



National Action Plan for EE

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

Group C

Make a strong, long-term
commitment to implement
cost-effective energy
efficiency as a resource



Goal for Breakout Group C

- Advancing the dialogue in the Mid-Atlantic Region to help “make a strong, long-term commitment to implement cost-effective energy efficiency as a resource.”
- Group will discuss and identify:
 - Barriers and options for making a strong, long-term commitment to implement cost-effective energy efficiency as a resource
 - Assistance needed to implement the Action Plan recommendation
 - Actions and next steps



Options to Consider from the Action Plan

- Establish appropriate cost-effectiveness tests for portfolio of programs to reflect long-term benefits of EE.
- Establish potential for long-term, cost-effective EE savings by customer class through proven programs, innovative initiatives, and cutting-edge technologies.
- Establish funding requirements for delivering long-term, cost-effective EE.
- Develop long-term energy saving goals as part of energy planning processes.
- Develop robust measurement and verification (M&V) procedures.
- Designate which organization(s) is responsible for administering the EE programs.
- Provide for frequent updates to energy resource plans to accommodate new information and technology.



Strong, long-term commitment

- Requires a number of steps.
- This discussion focuses on five:
 - EE Programs
 - EE Potential Study
 - EE in Resource Planning
 - EE Measurement & Verification
 - Leadership



EE Programs – Strong Foundation

- Clear policy
 - At a minimum, authorization to secure increased EE over an extended period of time
 - Up to a directive to secure all cost-effective EE
- Clear assignment of program administration responsibility
- Stable minimum funding for EE without a sunset
 - Minimum should not also act as a ceiling
- Established expectations for high EE program performance



EE in Resource Planning

- Integrate the value of EE into resource planning decisions
 - Energy-related planning (electricity generation and wholesale purchases) and
 - Capacity-related planning (new power plant construction or gas pipeline).
- View EE in utility resource planning and investment as a resource
 - As the preferred resource, or at a minimum, as a resource of equivalent priority as any other
 - Possibly reflect societal value
 - Reflect estimated future costs of CO₂ emissions to address financial risks associated with possible future regulatory changes.
- Follow through
 - Allocate funding through planning process based on cost-effectiveness, portfolio risk, energy and capacity benefits, etc.
 - Address cost recovery mechanism to ensure recovery of EE spending.



EE Potential Study

- A study of the potential for cost-effective EE investments helps
 - Build the case for EE
 - Manage the portfolio of EE programs to deploy limited resources in the most effective ways
 - New opportunities for saving energy with new technologies/methods can be identified
 - Help make the case for appropriate level of resources, increases in many cases
- Use cost-effectiveness test/s that reflects long-term benefits of EE
 - Total Resource Cost Test
 - Societal Test
- Update potential study with new information/technology to ensure accurate information on cost-effective EE for all customer classes



EE Measurement & Verification (M&V)

- Important to credible program design and implementation
- Transparent procedures provide credibility and lower costs
 - Address key measurement issues
- Establish “institution” for M&V of EE programs
 - With sufficient funding and independence from program administration
- Establish process to update programs and M&V process



Leadership

- Statutory recognition of importance of EE without a sunset
- Priority supported by state leaders in public and private sectors
- Goals set for overall EE performance (% of sales, % of peak, % of forecasted growth)
- Commitment to a high standard of EE performance in state and state-funded buildings



Other Important Characteristics of a Strong and Long Term Commitment

- Communication
- Annual reporting on EE program success with information easily available to the public
- Public recognition of successful projects (with customer permission)



Questions for the Group Discussion



Questions for the Group

- Do Mid-Atlantic states have goals for cost-effective EE (i.e., meet X% of load growth through EE)? If not, why?
- How can EE be used for default service/POLR requirements?
- In Mid-Atlantic, do statutes provide sufficient guidance to commissions on EE?
- Do utilities incorporate EE as a resource in their resource planning?
- Is the potential for cost-effective EE known?
- What role can the ISO play in encouraging implementation of cost-effective EE as a resource?



Measuring Action Plan Commitments

- Nationally, Action Plan commitments to “make a strong, long-term commitment to implement cost-effective energy efficiency as a resource” will be measured by:
 - Amount (MW/MWh) of new demand to be met through EE (includes IRPs and targets)
 - End-user EE goals, annual energy use and savings achieved
 - Start new and/or expand existing EE programs
 - Internal leadership and organizational changes to advance EE