

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

Energy Services Coalition *Market Transformation Conference* – July 2014

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.

Committees



Buildings



Government Affairs



Industrial and Advanced Manufacturing



Energy Security



Financing



Transportation



Fuels and Grid Integration

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

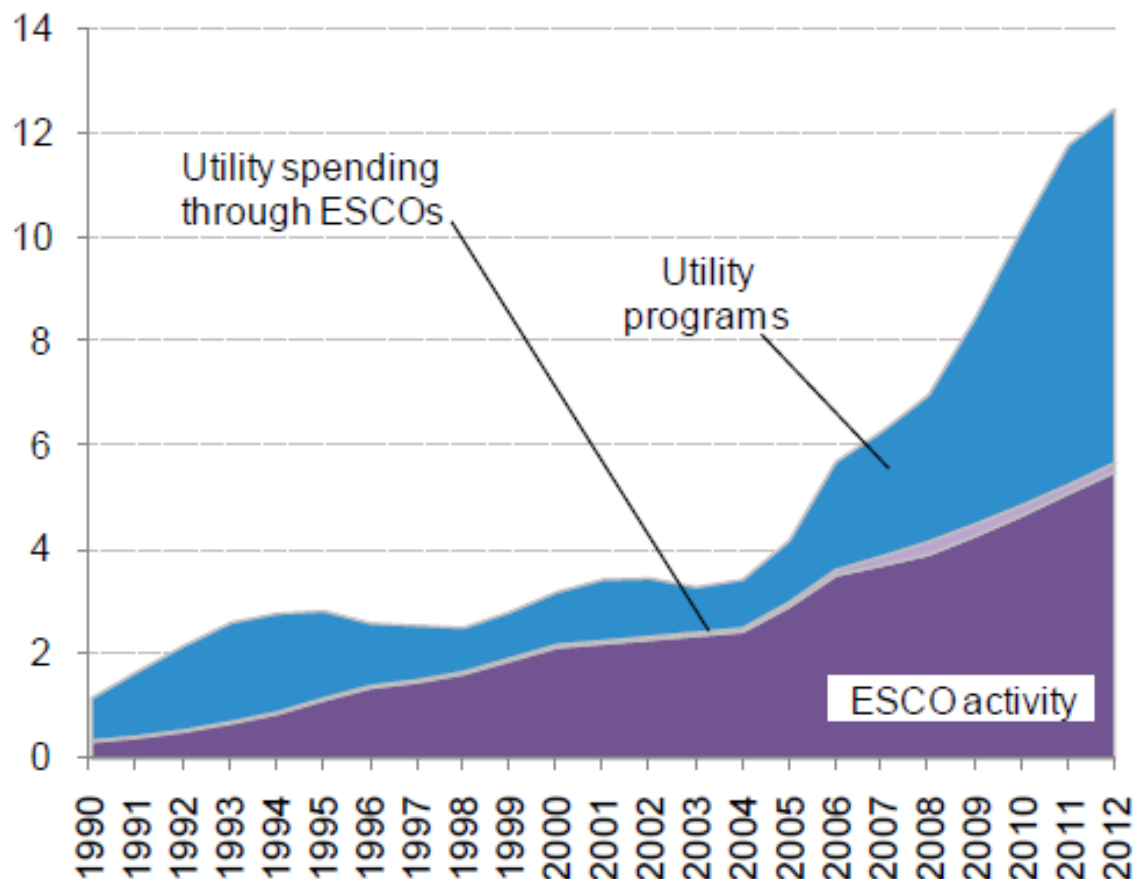
- Exchanges between States and EPA ahead of and following the release of the proposed rule
- Legal authority: Section 111(d) of Clean Air Act
 - Requires federal-state approach
- Proposed rule: “Clean Power Plan”
 - EPA sets state-specific emission rate goals
 - States submit “compliance plans” for EPA 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

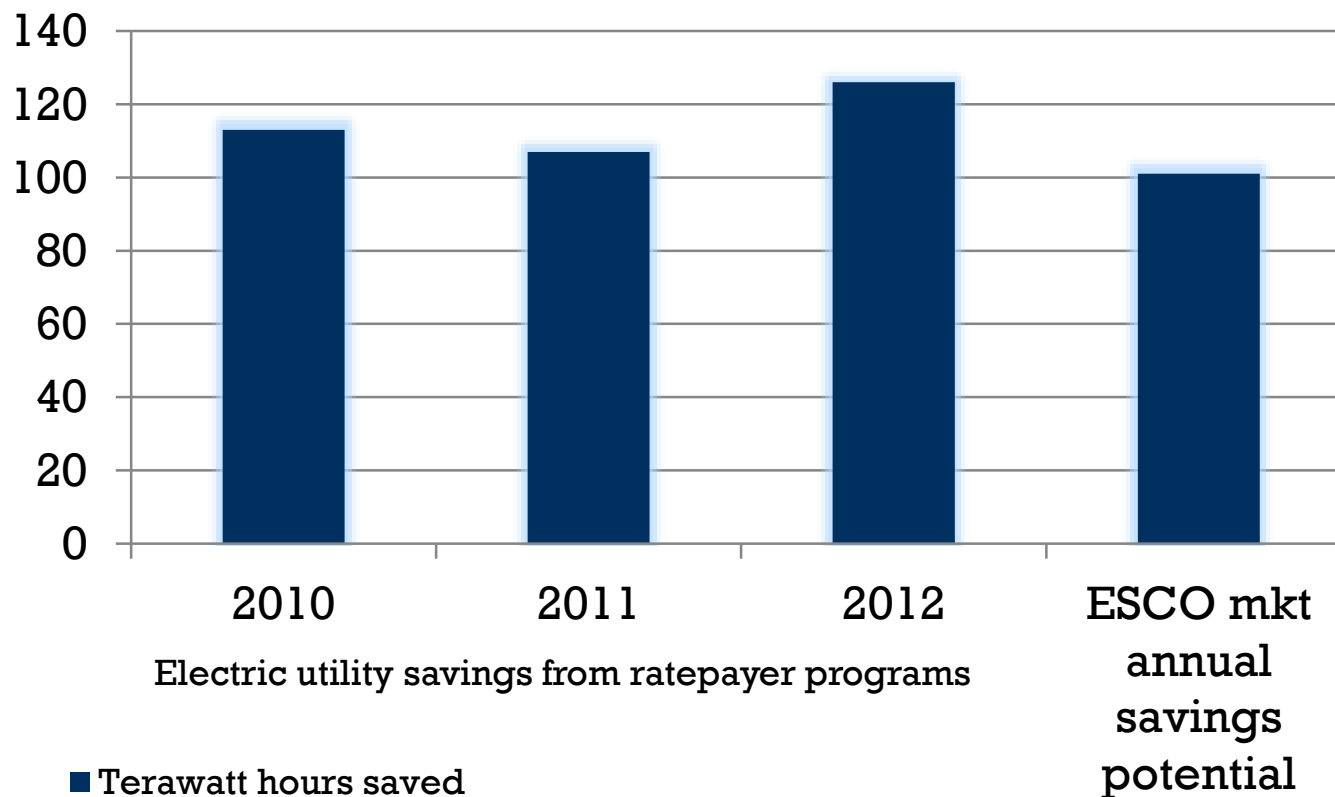
- **Proposed Rule (June 2, 2014)**
- **Comments Due (October 16, 2014)**
- **Final Rule (June 2015)**
- **State Plans Due (2016-2018)**
- **Compliance with Initial Goal (2020-2029)**
- **Compliance with Final Goal (starting in 2030)**

ESPC and “Utility Programs”

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



ESPC and “Utility Programs”



- 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
 - Hosted “3N” joint meeting and developed consensus “Energy Efficiency Principles” document:
http://www.naseo.org/Data/Sites/1/principles_3n_2014.pdf
 - 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/>

