



# SAVING MONEY ON INFRASTRUCTURE

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Chris Kramer, Energy Futures Group



Energy solutions  
for a changing world

# US Experience with Efficiency As a Transmission and Distribution System Resource

Authors

**Chris Neme, Energy Futures Group**  
**Rich Sedano, Regulatory Assistance Project**

February 2012



Northeast Energy Efficiency Partnerships



## **Energy Efficiency as a T&D Resource: Lessons from Recent U.S. Efforts to Use Geographically Targeted Efficiency Programs to Defer T&D Investments**

January 9, 2015

Chris Neme & Jim Grevatt, Energy Futures Group

# Latest at the Federal Level

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- 16 agencies in “Interagency Task Force”
  - ▣ Focus is broad, bill to be comprehensive
  - ▣ Includes energy, water, veteran’s hospitals, etc.
- May 2017: “Principles” Due from Administration
- Q3 2017: Proposal to be Submitted to Congress
- \$200 billion in federal spending
- Leveraging \$1 trillion in total spending
- Focus on private capital, public-private partnerships

# Efficiency's Message on Infrastructure

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## 1. Saves Money

On Infrastructure Costs

## 2. Leverages Private Capital

*“By Definition”*

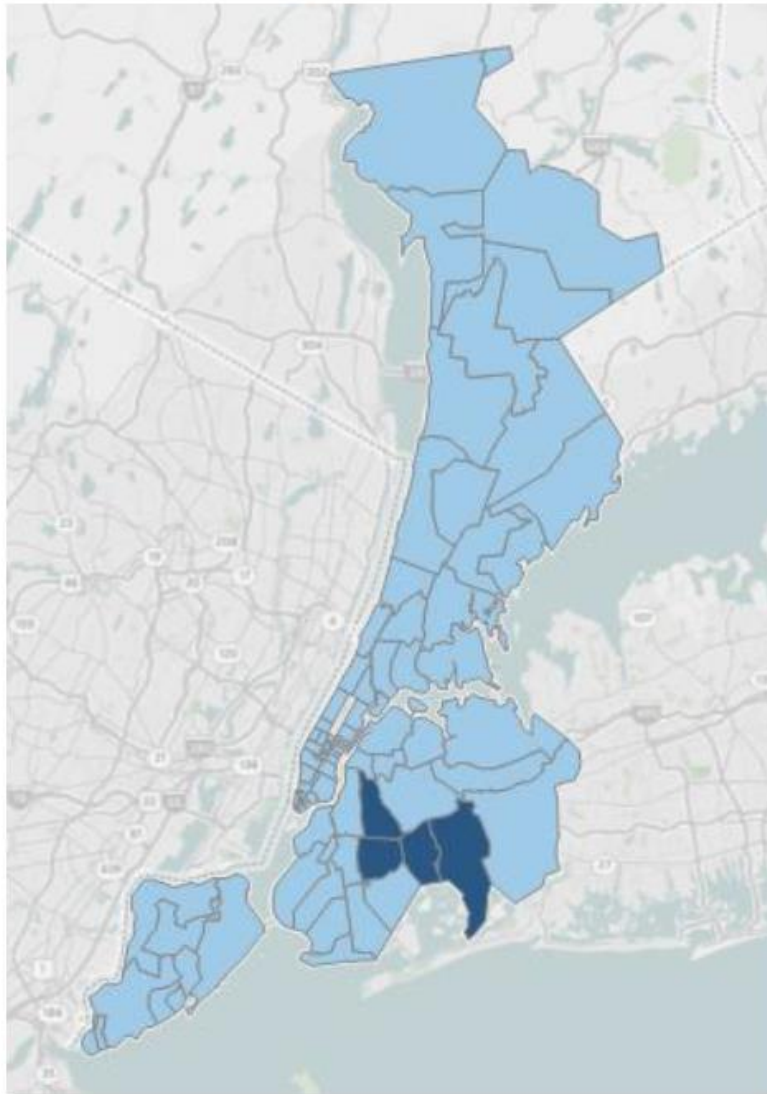
# Three Options for Integrating Efficiency into Infrastructure Projects

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1. Efficiency in “Occupied Infrastructure” (Buildings)
2. Best Practices in Unoccupied Infrastructure Projects
3. Projects that Reduce Infrastructure Loads and Costs



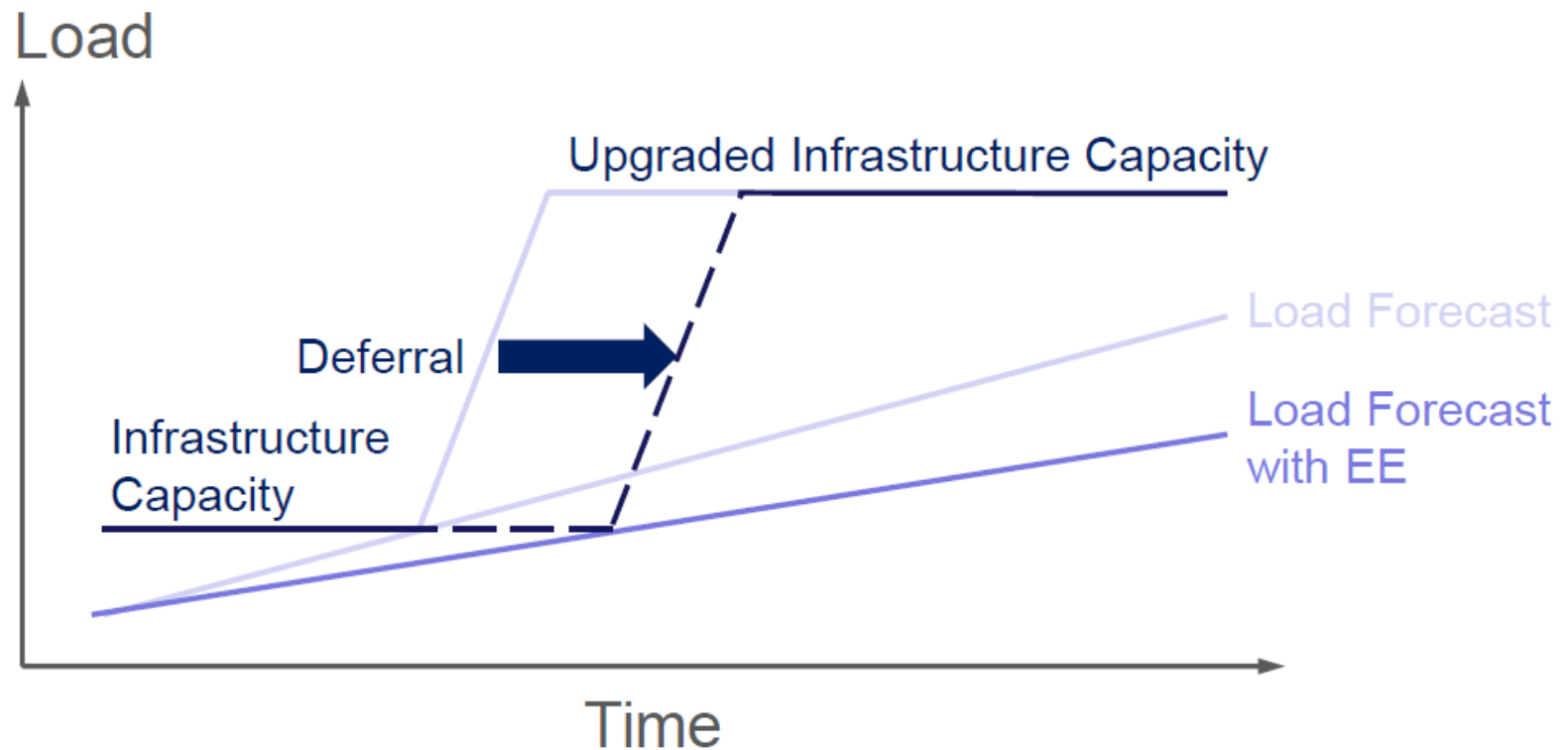
# The Story of BQDM



- Subtransmission feeders overloaded for 12 hour peak
- Require \$1B substation infrastructure upgrade
- Defer \$1B through \$200M efficiency, distributed generation and storage

# Integrating EE & DM into Operations

- Non-wires alternative (NWA) approach: lower forecast through ED/DM to defer upgrade





# How Does this Relate to Financing?

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1. Broadly:  
Efficiency, as a whole, can help bring down the total cost of financing infrastructure investments.
2. Narrowly:  
Financed EE projects can help bring down infrastructure investment costs.

# Infrastructure Financing Options that Could Incorporate Efficiency



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1. Tax-Exempt Private Activity Bonds
2. “Direct-Pay” Bonds
3. Tax Credits for Equity Investors

# One key question...

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- Not a financing question (don't have to be a financing expert to answer this...)
  
- **Eligibility**: How should we define “efficiency” in a way that could squeeze it into an infrastructure package?
  - ▣ Simple enough not to confuse non-energy people.
  - ▣ Broad enough to incorporate a wide range of projects.
  - ▣ Specific enough to be at least somewhat meaningful.
  - ▣ Discreet enough to facilitate tax-credit investing?
  
- “Any project that reduces infrastructure loads”?

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## Q&A

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