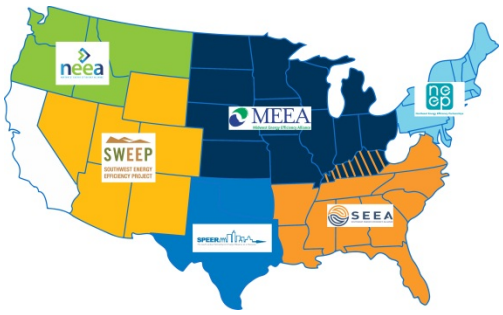
REEO » Regional Energy Efficiency Organizations

ENERGY EFFICIENCY POLICY BRIEF: HOT TOPICS AND KEY OPPORTUNITIES FOR STATES

A Resource for State & Local Energy Officials — Winter 2014



Regional Energy Efficiency Organizations (REEOs) are independent non-profits that serve almost every state in the nation with a mix of policy and program tools to help advance energy efficiency as a first order resource. Information about each REEO follows the Policy Brief.

Energy efficiency can help states to meet economic, environmental, societal and energy system goals. This resource sheet provides an overview of key policy and program issues on the horizon for 2014, and introduces the Regional Energy Efficiency Organizations (REEOs) — available to serve as resources for state and local energy officials, advocates and others, as you navigate the complex and ever-changing world of energy efficiency.

The REEOs work through funded partnerships with the U.S. Department of Energy (DOE), as well as with utilities, third-party program administrators, public officials, various advocacy groups, businesses and foundations. We provide technical assistance to states and municipalities to support efficiency policy development and adoption, along with program design and implementation. The REEOs actively contribute to and reference materials and initiatives of the U.S. DOE and the U.S. Environmental Protection Agency's SEE Action Network to help states and local governments take energy efficiency to scale and achieve all cost-effective energy efficiency by 2020.

Although the extent and complexity of policies and programs varies across the states, and there are some region-specific priorities — doing more to assist those who heat with oil in the Northeast, tying energy efficiency with water conservation in more arid states — significant opportunities and shared challenges transcend state boundaries. That is where the REEOs can be helpful: exchanging best practices and connecting various actors in market, program delivery and policy arenas to leverage the power of energy efficiency for all Americans.

2014 will be an important year in energy efficiency, with states tackling key policy issues, both new and ongoing. While we expect significant continuity in the overall goals of energy efficiency programs, we see a number of trends that could impact policy and programs in important ways. Below we list some overarching trends to look out for this year, as each state seeks innovative ways to save energy, while lowering costs and reaching more customers of all types.

POLICY TRENDS TO WATCH

- **Gubernatorial & Legislative Elections**: 2014 is an election year, meaning potential changes in administrations, regulatory leadership and legislatures in a number of states across the nation. Energy efficiency provides broad economic as well as environmental benefits; current leaders and candidates need to be educated on the value and impact of energy efficiency. Policies that advance energy efficiency should be, and are, supported by both Democratic and Republican governors and elected officials, but they often need to be reminded of the positive return on investment from energy efficiency programs for local businesses, governments and consumers.

- **Federal Climate Regulations:** The U.S. Environmental Protection (EPA) will issue draft regulations on carbon dioxide (CO_2) emissions for existing electric power plants in June 2014. A number of organizations are working to ensure that energy efficiency plays an important role for compliance; the REEOs have provided recommendations to both states and the U.S. EPA on the topic. In addition, a number of states and the EPA are looking at how efficiency can be used as a strategy to reduce criteria air pollutants as part of their State Implementation Plans (SIPs).

- **Higher Savings Goals, Constrained Program Budgets**: Leading states are working on energy efficiency programs with annual electric savings approaching or surpassing 2.5 to 3 percent of their electricity needs, while other states are establishing efficiency savings targets for the first time. While the cost per unit of energy efficiency measures may be higher than they have been in the past, forecasts show that these investments remain significantly less expensive than supply-side alternatives — saving ratepayers millions, if not billions of dollars over time. Many states are striving to increase the energy savings from utility and other customer-funded energy efficiency programs, while trying to restrain growth in program budgets.

- **Increasing Energy Efficiency without Mandates**: Although there has been an increase in states with mandated Energy Efficiency Resource Standards since 2007 (mainly in the Midwest, Southeast and Southwest), which led to huge increases in ratepayer investments in energy efficiency, no mandated standards have been passed in recent years. The REEOs are available to share examples of policy actions, technology and program pilots with policymakers and regulators to highlight the opportunity and challenge of delivering higher levels of energy efficiency without mandates. These case studies can ensure continued growth in efficiency investments across the country, and in all regulatory environments.

- **Building Energy Codes**: States and localities are adopting new building codes to improve the comfort and quality of residential and commercial buildings. Updated building codes are only the first step to achieving energy savings. Governments often do not always have the funds for adequate training to ensure compliance. New policies and programs are being developed to provide for increased investments intended to ensure that energy savings are realized, including innovative ways to link ratepayer-funded energy efficiency programs with code training and compliance efforts.

- **Natural Gas as a Wildcard:** Despite weather-induced price spikes, natural gas prices are expected to remain relatively low in the near-term, though experts say they could double in the next 20 years. With some states trying to expand distribution capacity for electricity and heat, natural gas will continue to be a major focus of state energy policy debates. Policymakers are considering how robust energy efficiency programs can play an important part in right-sizing the nation's overall gas consumption and ensuring a diverse fuel supply while reducing total greenhouse gas emissions, in spite of low gas prices in the near term.

PROGRAM TRENDS TO WATCH

- **Grid Modernization:** States are beginning to examine ways to modernize the electricity grid, taking into account the role of advanced metering, time-of-use pricing and greater uptake of energy efficiency opportunities, and even creating a vision for the 'utility of the future.' New technologies, communication tools, and behavioral strategies can help reduce and manage electricity use, and handle the variable supply and demand that will come from the increasing amount of renewable sources and electric cars on the grid. This service focus is a growing part of the discussion of new business models for energy utilities.

- **Cost-Effectiveness Screening**: A number of states are tackling the ongoing challenge of how to best to weigh the cost and benefits of energy efficiency programs for ratepayers. Several states are revising their cost-effectiveness screening protocols to better align with their long-term energy efficiency targets and broader public policy goals.

- **Greater Focus on Peak and Total Energy Savings:** Some states and program administrators are beginning to view their goals more dynamically to reduce *overall* energy use, across fuels – along with water conservation – and working to achieve greater carbon emissions reductions.

  In some cases, states are re-focusing energy efficiency programs to also capture peak demand savings to help reduce future transmission costs and the need for expensive peak power generation, while others are examining approaches that may increase electricity use to enable important new high-efficiency technologies like heat pumps and electric vehicles that lower overall greenhouse gas emissions with a power system fuel mix evolving to include more renewable sources.

- **Emerging Technologies and Program Strategies:** States and third-party and utility efficiency program administrators are finding diminishing energy savings potential from "tried and true" energy efficiency measures.

ELEMENTS OF SUCCESSFUL ENERGY EFFICIENCY POLICY

1) Direct or provide incentives to encourage utilities to capture as much cost-effective efficiency as possible, and link efficiency to broader public policy goals.
2) Ensure adequate, stable, long-term funding for efficiency programs.
3) Allow for robust stakeholder input and engagement — ideally through a standing advisory board with expert consultants — to help states plan, deliver and evaluate plans to achieve long-term savings goals.
4) Ensure that investor-owned utilities are not harmed financially when they help their customers to save energy.
5) Advance policies and programs that enable a whole-building approach with an eye to total energy savings.
6) Support complementary public policies such as building energy codes, building energy rating and disclosure, appliance efficiency standards, and state and local governments "leading by example."
7) Integrate energy efficiency into long-range state energy and air quality planning.
8) Foster a supportive and flexible regulatory framework on issues such as cost-effectiveness.
9) Support development and implementation of greater transparency and consistency in evaluation, measurement and verification of program savings.
10) Continually demonstrate the value proposition of energy efficiency by sharing success stories.

Other measures are becoming the norm, as a result of continuously improving state and federal appliance and equipment efficiency standards or state and local building energy codes. Thus, many utilities and third-party program administrators are seeking to new technologies and strategies to maintain if not grow the energy savings they deliver to consumers. As long as efficiency costs less than a unit of new energy supply, the smart money is on efficiency.

- **Building Energy Benchmarking and Big Data:** Some major cities, leading states, and program administrators are exploring ways to provide greater transparency in building-level energy data. Increasing numbers of cities are putting in place benchmarking ordinances for commercial buildings — while efficiency program administrators are testing strategies to use this new, more precise, energy data to find new pools of energy savings including innovative ways to link ratepayer-funded energy efficiency programs with code training and compliance efforts.

- **New Financing Tools**: States and utilities are building upon innovative new financing instruments to leverage, but not supplant, ratepayer energy efficiency programs to achieve deeper and broader energy savings and to transform markets in favor of energy efficient technology and practices. Some states are approaching the issue with the development of "green banks" or Property Assessed Clean Energy (PACE) financing, while others are seeking a greater role for on-bill financing in their energy efficiency program portfolios.

REEOS: A RESOURCE FOR THE STATES

While all of the Regional Energy Efficiency Organizations exist to help drive the power of energy efficiency, each has a unique vision, as well as varying size, funding and operating structures. The REEOs have evolved to meet the particular needs of the states in their region — each with its own energy mix, political climate, program delivery structures and maturity of policies and programs. Following is an introduction to the Regional Energy Efficiency Organizations serving states across the nation.

Northeast Energy Efficiency Partnerships (NEEP) supports the expansion and implementation of policies and programs to accelerate energy efficiency in the Northeast and Mid-Atlantic region. NEEP works in four key areas: speeding the adoption of high-efficiency products, reducing building energy use, advancing knowledge and best practices and generally increasing the visibility of the benefits of efficiency. Our vision is that the region will fully embrace energy efficiency as a cornerstone of sustainable energy policy to help achieve a cleaner environment and a more reliable and affordable energy system. NEEP is available to assist state energy offices, legislators, regulators or administration officials in any of these areas.

NEEP Policy Resources:

- ***Highlights***, our policy e-newsletter and the Policy Tracking Brief – Available on our blog at **energyefficiencymatters.org**
- ***The Regional Roundup of Energy Efficiency Policy*** – An annual look at the states and the region as a whole.
- **The Regional Evaluation, Measurement and Verification Forum** – Supports the development and use of common protocols to evaluate, measure, verify, and report the savings, costs, and emission impacts of energy efficiency.
- **The Regional Energy Efficiency Database** – A dashboard for the consistent reporting of electric and natural gas energy efficiency program energy and demand savings and associated costs, avoided emissions, and job impacts across the Northeast and Mid-Atlantic region.

The Northwest Energy Efficiency Alliance (NEEA) is an alliance of more than 100 Northwest utilities and energy efficiency organizations working on behalf of more than 12 million energy consumers. NEEA leverages its strong regional partnerships to effect market transformation by accelerating the adoption of energy-efficient products, services and practices.

Since 1997, NEEA and its partners — including Avista Utilities, Bonneville Power Administration, Chelan County PUD, Clark Public Utilities, Cowlitz PUD, Eugene Water & Electric Board, Energy Trust of Oregon, Idaho Power, NorthWestern Energy, Pacific Power, Puget Sound Energy, Seattle City Light, Snohomish County Public Utilities, and Tacoma Power — have saved enough energy to power more than 600,000 homes each year.

NEEA Resources:

- News, updates and informational resources
- Clearinghouse for data about regional markets
- Market research and evaluation reports
- Education programs

NEEA Goals:

- Increase market availability of emerging technologies — fill the energy efficiency pipeline
- Increase market adoption of energy efficiency products, services and practices
- Assist Northwest utilities and other energy-efficiency organizations to meet their energy efficiency goals
- Build regional market knowledge and capability through education and training
- Support the region's efforts to promote energy efficiency
- Facilitate regional energy efficiency planning and implementation

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MEEA Midwest Energy Efficiency Alliance

MEEA is the source on energy efficiency in the Midwest. MEEA balances the diverse interests of our members and network across public and private sectors, to create a common ground on energy efficiency. We work with all stakeholders in the region to support energy efficiency from policy adoption through program implementation.

As a central source for information and action, MEEA raises awareness, facilitates energy efficiency programs and strengthens policy across the Midwest region. MEEA brings together a respected network of members, partners, board and staff, and inspires others to create new technologies, new products and new ways of thinking when it comes to energy efficiency.

MEEA Resources:

- Policymakers Guide to EE Policies and Programs
- Industrial, Marketing, Policy, Program and Technology webinars
- Midwest Industrial Initiative
- Web resource, including links to all state efficiency regulations and statutes
- MEEA Minute, monthly newsletter, and Unplugged, MEEA blog, which provide program and policy updates and best practices on efficiency programs in the Midwest

MEEA Provides:

- Program Administration for *Illinois Home Performance* and *Lights for Learning* and other programs
- Certified Contractor Trainings under *HVAC Saves* and *Building Operator Certification*
- Technical Assistance and Technology Promotion for Advanced Lighting
- Policy expertise to support develpoment of energy efficiency policies, building energy codes and benchmarking

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SEEA SOUTHEAST ENERGY EFFICIENCY ALLIANCE

The Southeast Energy Efficiency Alliance (SEEA) drives market transformation in the Southeast's energy efficiency sector through collaborative public policy, thought leadership, programs and technical advisory services. SEEA promotes energy efficiency as a catalyst for economic growth, workforce development and energy security across 11 southeastern states. These states include Alabama, Arkansas, Florida, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, South Carolina, Tennessee and Virginia.

SEEA Resources:

- Policy Highlights
- Press Releases, Member Network and Bulletins
- Energy Pro3: Progress, Productivity, Prosperity
- Success with the 2009 and 2012 IECC Manuals

SEEA Focus Areas:

- Establishing and expanding utility energy efficiency initiatives
- Upgrading state and local building energy codes and improving energy code compliance
- Supporting energy efficiency financing programs and partnerships
- Providing states and localities with technical assistance and stakeholder engagement to support energy efficiency policies and programs

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SPEER, the newest regional energy efficiency organization, aims to accelerate the adoption of advanced building systems and energy efficient products and services in Texas and Oklahoma. These two states include nearly 30 million people and more than half of the fastest growing cities in America. SPEER is a member based organization with 40 members, including manufacturers, utilities, energy services companies, non-profits, cities, universities, and more.

SPEER Provides:

- Support for cities and states on adoption of a variety of energy efficiency policies and programs.
- Facilitation of energy code collaboratives to support adoption, enforcement, and training for building energy codes.
- Building Operator Certification, in partnership with cities and utilities.
- Technical assistance and policy support to further the adoption of Combined Heat and Power (CHP).
- Thought leadership on state and region-wide initiatives to accelerate adoption of energy efficiency, including efforts to increase usage of efficiency as a resource.

The Southwest Energy Efficiency Project (SWEEP) is a public interest organization that advances energy efficiency in Arizona, Colorado, Nevada, New Mexico, Utah, and Wyoming. Traditionally this is a high growth region where energy efficiency efforts were lagging compared to some other regions, air pollution is a growing concern, and coal-fired power plants provide the majority of electricity supply. SWEEP has a record of success: The non-profit helped to increase funding for electric utility energy efficiency and load management programs in the Southwest from $21 million in 2001 to $375 million in 2013.

SWEEP Works On:

- Expanding and supporting utility energy efficiency programs
- Upgrading state and local building energy codes and improving code compliance
- Increasing energy efficiency in the transportation sector including facilitating adoption of electric vehicles
- Improving industrial energy efficiency and increasing use of Combined Heat and Power
- Assisting state and local governments with energy efficiency policy and programs

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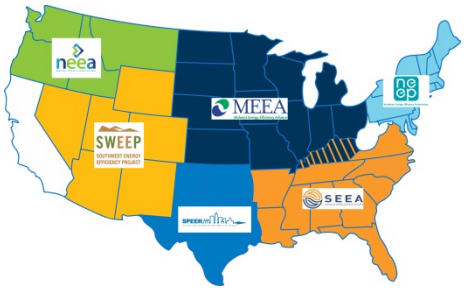
General Information about the REEOs

Name	Founded in	HQ	No. of FTEs	Executive Director	Public Policy Contact	Website
MEEA	2000	Chicago, IL	29	Doug Newman dnewman@mwalliance.org (312) 784-7245	Stacey Paradis Deputy Director sparadis@mwalliance.org (312) 784-7267	http://mwalliance.org/
NEEA	1997	Portland, OR	90	Susan Stratton sstratton@neea.org (503) 688-5401	Melinda Eden Stakeholder Relations Manager meden@neea.org (503) 688-5412	http://neea.org/
NEEP	1996	Lexington, MA	25	Susan Coakley scoakley@neep.org (781) 860-9177 x121	Jim O'Reilly Director of Public Policy joreilly@neep.org (781) 860-9177 x118	http://www.neep.org/
SEEA	2007	Atlanta, GA	14	Mandy Mahoney mmahoney@seealliance.org (404) 602-9646	Jenah Zweig Policy Director jzweig@seealliance.org (404) 602-9663	http://www.seealliance.org/
SPEER	2011	Austin, TX	2.5	Doug Lewin dlewin@eepartnership.org (512) 279-0753	Doug Lewin Executive Director dlewin@eepartnership.org (512) 279-0753	http://eepartnership.org/
SWEEP	2001	Boulder, CO	15	Howard Geller hgeller@swenergy.org (303) 447-0078x1	Suzanne Pletcher Communications Director spletcher@swenergy.org (303) 447-0078 x5	http://www.swenergy.org/



This resource sheet was created by NEEP in partnership with all of the REEOs. The information was verified to the best of our ability, and does not represent the opinions or positions of any of our boards or sponsors. For more information, please contact Natalie Treat: ntreat@neep.org.