

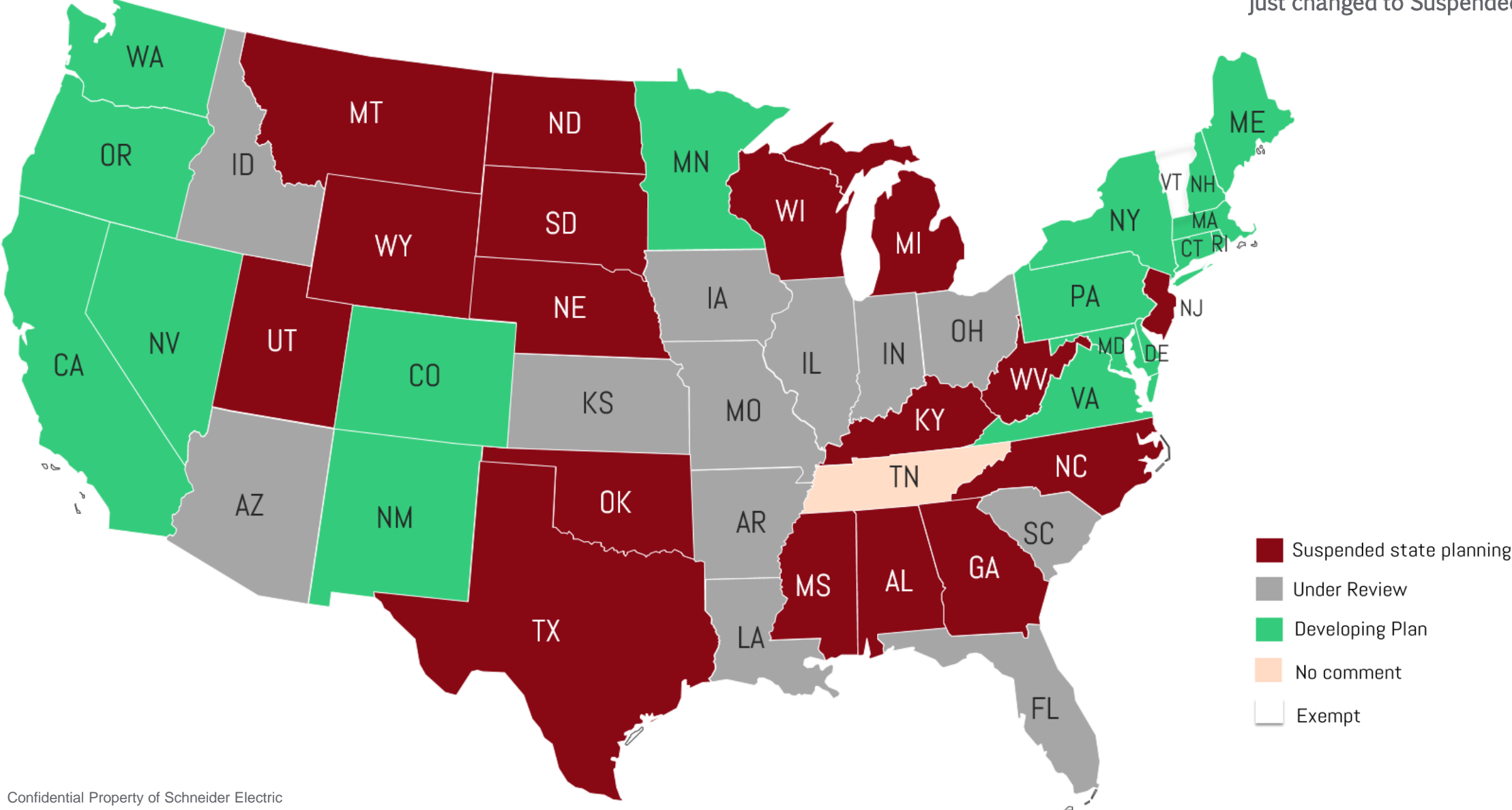


Energy Efficiency in the Clean Power Plan

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Responses to SCOTUS Stay of the Clean Power Plan

As of March 10, 2016 – Note AR has just changed to Suspended (3/10)



Recap of where EE stands in the CPP

- Energy Efficiency was a building block in the proposed rule, but not in the final rule
- EPA and others agree that EE should be a solution to reduce CO2 emissions, even without a building block designation
- EE has different rules in a mass-based approach vs a rate-based approach
- In a rate-based system EE gets traceable credits
- In a mass-based approach EE will need allocations, but how allocations are calculated remains unclear

States need a system to capture EE projects in order for EE to meaningfully participate as a solution

Challenges for EE

- ❑ Method of allocation under mass-based approach is key: output-based? Historical emissions based? What about auction?
- ❑ Utility programs account for only half of the EE market. What about all the non-utility projects (Performance Contracting, industrial energy efficiency, etc.) How do states capture emissions reductions from those?
- ❑ Any state EE program needs to have a workable EM&V system that can capture all the projects in the state and measure and verify the savings
- ❑ EE projects need to be real with real savings and translation into emissions reductions

Creating an EE Projects Registry is a top priority

- > Six states and other stakeholders are working on creation of a registry of projects "NEER"
- > Goal is to capture all the different EE projects
- > Have a set of rules around M&V protocols that a project will need to comply with to count
- > Database of projects that will count towards CO2 emissions reductions
- > Certificates issued based on 1MWh of generation avoided
- > Certificates are general purpose documents that can be used for various purposes, while a rate-based credit is specific to regulatory compliance
- > Projects that count should be meaningful in their ability save energy and translate into emissions reductions

NEER will bring transparency, ease of use, and a holistic approach to energy efficiency projects in the US, whether for the CPP compliance or beyond

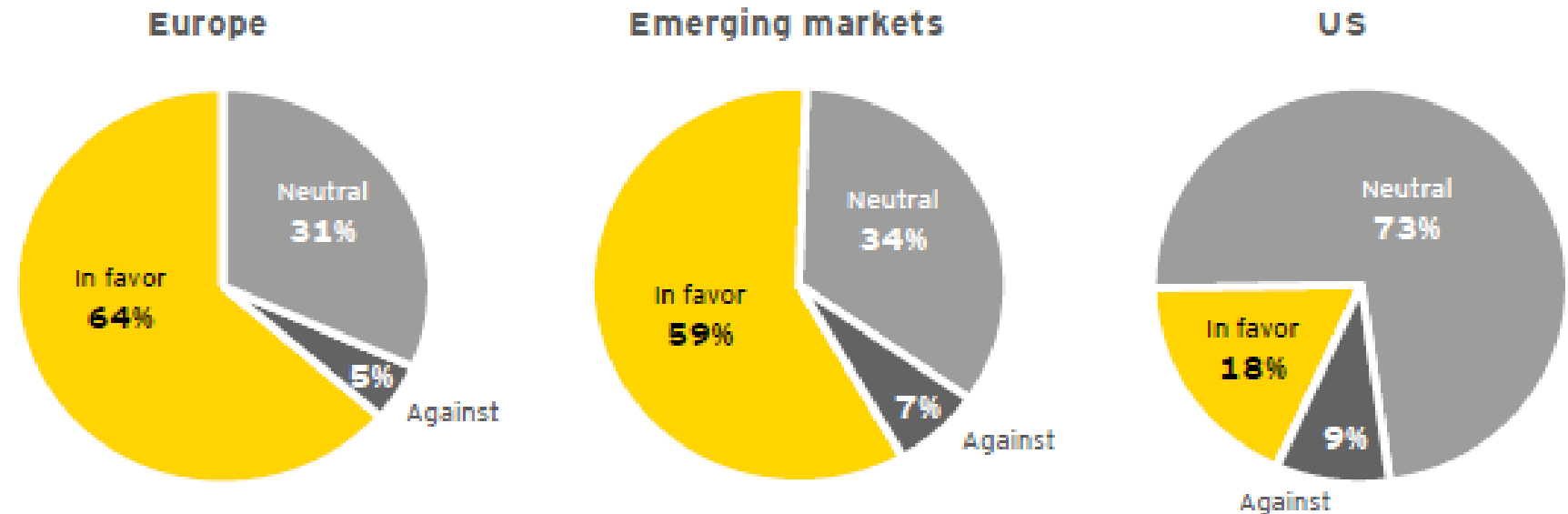
Capturing Industrial EE

- > Proprietary energy management systems in industrial facilities
- > Utilities historically have given credit to industrials for EE improvements
- > How would this be counted in the CPP?
- > Industrials need to be accounted for in NEER

CPP is not everything.... Carbon Pricing is a global topic in countries and corporations alike

473 global corporations disclose internal price on carbon, and another 583 plan on doing so in the next two years, according to the Carbon Disclosure Project

Figure 2. Which of the following statements best describes your company's position on the introduction of carbon pricing in the country where you're personally based?



EY Survey: Shifting the carbon pricing debate: Business attitudes revealed in context of COP21