SEEA Policy Highlights

January - March 2017

State, Local and Utility Policy Highlights

SEEA's Policy Highlights provide stakeholders with brief, timely and relevant information on energy efficiency and related topics throughout the Southeast. For more information or to provide input, contact Kate Lee, Policy Manager at klee@seealliance.org.

Arkansas

- On March 2, 2017, Arkansas passed energy legislation directing criteria that nonresidential business customers must satisfy to opt out of utility-sponsored energy efficiency programs. In particular, the legislation adds state-supported higher education institutions to the list of consumers eligible to opt-out, and addresses repayment requirements for industrial customers that wish to opt out, but have accepted financing, rebates, or incentives from a utility as part of an energy conservation program or measure.
- In an order issued on March 8, 2017, the Arkansas PSC completed the first phase of its review of the state's net metering rules. Most significantly, the new rules contain a grandfathering provision that allows existing solar net metering customers to net meter under current retail rates for the next 20 years. The PSC also resolved several other issues, deciding to limit net metering to system owners (rather than lessees), allow seasonal net metering for agricultural customers, and avoid setting any hard cap on the size of net metered systems.

Florida

- On March 20, 2017, Gulf Power rescinded its proposal to raise the monthly fixed charge on its customers' bills from approximately $18 to $48. The utility withdrew its proposal as part of a settlement agreement with the state's Office of Public Counsel. Gulf Power was the first utility in the Southeast to propose a fixed charge increase, following a national trend.

Georgia

- In preparation for Georgia Power's 2019 Integrated Resource Plan (IRP), the Georgia Power Demand Side Management Working Group (DSMWG) held its first meeting at the end of March. The DSMWG will meet approximately quarterly for 18 months to allow stakeholders to provide input into the energy efficiency programs that Georgia Power will include in their 2019 IRP. The DSMWG is a stakeholder forum ordered by the PSC and includes representatives from Georgia Power, the Georgia Public Service Commission staff, utility customers, and other interested parties.
- In February 2017 Georgia Power filed a targeted low-income energy efficiency program; the PSC approved the program in March and the Company will be issuing an RFP to secure one or more vendors to implement the program.

Louisiana

- In February, the Louisiana Public Service Commission progressed further in the state's transition from "quick start" into the comprehensive phase of its energy efficiency rules (Phase II). In February, the Commission Staff issued an initial request for comments on the Phase II rulemaking, seeking input on several topics related to the comprehensive phase, such as industrial opt-out, cost recovery mechanisms, EM&V, and program design. SEEA, in collaboration with the American Council for an Energy Efficient Economy, filed comments in response to the Staff's request, and SEEA's Director of Policy, Cyrus Bhedwar, also traveled to Baton Rouge in March to participate in a technical conference on the rulemaking.

Kentucky

- In February, the Kentucky Public Service Commission announced that it was opening a docket to re-evaluate Kentucky Power's energy efficiency and demand-side management programs. The re-evaluation was prompted by the Commission's concerns over recent increases in the utility's monthly DSM surcharge, which is assessed on customer bills.

Mississippi

- The Mississippi Public Service Commission continues to make progress towards finalizing comprehensive energy efficiency rules on or before September 30, 2017. As part of this process, the PSC has issued a request for comments to gather public input on a variety of issues associated with the energy efficiency rules.

North Carolina

- Last year, the North Carolina General Assembly convened stakeholders to craft comprehensive energy legislation. While stakeholders were not able to reach consensus initially, efforts to craft a single energy bill continue.
- Additional actions may also happen in the Tar Heel State as a new governor, Roy Cooper, takes office.

South Carolina

- The South Carolina Energy Office, within the Office of Regulatory Staff (ORS), released its state Energy Plan in late February. as required by legislation. SEEA remains engaged with ORS and other stakeholders as they determine how the plan will be implemented.
- SCE&G 2017 IRP released.
- The South Carolina General Assembly is considering legislation that would enable commercial Property Assessed Clean Energy (C-PACE) in the state. The legislation, S. 261, was passed unanimously by the state Senate and is now before the House Committee on Labor, Commerce, and Industry.

Virginia

- In January, SEEA travelled to Richmond to speak to the Executive Order (E.O.) 57 Working Group on the topic of energy efficiency as a strategy to manage greenhouse gas emissions. In June of 2016, Governor McAuliffe issued E.O. 57 to collect public input on strategies the state could employ to address carbon emissions; the cabinet level E.O. 57 Working Group has been accepting presentations from various stakeholders and plans to issue a report in May summarizing recommendations to the Governor. As an immediate result of the presentation, the Department of Mines, Minerals and Energy engaged SEEA in conversations about establishing a loan-loss reserve to support on-bill financing in the state.

- The Department of Housing and Community Development opened a public comment period seeking input on current draft regulations to update the state's building energy code. SEEA continues to provide technical assistance and regional perspective to stakeholders as Virginia considers updating its residential energy code.
- Arlington County in northern Virginia is poised to launch the state's first Property Assessed Clean Energy (PACE) program this summer.

General

- On March 28, President Donald Trump signed an executive order directing the Environmental Protection Agency (EPA) to take all steps necessary to "suspend, revise, or rescind" the Clean Power Plan and associated guidance documents, and to begin a formal review of the regulation.
- On March 16, the White House released its first 2018 budget request to Congress. The budget request calls for an approximately 25% reduction in the budget of the Office of Energy Efficiency and Renewable Energy in the Department of Energy. The proposed budget would also cut energy efficiency programs such as Energy Star and the Weatherization Assistance Program.
- As part of the settlement of Volkswagen's Clean Air Act violation case, Volkswagen is depositing approximately $2.7 billion into an Environmental Mitigation Trust that will be given directly to states to fund projects to reduce NOx emissions. States will receive funding based on the number of violating Volkswagen vehicles bought and used in the state. The funds represent a significant opportunity for cities and states to invest in efficient transportation infrastructure, such as electric vehicle fleets and charging stations.