



National Action Plan for Energy Efficiency

[www.epa.gov/
eeactionplan](http://www.epa.gov/eeactionplan)

Overview of Progress To Date

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Leadership Group Meeting

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Today's Energy Challenges

- **Energy demand is growing**
- **Aging infrastructure**
- **Rising utility bills**
- **Increasing generation costs**
 - Gas and coal prices
 - Building cleaner generation
- **Reliability issues**
- **Natural gas prices increasing / volatile**
- **Carbon risk**
- **Pending large transmission and generation investments in uncertain investment world**



Action Plan Advances Energy Efficiency – a Key Part of the Solution

- Environmental
 - Lower carbon emissions and criteria pollutants
 - Lower water use
- Economic
 - Savings to customers
 - Lower cost (about half) compared to new G&T
 - Downward pressure on natural gas prices and volatility
 - Improved local economy, using local labor
 - Benefits low-income, seniors
- Utility System Benefits
 - Near-term tool with persistent, long-term benefits
 - Improved security of systems
 - Lower baseload and peak demand
 - Reduce need for “hard to site” G&T assets
 - Targeted, modular, manageable
- Risk Management
 - Diversifies utility resource portfolios
 - Zero carbon emissions

Quick, cheap, and clean resource



National Action Plan for Energy Efficiency

Goal: To create a sustainable, aggressive national commitment to energy efficiency through gas and electric utilities, utility regulators, and partner organizations

Recommendations

- Recognize energy efficiency as a high-priority energy resource.
- Make a strong, long-term commitment to implement cost-effective energy efficiency as a resource.
- Broadly communicate the benefits of and opportunities for energy efficiency.
- Provide sufficient, timely and stable program funding to deliver energy efficiency where cost-effective.
- Modify policies to align utility incentives with the delivery of cost-effective energy efficiency and modify ratemaking practices to promote energy efficiency investments.



Action Plan Timeline





Year One Accomplishments

- Reviewed key barriers to energy efficiency and surveyed policies and programs that have overcome these barriers
- Advanced the five Action Plan Recommendations
- Announced over 90 public statements and commitments to advance energy efficiency through the Action Plan Recommendations
- Produced new resources to support commitments
 - National Action Plan for Energy Efficiency Report
 - Energy Efficiency Benefits Calculator
 - Consumer Energy Efficiency Fact Sheet



DOE Report to Congress Agrees with Action Plan Recommendations

- Energy Policy Act of 2005 required DOE to conduct a study and then report to Congress on efficiency state & regional policies for utilities
- DOE based its own ten recommendations partly on the Action Plan recommendations
- Action Plan executive summary is appendix to DOE report
- “State and Regional Policies that Promote Energy Efficiency Programs Carried Out by Electric and Gas Utilities”, March 2007, www.oenergy.gov

STATE AND REGIONAL POLICIES THAT PROMOTE ENERGY EFFICIENCY PROGRAMS CARRIED OUT BY ELECTRIC AND GAS UTILITIES

A REPORT TO THE UNITED STATES CONGRESS
PURSUANT TO SECTION 139
OF THE ENERGY POLICY ACT OF 2005



MARCH 2007



U.S. DEPARTMENT OF ENERGY



Year Two Accomplishments

- Assist leading organizations in achieving their commitments
 - Communications Kit, Resources Database, Building Codes and Energy Efficiency Fact Sheet, educational presentations
- Engage more organizations in making commitments
 - Sector Collaborative for Energy Efficiency
- Develop new resources to support implementation of July 2006 Action Plan recommendations
 - Aligning Utility Incentives with Energy Efficiency Paper
 - Model Energy Efficiency Program Impact Evaluation Guide
 - Resource Planning with Energy Efficiency Guide
 - Conducting Energy Efficiency Potential Studies Guide
- Outreach on the Action Plan and its progress
 - Regional Implementation Meetings
 - Ongoing outreach and education efforts
- Recognize Leadership
 - November 12, 2007 Release



Commitments to Energy Efficiency

- Commitments from 120 organizations
 - 15 utility commissions
 - 27 other state/local agencies
 - 34 utilities
 - 7 large-end-users
 - Over 37 others

- Over 30 new commitments in Year 2

- More diverse parties making commitments through Sector Collaborative
- Measured against key metrics

Type of Commitment	No. of Orgs.
State-level collaborative processes	15
Additional energy efficiency spending	4
New and expanded efficiency programs	17
Policies to align utility incentives	5
Efficiency in resource planning	24
Aggressive energy savings goals	26
Stakeholder education	63



Commitment Progress

- Over 80% of organizations provided a commitment update in 2007
- **Examples include:**
 - **Entergy:** new programs in Arkansas; pursuing passage of PBF legislation in Louisiana; co-funding collaborative process in New Orleans
 - **Great River Energy (MN):** efficiency savings goal equal to 1.5% of annual energy sales
 - **Hawaii PUC:** EE Order determined cost recovery and incentives mechanisms
 - **NJ Board of Public Utilities:** With other state agencies, set goal to reduce projected energy use by 20% by 2020
 - **NY PSC:** Energy Efficiency Portfolio Standard (EPS) for a 15% reduction in electricity usage below the 2015 forecasted level; to establish goal for gas
 - **Seattle City Light:** Efficiency is "Resource of First Choice" in IRP—140 average MW of cost effective EE over the next 20 years
 - **Vermont Public Service Board:** 2008 budget is 76% higher than previous EE statutory cap; EE and DSM receiving capacity payments in ISO-NE
- **Send updates to Katrina Pielli (pielli.katrina@epa.gov)**

Your commitments motivate others to take action



Resources Completed in Year Two

- **Vision for 2025: Developing a Framework for Change**
- **Guides and Papers:**
 - Aligning Utility Incentives with Energy Efficiency
 - Model Energy Efficiency Program Impact Evaluation
 - Resource Planning with Energy Efficiency
 - Conducting Energy Efficiency Potential Studies
- **Regional Implementation Meeting Materials**
- **Education and Outreach:**
 - Online Resource database
 - Communications Kit
 - Building Codes and Energy Efficiency Fact Sheet
 - Educational Presentations
- **Sector Collaborative on Energy Efficiency Materials:**
 - Background Paper on Utility Data Availability
 - Commercial Customer Energy Consumption Profiles



Vision for 2025: Developing a Framework for Change

- Is a framework for implementing the Action Plan recommendations, which can be modified and improved over time
- Establishes a goal of achieving all cost-effective energy efficiency by 2025
- Presents ten implementation goals for states, utilities, and other stakeholders to consider to achieve this goal
- Describes what 2025 might look like if the goal is achieved
- Provides a means for measuring progress



Guides and Papers

Aligning Utility Incentives with Investment in Energy Efficiency

- Describes the financial effects on a utility of its spending on energy efficiency programs, how those effects could constitute barriers to more aggressive and sustained utility investment in energy efficiency, and how adoption of various policy mechanisms can reduce or eliminate these barriers.
- Provides a number of examples of such mechanisms drawn from the experience of utilities and states.
- Intended audiences: utilities, state policy-makers, and energy efficiency advocates interested in specific options for addressing the financial barriers to utility investment in energy efficiency.



Guides and Papers

Model Energy Efficiency Program Impact Evaluation Guide

- Provides guidance on model approaches for calculating energy, demand, and emissions savings resulting from energy efficiency programs.
- Provides a framework that jurisdictions and organizations can use to define their institution-specific or program/portfolio-specific evaluation requirements.
- Defines a standard evaluation planning and implementation process, describes several standard approaches that can be used for calculating savings, defines terms, provides advice on key evaluation issues, and lists efficiency evaluation resources.
- Intended audiences: Energy efficiency program designers and evaluators looking for guidance, resources, and references on the evaluation process and key issues relating to (a) documenting energy and demand savings and (b) documenting avoided emissions.



Guides and Papers

Guide to Resource Planning with Energy Efficiency

- Describes the key issues, best practices, and main process steps for integrating energy efficiency into resource planning.
- Elaborates upon many of the options identified in the Action Plan Report, and makes more concrete many of the tools and techniques needed to implement the Action Plan's recommendations.
- Intended audiences: Any stakeholder interested in learning more about how to promote energy efficiency resource decisions.
 - Utility resource planners who are early in the process of integrating energy efficiency into resource planning may turn to the Guide to address their questions about how to proceed.
 - Those overseeing utilities can use the Guide to help ask the right questions and understand the key issues when reviewing utility resource planning decisions.



Guides and Papers

Guide for Conducting Energy Efficiency Potential Studies

- Provides guidance on standard approaches for parties looking to a) build the policy case for energy efficiency; b) evaluate efficiency as an alternative to supply-side resources; or c) formulate detailed program design plans by understanding the potential for cost-effective energy efficiency.
- Intended audiences: Policy-makers, state officials, utility staff, and efficiency advocates looking for guidance on the process of conducting potential studies.



Outreach on the Action Plan

- Promote awareness of energy efficiency opportunities and their potential value
 - Develop education and outreach materials
 - Broad Action Plan presentations at national and regional conferences
- Outreach on Action Plan to facilitate action
 - Highlight key recommendations and available resources on key topics
 - Regional Implementation Meetings
 - Engage additional organizations in public commitments
- Peer-to-peer exchange
- Recognition of new commitments and success of existing commitments



Outreach and Education Progress

- **Action Plan recommendations** have provided structure and high-level direction to those looking to advance energy efficiency.
- States helping states through **peer-to-peer exchange**.
- Facilitators receive **information requests** weekly regarding the Action Plan and its resources.
- Efficiency highlighted in industry discussions through many Action Plan meeting and conference **speakers**.
- Over 50 **press releases**, strong press coverage
<www.epa.gov/cleanenergy/actionplan/napee_pr.htm>



New Federal Energy Law Lowers the Bar on Electricity Energy Efficiency

- H.R.6, “Energy Independence and Security Act of 2007”
- Increases efficiency in appliances, building & home use, eventual phase out of incandescent bulbs
- Alliance to Save Energy estimates *just* the light bulb standards total more than EFACT 05 savings
- Quick estimate (ACEEE) of 2020 impact:
 - Consumption: 198 TWh reduction
 - (~5% of EIA 2020 projection 4571 TWh*)
 - Peak Demand: 44 GW reduction
 - (5% of EIA summer 2020 peak demand projection of 878 GW*)

*Note: EIA AEO 2008 reference case projection of 2020 already assumes bulb phaseout & other efficiency improvements possibly in H.R. 6. EIA to revise AEO to include H.R. 6 impacts.



For More Information

www.epa.gov/eeactionplan

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