Trends and Issues in State EE Policies

ESC MT Conference
July 29, 2014
May You Live in Interesting Times

- States as the laboratory for EE
- EE now a major political issue
  - Mandates violate conservative principles
  - Utility business model threatened
- Now is the best **AND** worst of times
- How do we move forward?
May You Live in Interesting Times

- California – double down on EE
- Ohio – pushback against EE
- New York – finance over rebates
- Wisconsin – public agency ESCO
- Michigan – separate ESPC from EE
- Utility of the Future
California – Double Down on EE

- Prop 39 – passed in November 2012
- $2.5 billion on top of ratepayer EE programs
- Cumbersome application process
  - CEC understaffed – only $35 million approved
- Projects not comprehensive
  - Repeat of the ARRA experience?
  - Leveraging with ESPC seems too difficult
Ohio – Pushback Against EE

- SB 310 suspends EERS goals
  - Programs to date saved ratepayers $4 billion
  - 2x cost to date – 9x by end of measure life

- Part of the national ALEC agenda
  - Bills in many states – oppose mandates

- Utilities need a time out
  - Football vs rugby
New York – Financing over Rebates?

- **Green Bank**
  - Initial capitalization of $1 billion
  - Shift NYSERDA emphasis

- **Build $mart NY**
  - $1 billion push for EE in public facilities

- **NYP A**
  - New program to finance ESCO projects
Wisconsin – Public Agency ESCO?

- **Wisconsin CESA 10**
  - Chartered to provide services to school districts
  - Pencils, SPED and now ESPC for schools

- **May not meet legal standards for ESPC**
  - Bonds, guarantees, etc.

- **Obvious Conflict of interest?**
  - Administers Focus on Energy for schools
Michigan – Separate ESPC from EE

- Major new ESPC legislation in 2012
- Conservative sponsors – “no brainer”
- Echoes the US House ESPC Caucus
- Landlord agency slow-walking the program
- Action after election?
Utility of the Future

- NY PSC -- re-visioning the utility
  - Encourage EE, RE, DR, CHP
  - Avoid utility “death spiral”
  - NYSERDA straw plan due out August 13

- Arizona to Maine to Seattle
  - Raise customer fixed charges -- cover utility fixed costs to serve low-usage (EE/RE) customers

- First Energy vs. FERC
Questions?

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