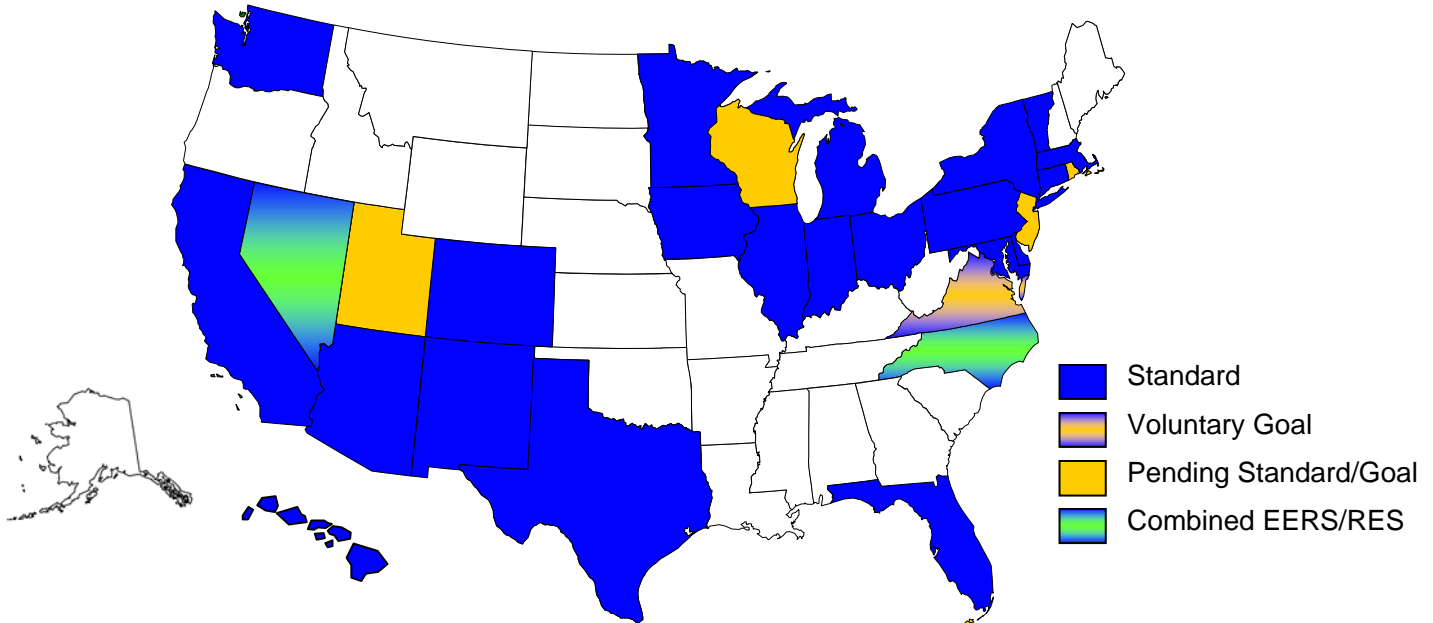


# State Energy Efficiency Resource Standard (EERS) Activity

April 2010



**Twenty-four states have enacted energy savings goals, or Energy Efficiency Resource Standards (EERS), through legislation and four states have a pending EERS**

State EERS descriptions are listed below chronologically from when the state adopted an EERS.

State	EERS Policy	Reference
Texas 1999 and 2007	Texas became the first state to establish an EERS in 1999, requiring electric utilities to offset 10% of load growth through end-use energy efficiency. After several years of meeting this goal at low costs, the legislature increased the standard in 2007 to 15% of load growth by 2009, 20% of load growth by 2010.	Texas Statutes 39.905; PUCT Substantive Rule Sec. 25.181
Vermont 2000	Efficiency Vermont (EV), an independent “efficiency utility” that delivers efficiency programs for the state, is contractually required to achieve energy and demand goals. EV cumulatively met over 7% of Vermont’s electricity requirements by the end of 2007. EV has energy savings goals of 360,000 total annual MWh, 51.2 total summer peak MW, and 54 total winter peak MW. The projected MWh savings amount to 6% of 2008 sales for these three years combined.	30 V.S.A. Sec. 209(d)(e); VT PSB Docket 5980; Draft 2009-2011 Annual Plan, 2009-2011 Energy Efficiency Utility Contract

State	EERS Policy	Reference
California 2004 and 2009	California's long-term targets for its investor-owned utilities (IOUs) plan to save over 16,000 GWh and over 4,500 MW between 2012 and 2020. The most recent 2010-2012 program plan sets interim targets of 1,500 MW and 7,000 GWh, which is equivalent to 2.6% of total retail electric sales in California. The plan also establishes natural gas savings targets of 150 million metric therms.	Rulemaking 06-04-010; Application 08-07-021
Hawaii 2004 and 2009	The state's new EEPS sets a goal of 4,300 GWh savings by 2030, approximately 40% of 2007 electricity sales. The PUC must set interim goals and may change the 2030 goal if proven unattainable. It also calls for penalties for non-compliance. Formerly, under the state's RPS requirements, energy efficiency was allowed to qualify as an eligible resource. As of January 1, 2015, energy efficiency may no longer count towards the state's renewable goals.	HB 1464
Pennsylvania 2004 and 2008	Energy efficiency is an eligible resource in Tier II of Pennsylvania's Alternative Energy Portfolio standard, which was established in 2004 as a two-tiered renewable energy standard; however, there was no minimum efficiency target. In 2008, legislation was passed requiring electric distribution companies to meet 1% electricity savings in 2011 and a total of 3% by 2013, as a percent of 2009-2010 electricity sales.	Act 129; Alternative Energy Portfolio Standards (AEPS) Act (Act 213)
Connecticut 2005	In June 2005, the Connecticut legislature modified its Renewable Portfolio Standard to include efficiency. Starting in 2007, the state's utilities must procure a minimum 1% of electricity sales from "Class III" resources such as energy efficiency and CHP, with an additional 1% required in 2008, 2009, and 2010. In 2007, the Connecticut legislature added a requirement for utilities to acquire "all cost-effective efficiency" and in 2008, the Department of Utility Control (DPUC) ordered utilities to establish savings goals. The DPUC recently approved a Conservation and Load Management plan with annual savings goals averaging about 1.5%.	The 2007 Electricity and Energy Efficiency Act (H.B. 7432); Conn. Gen. Stat. §16a-3a (2007). Docket 09-10-03
Nevada 2005	The state's RPS was expanded in 2009 from 20% to 25% of electricity sales. Energy efficiency can meet up to 25% of the total portfolio standard.	2009 Senate Bill 358
Rhode Island 2006	Rhode Island had a legislative requirement enacted in 2007 for electric and gas utilities to acquire all cost-effective energy efficiency that costs less than new energy supply as the first priority resource, placing it first in a utility's resource "loading order". Utilities are required to submit 3-year and annual procurement plans with detailed energy efficiency targets. Plans have been approved by the state PUC but do not include any penalties for non-compliance. Since the targets are only for the upcoming year, not long-term, the policy remains pending.	2006 SB 2903

State	EERS Policy	Reference
Washington 2006	In 2006, ballot initiative I-937 was approved by the state's voters, requiring utilities to acquire all cost-effective energy efficiency. The Northwest Power and Conservation Plan is expected to be the basis for setting efficiency targets. The draft Sixth NWPC plan identifies 6,000 average MW of conservation savings in the northwest as being cost-effective and achievable by 2025. By 2010, each qualifying utility shall identify its achievable cost-effective energy efficiency potential through 2019.	Ballot initiative 937; Draft Sixth Northwest Power Plan
Colorado 2007	In April 2007, the Colorado legislature adopted a bill that called on the Colorado Public Utilities Commission (CPUC) to establish energy savings goals and provide financial incentives for electric and natural gas utilities. The CPUC established an energy savings goal of about 11.5% by 2020 for Xcel Energy and sets the same 2011 targets for Black Hills Energy. Natural gas utilities have individual targets in place as well	HB-07-1037; CPUC Docket No. 07A-420E; Docket No. 08A-518E
Minnesota 2007	Minnesota must achieve 1.5% annual energy savings of electric and natural gas sales, at least 1% of which must come from energy efficiency. This plan was enacted in legislation in 2007 and requires utilities to meet the annual targets by 2010.	MN Statutes 2008 § 216B.241
Virginia 2007	Governor Kaine inserted an enactment clause into the March 2007 electricity restructuring legislation stating that the Commonwealth shall have a goal of reducing electricity consumption by 10% (of 2006 consumption) by 2022. Dominion is currently on track to achieve about 3% energy savings by 2022.	VA 2007 Acts of Assembly, Chapter 933; Case No. PUE-2007-00049
Illinois 2007	In July 2007, the Illinois legislature set energy efficiency and demand response program requirements for utilities. With help from the Illinois Utilities must achieve annual savings goals of: 0.2% of energy delivered in 2008, 0.4% in 2009, and so on, rising to 2.0% annually for 2015 and subsequent years. Program implementation began in 2008. The state also passed natural gas savings targets in 2009 providing cumulative savings of 8.6% in 2020. For all programs, there is a rate impact cap of 2% of overall rates over the 3-year reporting period.	220 ILCS 5/12-103; SB 1918
North Carolina 2007	In August 2007, the North Carolina legislature enacted a law requiring public electric utilities in the state to obtain renewable energy power and energy efficiency savings of 3% of prior-year electricity sales in 2012, 6% in 2015, 10% in 2018, and 12.5% in 2021 and thereafter. Energy efficiency is capped at 25% of the 2012-2018 targets, and at 40% of the 2021 target.	N.C. Gen. Stat. § 62-133.8

State	EERS Policy	Reference
New York 2008	In June 2008, the New York State Public Service Commission approved a goal to reduce electricity usage 15% by 2015. The Commission currently has an open proceeding working with utilities and NYSERDA to expand existing programs and develop new ones. Some programs have been approved and others are pending.	NYSERDA Order 07-M-0548
New Mexico 2008	Electric and gas utilities must acquire all cost-effective and achievable energy efficiency resources. Investor-owned electric utilities must achieve 5% energy savings from 2005 sales by 2014 and 10% by 2020.	NMSA §§ 62-17-1 – 62-17-11
Maryland 2008	In 2008, legislation was enacted that requires the state's electric utilities to reduce per-capita electricity consumption 15% by 2015, relative to 2007 per capita consumption. Utilities must meet 2/3 <sup>ds</sup> of the goal and the state must administer programs to reach 1/3 <sup>rd</sup> of the goal.	MD Public Utility Companies Code, Title 7-211
Ohio 2008	In 2008, legislation was enacted that requires a gradual ramp-up to a 22% reduction in electricity use by 2025. Starting in 2009, electric distribution utilities must achieve 0.3% savings, which amps up to 1% per year by 2014, then jumps to 2%/year in 2019 through 2025.	Ohio Revised Code 4928.66
Michigan 2008	Michigan's goals start at 0.3% of electricity sales in 2009 and ramp up to an annual electricity savings requirement of 1% of total sales by 2012, and continue at that level each year thereafter (0.75% for natural gas utilities).	SB 213
Iowa 2009	In 2008, the Iowa Utilities Board (IUB) issued an order asking investor-owned utilities (IOUs) to submit plans including a scenario to achieve a 1.5% annual electricity and natural gas savings goal. Most recently, in March 2009, the IUB approved MidAmerican Energy Company's Energy Efficiency Plan which calls for 1.5% electricity savings by 2010 and 0.85% natural gas savings by 2013. Although not required by legislation, once the board approves the utility plan, the goals are binding. Also in 2008 the legislature passed a new framework for municipal and cooperative utility efficiency programs requiring these utilities to set energy savings goals, create plans to achieve those goals, and report to the IUB on progress.	Docket No. 199 IAC 35.4(1) (EEP-02-38, EEP-03-1, EEP-03-4); 2009 Iowa Code Title XI, Subtitle 5, Ch. 476
Delaware 2009	Legislation enacted in 2009 sets goals for consumption and peak demand for electricity and natural gas utilities. The goals are 15% electricity consumption and peak demand savings and 10% natural gas consumption savings by 2015.	SB 106
Indiana 2009	Indiana's Commission ordered all jurisdictional electric utilities to begin submitting three-year DSM plans in 2010 indicating their proposals and projected progress in meeting annual savings goals outlined by the Commission. The goals begin at 0.3% annual savings in 2010, increasing to 1.1% in 2014, and leveling at 2% in 2019.	Cause No. 42693

State	EERS Policy	Reference
Arizona 2009	On December 18th, the ACC ordered that all investor-owned utilities and rural electric cooperatives achieve 2% annual savings beginning in 2014. By 2020, the state should reach 20% cumulative savings, relative to 2005 sales, along with 2% credit from peak demand reductions from demand response programs. Electric distribution cooperatives are required to meet 75% of the standard in any year.	Docket Nos. RE-00000C-09-0427, Decision No. 71436
Massachusetts 2009	Massachusetts has a legislative requirement enacted in 2008 for electric and gas utilities to acquire all cost-effective energy efficiency that costs less than new energy supply as the first priority resource. The Department of Public Utilities also recently approved an annual electricity savings target of 2.4% and natural gas target of 1.15% by 2012.	D.P.U. 09-116 through D.P.U. 09-128
Florida 2009	In December 2009, the Florida Public Utility Commission set goals for its electric utilities at 3.5% energy savings over 10 years. The goal is less than half of the goal recommended by the Commission staff's own expert.	Docket Nos. 080407-EG – 080413-EG; Order No. PSC-09-0855-FOF-EG
Utah Pending	Utah's recently passed EERS bill urges the UT PUC to set energy savings goals of at least 1% per year for regulated electric utilities and at least 0.5% per year for gas utilities. The bill does not penalize utilities that do not meet the savings goals, as long as they make good faith efforts. A docket is open that is reviewing a wide range of DSM policies including (but not limited to) the issues addressed in the resolution.	Docket No. 09-035-T08, House Joint Resolution 9
New Jersey Pending	New Jersey's utility efficiency goals, which are still under development, contain two main elements: (1) setting energy and demand goals for the administrator of the Clean Energy Program, at 547 GWh in 2008, or 0.67% of sales and (2) requiring each electricity supplier/provider to meet efficiency goals. As of June 2007, the BPU has been authorized to adopt an electric and a gas energy efficiency portfolio standard, with goals as high as 20% savings by 2020 relative to predicted consumption in 2020. It has yet to implement any targets for utilities.	Executive Order 54; New Jersey Energy Master Plan
Wisconsin Pending	The Wisconsin Public Service Commission approved the use of energy efficiency goals as a percentage of future use and demand. It is currently considering levels of goals, measurable targets, funding, and evaluation of programs.	Docket 5-GF-191

For further information, please visit <http://www.aceee.org/energy/state/>  
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