



# **EERS Advancements in Maryland: EmPOWER After 2015**

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Energy Efficiency as a Resource  
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# Energy Futures Group Consulting

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## Areas of Expertise

- Policy Development
- Program Design
- Building Codes
- Evaluation
- Cost-Effectiveness

## Range of Clients

- Government Agencies
- Advocates
- Regulators
- Utilities

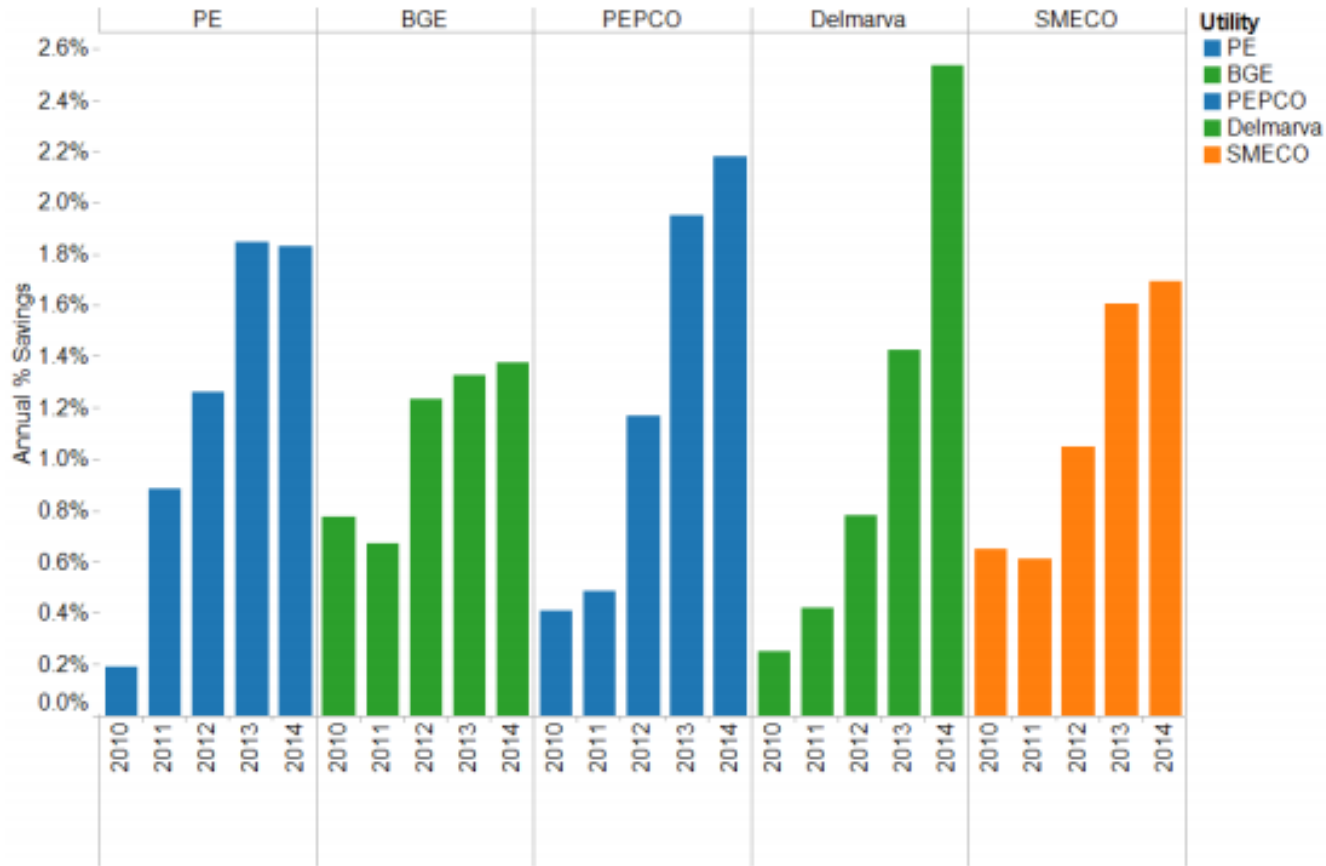
*Clients in 30 states/provinces plus regional, national and international organizations.*

## EmPOWER Maryland Energy Efficiency Act of 2008

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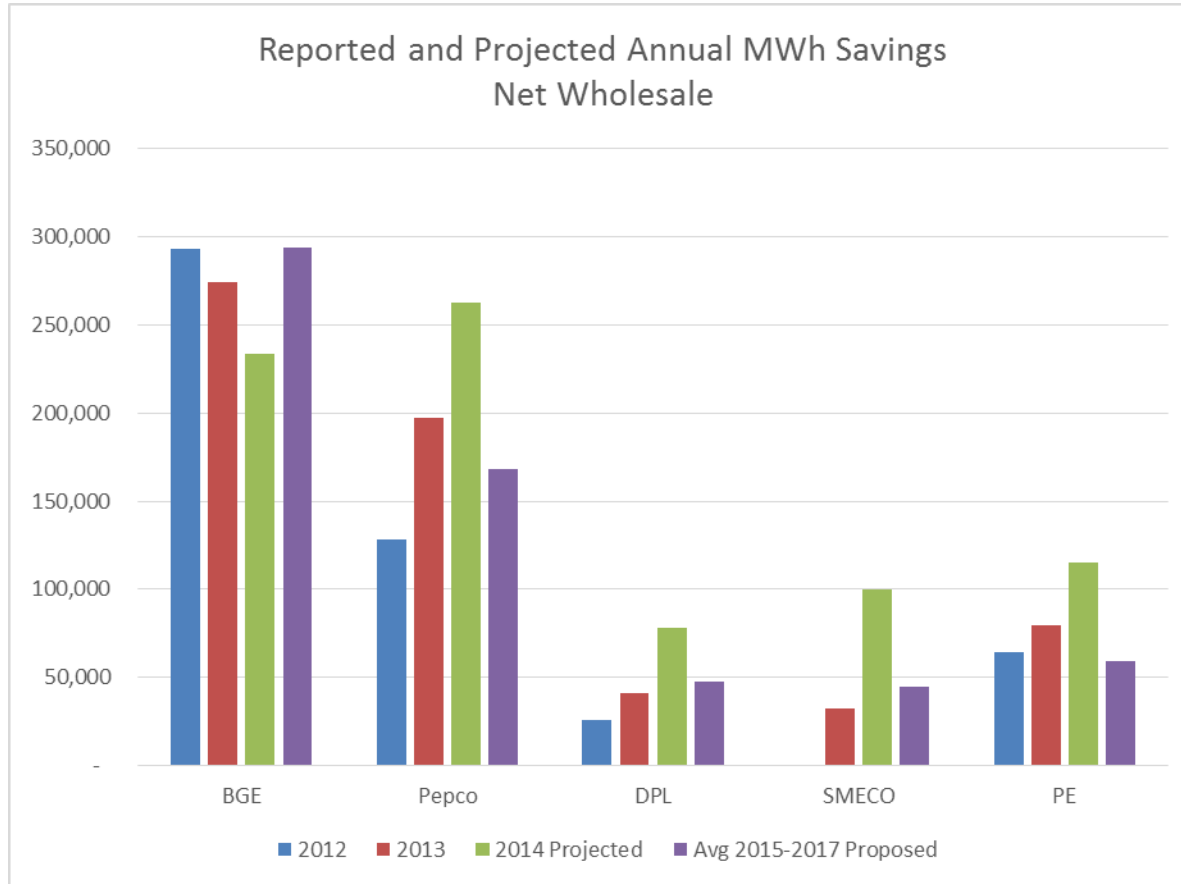
“...to the extent that the Commission determines that cost-effective energy efficiency and conservation programs and services are available...require each electric company to...provide for its electricity customers cost-effective energy efficiency and conservation programs and services...that are designed to achieve a targeted reduction of...**10% by the end of 2015 of per capita electricity....**”

# SMECO, Pepco, BGE all ENERGY STAR<sup>®</sup> Partner of the Year



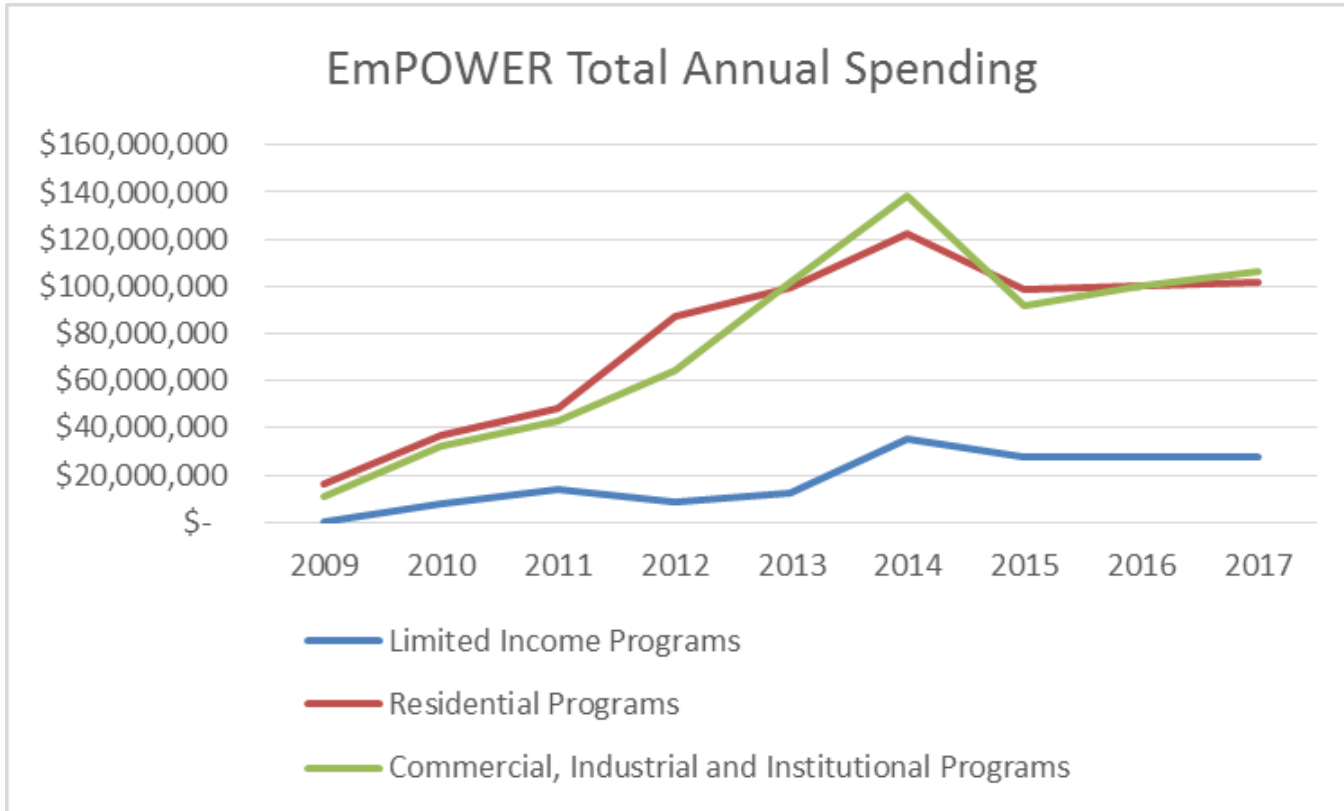
**Figure ES-1: 2012-2014 Reported Annual Savings Rates**

# Utilities scale back savings....



Data from utility semi-annual reports and 2015-17 Plans

# ...and investments



Data from utility semi-annual reports and 2015-17 Plans

# Order approving Plans Dec '14

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- Accelerated goal setting and cost-effectiveness proceeding- written comments January 30, legislative-style hearings February 12 & 13
- MEA framing of key questions
  - Gross vs. Net?
  - Annual MWh or other?
  - Per capita or something else?
  - 1 year? 3 years? More?
- Utilities, MEA, OPC, Staff— and Advocates

# Advocates

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- Coalition of low income, affordable housing, energy, and environmental advocates working together
  - Natural Resources Defense Council (NRDC)
  - Sierra Club
  - National Housing Trust (NHT)
  - National Consumer Law Center (NCLC)
  - Chesapeake Climate Action Network (CCAN)
  - Northeast Energy Efficiency Partnerships (NEEP)
  - The American Council for an Energy Efficient Economy (ACEEE)



# Comments of Parties

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- PE: “...the time is not yet ripe for setting new statewide energy efficiency goals.”
- BGE: 2% is extremely aggressive and may not be achievable on an annual basis
- Pepco/Delmarva: Historically EmPOWER utilities have only hit 2% in a couple of quarters
- MEA and STAFF: If goals are set should be bottom up after the potential study is completed
- OPC/Advocates: **2% is achievable and appropriate**

# Order 87082- Goals

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- “Until such time that energy efficiency is no longer a least-cost resource...we see value in establishing energy savings goals....”
- “...the continued lack of completion of the potential study can no longer be a barrier to establishing targets for EmPOWER.”
- “...establish a trajectory so that the utilities ultimately achieve annual incremental gross energy savings of 2%....”

# Order 87082- Goals

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- 0.20% yearly increase until 2% is reached
- Starting in 2016

	2015	2016	2017
PE	0.90%	1.00%	1.10%
Delmarva	1.33%	1.47%	1.49%
Pepco	1.42%	1.52%	1.55%
BGE	1.55%	1.76%	1.85%
SMECO	2.00%	2.10%	2.20%

- Savings as a % of 2013 weather-normalized gross retail sales
- Utility estimates of 15-17 plans from 9/1/15 filings

# Order 87082- Goals

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- Low income working group required to provide a recommendation for post-2015 low income goals by February 1, 2016
- Natural gas working group required to provide a recommendation for 2017 natural gas goals by February 1, 2016

# Order 87082- Cost-Effectiveness

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- Societal Test used prospectively: “A failure on our part to consider a broader societal impact stemming from the implementation of energy efficiency programs would ignore the codified intent of the General Assembly....”
- NEBs: Concur that inclusion of all participant costs requires inclusion of all participant benefits
- Values for air emissions, comfort, C&I O&M, reduced arrearages

# Order 87082- Cost-Effectiveness

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- “...conflating a program’s impact on consumer rates with whether the program is cost effective is unwarranted given the statutory discretion afforded to the Commission through inclusion of the “appropriate” screen.”
- TRC still used retrospectively to compare results with other jurisdictions, but not used as pass/fail

# Order 87082- Cost-Effectiveness

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- Limited-income programs considered a separate sub-portfolio
- Results used “...as a point of comparison to other jurisdictions...rather than as the basis for precluding certain limited-income program offerings.”

# Thanks Maryland Commission!

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