

## 18 States have Energy Efficiency Resource Standards

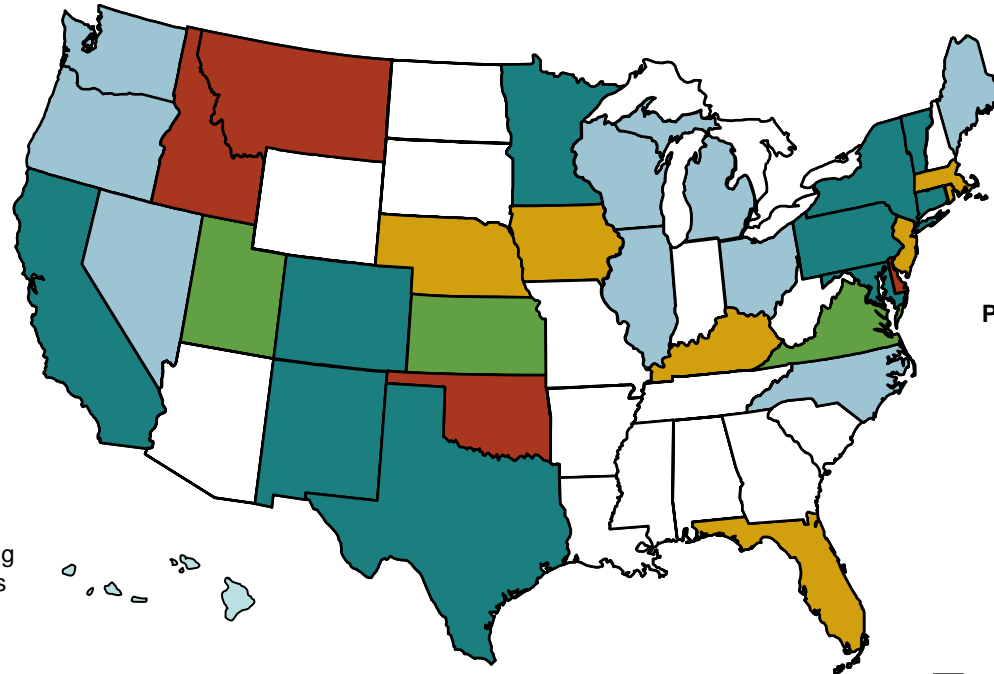
**NE:** Energy Plan stresses multi-sector EE improvements  
**KS:** Advocates voluntary utility programs, not mandate  
**OK:** PSC approved quick-start DR programs, including EE

**MN:** 1.5% annual savings based on prior-3 years average, to 2015  
**IA:** utilities to submit EE goals to achieve 1.5% annual savings; awaiting approval  
**MI:** 1% annual savings from prior year's sales to 2012

**WI:** EE in RPS  
**IL:** reduce energy 2% by 2015 (EE) and 0.1% from prior year (DR)  
**OH:** reduce peak 8% by 2018; 22% energy savings by '25, starting 2009  
**KY:** proposed RPS-EE to offset 18% of projected 2025 demand

**ME:** 10% EE by 2017 – new since 2005; DR & EE as SOS priority resources  
**VT:** 2009 – 2011 goals of 2% annual savings; administered by Efficiency VT  
**MA:** 25% of electric load from DSR, EE by 2020: capacity and energy  
**NY:** 15% electric use reduction by 2015 from levels projected in 2008  
**CT:** 1.5% annual savings 2009-19, from 2007, using all cost-effective EE  
**RI:** reduce 10% of 2006 sales by 2022  
**NJ:** BPU proceeding on EERS to reduce consumption, peak demand  
**DE:** creating a Sustainable Energy Utility; EE, RE, DG, DR as SOS priorities  
**PA:** reduce energy consumption 3% and peak 4.5% by 2013 as percent of 2009-10 sales  
**MD:** reduce per cap electricity use & peak 15% by 2015 from 2007  
**VA:** reduce 10% of 2006 sales by 2022  
**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 new goals to reduce electric consumption, peak demand

**WA:** must pursue all cost-effective conservation  
**OR:** IOU 2008 goals 34 MW; administered by Energy Trust OR  
**CA:** 1% annual energy savings 2004 – 2013 ~23,183 GWh, 4,885 peak MW by 2013  
**ID:** Energy Plan sets conservation, DR, EE as priority resources  
**MT:** Governor's initiative – 20% state agencies energy savings by 2010  
**NV:** EE up to 25% of RPS by 2015  
**UT:** EE incentives in RPS goal  
**CO:** 11.5% energy savings 2009 – 2020 ~ 3,669 GWh  
**NM:** use EE and DR to save 10% of 2005 retail electric sales by 2020  
**TX:** 20% of load growth by 2010, using average growth rate of prior 5 years  
**HI:** 20% savings of net electric sales by 2020; up to 50% of RPS



- EE as part of an RPS law, rule, or goal
- EERS by regulation or law (stand-alone)
- Voluntary standards (in or out of RPS)
- EERS pending regulations, proposed, or studied
- Other energy efficiency entity, rule, or goal

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

\* TVA's "EE and DR Plan" is from the Public Power Authority, and is not a state policy.

**Abbreviations:** DG – distributed generation; DR - demand response; DSR – demand-side resources; EE - energy efficiency; E&G: electric and gas utilities; IRP – integrated resource plan; RPS: Renewable Portfolio Standard; SOS: Standard Offer Service

**Sources:** ACEEE, EPA, Regulatory Assistance Project, Union of Concerned Scientists, State regulatory and legislative sites; State Efficiency Agency reports; 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.
- **Energy Efficiency** (EE) is using less fuel to produce the same or greater amount of *usable* energy from a given energy source. EE actions usually have a multiple-year effect. EE is different from conservation, which can be temporary energy *use* reductions.

### ENERGY EFFICIENCY IN THE STATES:

- **Eighteen** states have an EERS. Twenty-eight have EE standards or goals as an EERS, a utility goal, or as part of a proceeding. At least 18 include EE as part of a renewable standard or goal.
  - **Three** states have a pending EERS while they develop details to implement legislation: FL, MA, and NJ. Utilities in IA and RI must file plans showing EE reduction goals or plans. KY and NE Energy Reports published in late 2008 suggested an EERS.
  - **14 states** passed significant energy efficiency legislation or regulations in 2008, including: DC, FL, HI, IA, MA, MD, MI, NJ, NM, NY, PA, OH, OK, UT, and VT.
  - Many states use special-purpose agencies to administer EE programs and goals, including CT's Energy Conservation Management Board; NJ's Clean Energy Board, NYSERDA; Efficiency Maine; Energy Trust of Oregon; and Efficiency Vermont. D.C. and Delaware are creating Sustainable Energy Utilities. Hawaii will use a third – party coordinator.
- ACEEE named 5 states in its *2008 State Energy Efficiency Scorecard* as EE leaders: California, Oregon, Connecticut, Vermont, and New York.
  - Energy savings in some states with long-standing programs recently reported results:
    - CA: utilities met 1.5% of the state's electric needs in 2007 – over their annual 1% goals.
    - Energy Trust Oregon anticipates 2008 electricity savings of “a34 MW”\* (297,840 MWh equivalent), nearly the “a35MW” saved in 2007.
    - CT: utilities filed plans to average 1.5% of annual needs in response to a requirement to acquire “all cost-effective efficiency.” The ECMB reported 368,000 MWh savings across all sectors for 2008.
    - VT: EV met 1.75% of the state's electric needs in 2007; preliminary 2008 data anticipate 1.8% savings.

### NATIONAL ENERGY EFFICIENCY LEGISLATION:

- Reps. Henry Waxman and Edward Markey introduced the “American Clean Energy and Security Act of 2009” March 31. Title II, Energy Efficiency, proposes national minimum levels of electric and natural gas savings from 2012 – 2020, measured by average annual sales during the two preceding calendar years. Cumulative electric savings would begin in 2012 at 1% and ramp to 15% in 2020. Cumulative gas savings would begin at 0.75% and reach 10%. The bill specifies that states should consider EE as a resource in utility planning and procurement and seek to procure all EE that is available at lower cost than energy supply options.

\* “aMW” is average MW without a time factor; MWh equivalent is: MW saved times the number of hours in a year.

**Abbreviations:** ACEEE: American Council for an Energy Efficient Economy; ECMB (CT) - Energy Conservation Management Board; EE - energy efficiency; EERS – Energy Efficiency Resource Standard; NYSERDA: New York State Energy Research & Development Authority; EV – Efficiency Vermont