Statewide ESPC Programs and 111(d): Potential Compliance Options

About NASEO

The only national non-profit representing the 56 governor-designated energy officials from each state and territory.

State Energy Offices invest $4 billion annually in a variety of priority areas, including:

• Efficiency in public buildings, residential, multifamily, commercial and industrial;
• Financing
• Renewable energy and storage;
• Oil, gas, electricity production and distribution;
• New and emerging technologies and services;
• Energy emergency preparedness and resiliency; and
• Advanced transportation technologies, fuels, and infrastructure, among others.
NASEO’s Affiliates

A robust and engaged network of +60 private-sector partners, including representatives from business, trade associations, nonprofit organizations, educational institutions, laboratories, and government.
Clean Power Plan Proposed Rule

- Exchanges between States and EPA ahead of and following the release of the proposed rule

- Legal authority: Section 111(d) of Clean Air Act
  - Requires federal-state approach

- Proposed rule: “Clean Power Plan”
  - EPA sets state-specific emission rate goals
  - States submit “compliance plans” for EPA approval

- Projected result of state plans
  - Reduce power sector CO2 emissions by 30% by 2030 from 2005 levels
  - Corresponds to approximately 17% reduction from 2013 levels
Clean Power Plan Proposed Rule

- Proposed Rule (June 2, 2014)
- Comments Due (October 16, 2014)
- Final Rule (June 2015)
- State Plans Due (2016-2018)
- Compliance with Initial Goal (2020-2029)
- Compliance with Final Goal (starting in 2030)
ESPC and “Utility Programs”

Figure 120: Investment in energy efficiency through ESCOs and utility programs, categorized by program, 1993-2012 ($bn)

- Utility spending through ESCOs
- Utility programs
- ESCO activity

Figure 120 from Bloomberg New Energy Finance “Sustainable Energy In America Factbook”, 2014
ESPC and “Utility Programs”

Electric utility savings from ratepayer programs

2010
2011
2012
ESCO mkt
annual
savings
potential

Terawatt hours saved

- Electric utility industry savings Edison Foundation issue brief
- ESCO market annual potential from LBNL projection, September 2013
Crediting and Ownership

- Decisions on Measurement and Verification: harmonization, equivalency, 3rd party oversight/review

- Crediting: Methodologies for converting energy savings to CO2 reductions

- Apportionment of credits: “ownership” of reductions

- Enforceability: accountability for results – how does private sector delivered EE fit in state and utility planning
NASEO 111(d) Activities

- No position on the merit of 111(d)
- Ongoing cooperation among NASEO, the National Association of Clean Air Agencies (NACAA) and the National Association of Regulatory Utility Commissioners (NARUC) to coordinate member education and assistance efforts
  - Facilitated ESCO industry (Honeywell, IR, JCI, Schneider, Siemens, UTC) leadership and input on compliance options
- 111(d) sessions at NASEO Regional Meetings
- State 111(d) Resource Hub: www.111d.naseo.org/
- State Energy Office 111(d) Task Force on key topics
- State Energy Office, Air Agency, Utility Commission comment coordination, case studies, and technical assistance
- Coordination with ESCO Affiliate Members
NASEO Annual Meeting: Savannah, Georgia: September 8-11, 2014

- Meeting will be focused on the evolving nature of electricity policies, markets, technologies, and regulations
- ESPC and 111(d) options sessions
- 111(d) state discussion session
  - In-depth look at the 111(d) ruling
  - Implications for states
  - Resources for State Energy Offices and their partners
- More information: http://annualmeeting.naseo.org/