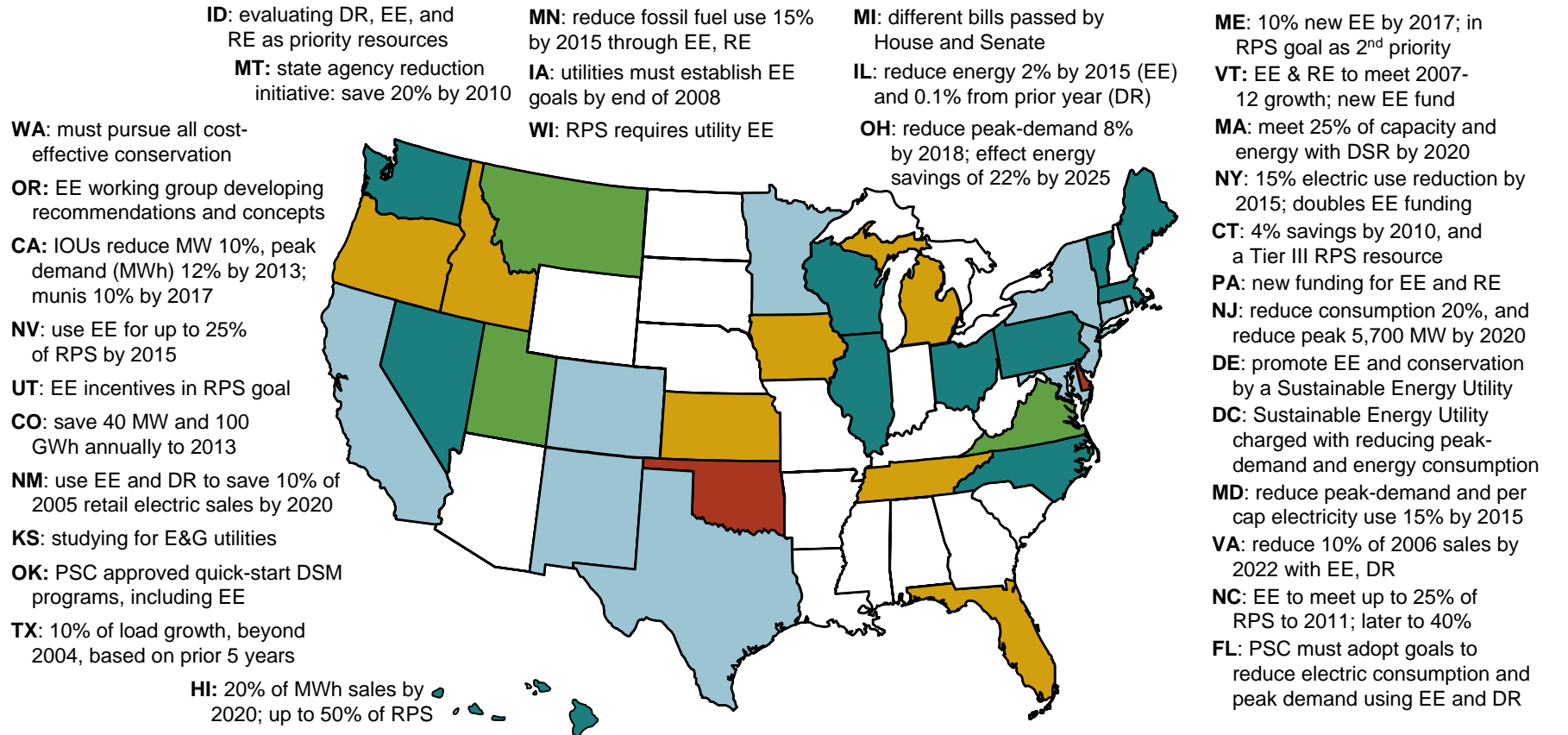


# Energy Efficiency Resource Standards (EERS)



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

Abbreviations: CHP – Combined heat & power; DR - demand response; DSM - demand side management; DSR – demand-side resources; EE - energy efficiency; E&G: electric and gas utilities; RPS: Renewable Portfolio Standard

Sources: ACEEE, EPA, Regulatory Assistance Project, Union of Concerned Scientists, State regulatory and legislative sites, trade press

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

## 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 now specify overall energy reductions as well as peak-load reductions.
- Twenty-two states have an EERS or goal; thirteen include EE as part of a renewable standard or goal. States that enacted significant energy efficiency legislation in 2008 include: DC, FL, MA, MD, NJ, NM, NY, OH, UT, and VT.
- States that intend to use part of the RGGI auction proceeds to promote energy efficiency include CT, DC, DE, MA, and MD.
- **Massachusetts** enacted an “Act Relative to Green Communities” in July. Its goal is to meet 25% of its capacity and energy needs by 2020 with demand-side resources. Utilities must *first* use EE and demand reduction resources that are cost-effective or less expensive than supply. E&G utilities will assess EE system benefit charges and submit triennial EE plans.
- **Washington, D.C.** passed a “Clean and Affordable Energy Act” in July. It created a Sustainable Energy Utility to reduce per capita energy consumption, reduce peak electric demand growth, reduce the growth of energy demand of D.C.’s largest energy users, and increase RE generating capacity in D.C. The bill also includes titles permitting sub-metering in non-residential buildings, and requiring energy benchmarking for private and government buildings.
- **New York** adopted a “15 by 15” goal in June. Its EERS targets a 15% cut in electric use by 2015, and is a joint effort by the Public Service Commission and Research and Development Authority (NYSERDA). Without this effort, NY’s expected demand would be 11% higher by 2015 than now. The EERS set goals for E&G utilities and uses a system benefit charge to fund programs. NY is designing performance incentives, the role of demand response and distributed generation, and studying the impact on rental and low-income customers.
- A state “Energy Efficiency Utility” is an energy efficiency model:
  - **Efficiency Vermont** was established in 2000. It provides technical and financial incentives to households and businesses to use energy efficient construction, equipment, and lighting and is funded through a system benefit charge. “Vermont spends more than \$22.50 per capita and saves nearly 2% of its electric needs annually, more than any other state.”\*
  - **Delaware** created a Sustainable Energy Utility (SEU) in 2007 to use a market-based approach to address energy efficiency, conservation, and renewable energy.
  - **D.C.** created a SEU and Sustainable Trust Fund in its Clean and Affordable Energy Act; it needs Congressional approval to become effective.

\* ACEEE-E075, State Energy Efficiency Scorecard, June 2007, pp. 9-10.

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