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Energy Efficiency Resource Standards (EERS)

ID: Energy Plan puts conservation -DR and EE - as priority resource

> MT: state agency reduction initiative: save 20% by 2010

WA: must pursue all costeffective conservation

OR: IOUs required to have EE in IRP & assess cost-effectiveness

CA: IOUs reduce MW 10%, peak demand (MWh) 12% by 2013; munis 10% by 2017

NV: use EE for up to 25% of RPS by 2015

UT: EE incentives in RPS goal

CO: save 40 MW and 100 GWh annually to 2013

NM: use EE and DR to save 10% of 2005 retail electric sales by 2020

KS: Order advocates voluntary utility programs, not mandate

OK: PSC approved quick-start DSM programs, including EE

TX: 10% of load growth, beyond 2004, based on prior 5 years

> HI: 20% of MWh sales by 2020: up to 50% of RPS

by 2015 through EE, RE

IA: utilities must establish EE goals by end of 2008

MI: annual savings: 1% of prior year's sales by 2012

WI: RPS requires utility EE

MN: reduce fossil fuel use 15% IL: reduce energy 2% by 2015 (EE) and 0.1% from prior year (DR)

> OH: reduce peak-demand 8% by '18; 22% energy savings by '25

KY: proposed REPS - EE and conservation to offset 18% of projected 2025 demand

ME: 10% new EE by 2017; in RPS goal as 2nd priority

VT: EE & RE to meet 2007-12 growth

MA: meet 25% of capacity and energy with DSR by 2020

NY: 15% electric use reduction by 2015; doubles EE funding

CT: 4% savings by 2010; a Tier III RPS resource

NJ: reduce consumption 20%, and peak demand 5,700 MW by 2020

DE: EE, RE, DG, and DR are priority resources before new gen

PA: reduce energy consumption 3% and peak demand 4.5% by 2013

DC: reduce peak demand and energy consumption

MD: reduce peak demand and per cap electricity use 15% by 2015

VA: reduce 10% of 2006 sales by 2022 with EE. DR

NC: EE to meet up to 25% of RPS to 2011; later to 40%

TVA: reduce peak demand 1,400 MW by 2012 with EE, DR *

FL: PSC to adopt goals to reduce electric consumption, peak demand

Updates at: http://www.ferc.gov/market-oversight/mkt-electric/overview/elec-ovr-eeps.pdf

EE only as part of an RPS law, rule, or goal EERS by regulation or law (stand-alone) Voluntary standards (in or out of RPS) Energy efficiency goal proposed / being studied Other energy efficiency or demand-side rule or goal

^{*} TVA's "EE and DR Plan" is from the Public Power Authority, and is not a state policy. Abbreviations: CHP - Combined heat & power; DG - distributed generation; DR - demand response; DSM - demand side management; DSR - demand-side resources; EE - energy efficiency; E&G: electric and gas utilities; IRP - integrated resource plan; RPS; Renewable Portfolio Standard Sources: ACEEE, EPA, Regulatory Assistance Project, Union of Concerned Scientists, State regulatory and legislative sites, trade press

Energy Efficiency Resource Standards (EERS)

- An EERS energy efficiency resource or portfolio standard – aims to reduce or flatten electric load growth through energy efficiency (EE) measures. Goals may specify reductions in energy (MWh), demand (MW), or both. Many specify both overall energy reductions and peak-load reductions.
- Twenty-three states have an EERS or goal; at least 16 include EE as part of a renewable standard or goal.
- States that enacted significant energy efficiency legislation in 2008 include: DC, FL, HI, IA, MA, MD, MI, NJ, NM, NY, PA, OH, OK, UT, and VT.
- State energy plans have included decoupling and PUCs opened dockets to examine whether utilities should be encouraged or required to eliminate the throughput incentive in traditional rates, including: HI, KY, MI, NJ.
- Kentucky Governor Beshear announced a comprehensive energy plan, Intelligent Energy Choices for Kentucky's Future (Nov 20). It calls for KY to establish both a Renewable and Efficiency Portfolio Standard (REPS) and an Alternative Transportation Fuels Standard. First among Kentucky's strategies will be to improve the EE of its homes, buildings, industries, and transportation fleets. Its first goal is to use EE to offset 18% of projected 2025 demand. Altogether, the plan envisions that 25% of Kentucky's energy needs will be met by 2025 with greater efficiency, conservation, and use of renewable and alternative sources such as wind, solar, and biofuels.

- The Kansas Corporation Commission (KCC) issued an Order on Cost Recovery and Incentives for Energy Efficiency Programs (Nov 14). It states that energy efficiency is a resource in its own right; however, the KCC deemed it inappropriate to create an EE mandate or EERS. Because EE programs are inherently beneficial to utilities, they might not need regulatory encouragement. KCC's policy will be to consider proposals from utilities on a case-by-case basis for: cost-recovery for EE programs through tariff riders; decoupling to address the throughput-incentive issue; and shared savings performance incentive plans (rather than performance-based incentives).
- NERC's Long-Term Reliability Assessment highlights the growth in demand response and energy efficiency resources, and the role they play in providing critical reliability services, increasing the operational flexibility of the grid, and complementing new variable generation resources such as wind and solar. NERC projects that close to 11,000 MW of EE and 34,000 MW of DR will be in place in North America by 2016. As a consequence, it expects EE to reduce total demand by 3.3%, and DR to offset nearly 80% of U.S. peak demand growth. (Nov 20)
- The Western Governors Association sent Presidentelect Obama a letter urging him to "aggressively pursue a national [EE] program to reduce existing and future energy demand and thereby reducing [GHG] emissions." (Nov 20)