



MEEA
Midwest Energy Efficiency Alliance

MIDWEST POLICY PERSPECTIVE

ESC Market Transformation
Conference

July 29, 2014

The Source On Energy Efficiency

Midwest Energy Efficiency Alliance (MEEA)

- MEEA is a collaborative network whose purpose is to **advance energy efficiency** to support sustainable economic development and environmental preservation.
- Formed in 1999 to bring strategic partners together to improve market conditions for energy efficiency.



National Trends of Benchmarking & Transparency Policies

Seattle WA:

- 1/2010
- Municipal, commercial, multifamily
- Tenant & transactional disclosure only

San Francisco, CA:

- 2/2011
- Municipal, commercial
- Public & transactional disclosure
- Mandatory audits

Minneapolis MN:

- Passed 2/2013
- Municipal, commercial
- Public disclosure

Chicago, IL:

- 9/2013
- Municipal, commercial, multi-family
- Data verification
- Public disclosure

Austin, TX:

- 11/2008
- Municipal, commercial, multi-family
- Transactional disclosure
- Mandatory audits for multifamily

Washington DC:

- 7/2008
- Municipal, commercial, multi-family
- Public disclosure

Boston, MA:

- 5/2013
- Municipal, commercial multi-family
- Public Disclosure
- Mandatory Audits

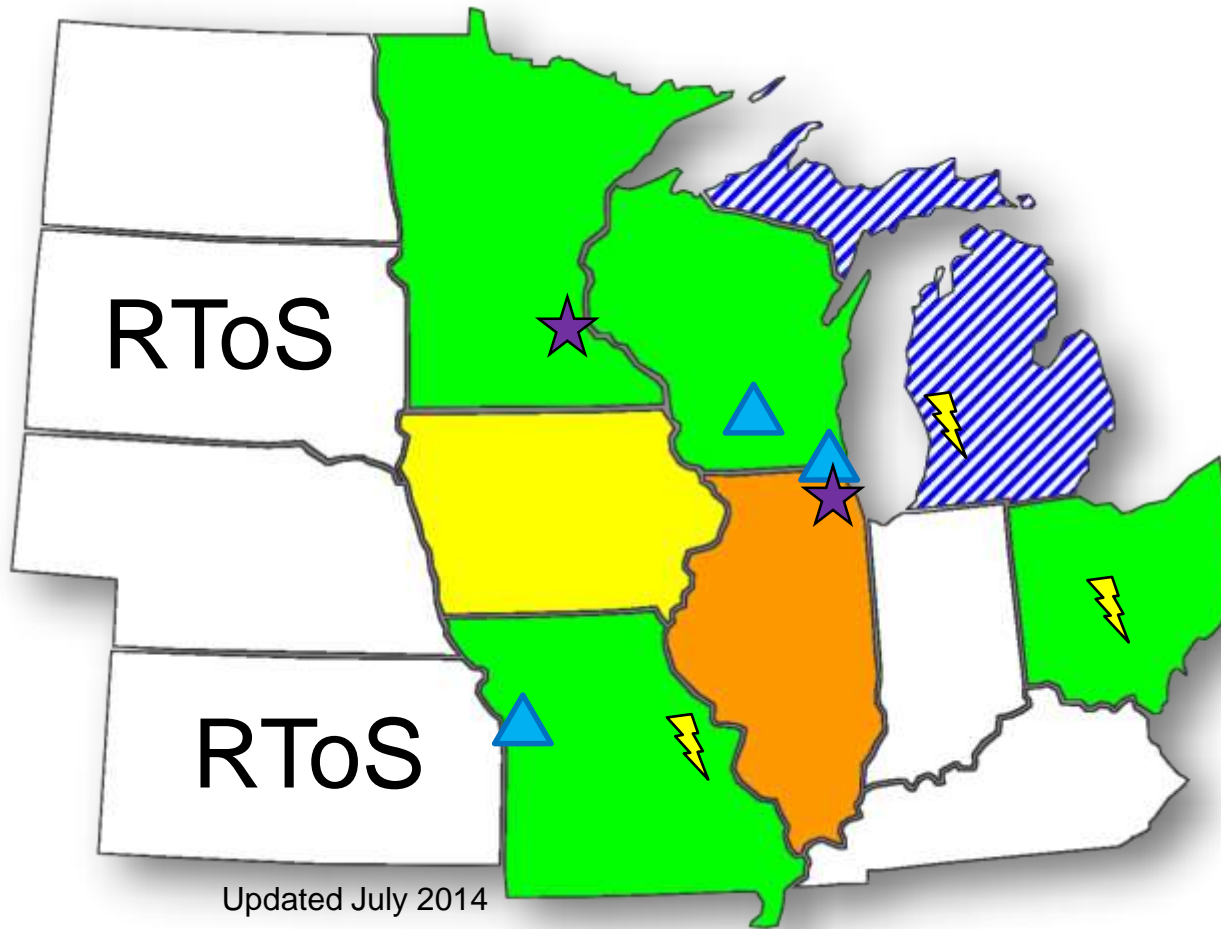
New York, NY:

- 12/2009
- Municipal, commercial, multi-family
- Public Disclosure
- Mandatory Audits, Retro-commissioning, Lighting upgrades

Philadelphia, PA:





- 6/2012
- Commercial
- Public & Transactional disclosure

Midwest Benchmarking Legislation Status






Updated July 2014

State Owned/Operated Building Benchmarking

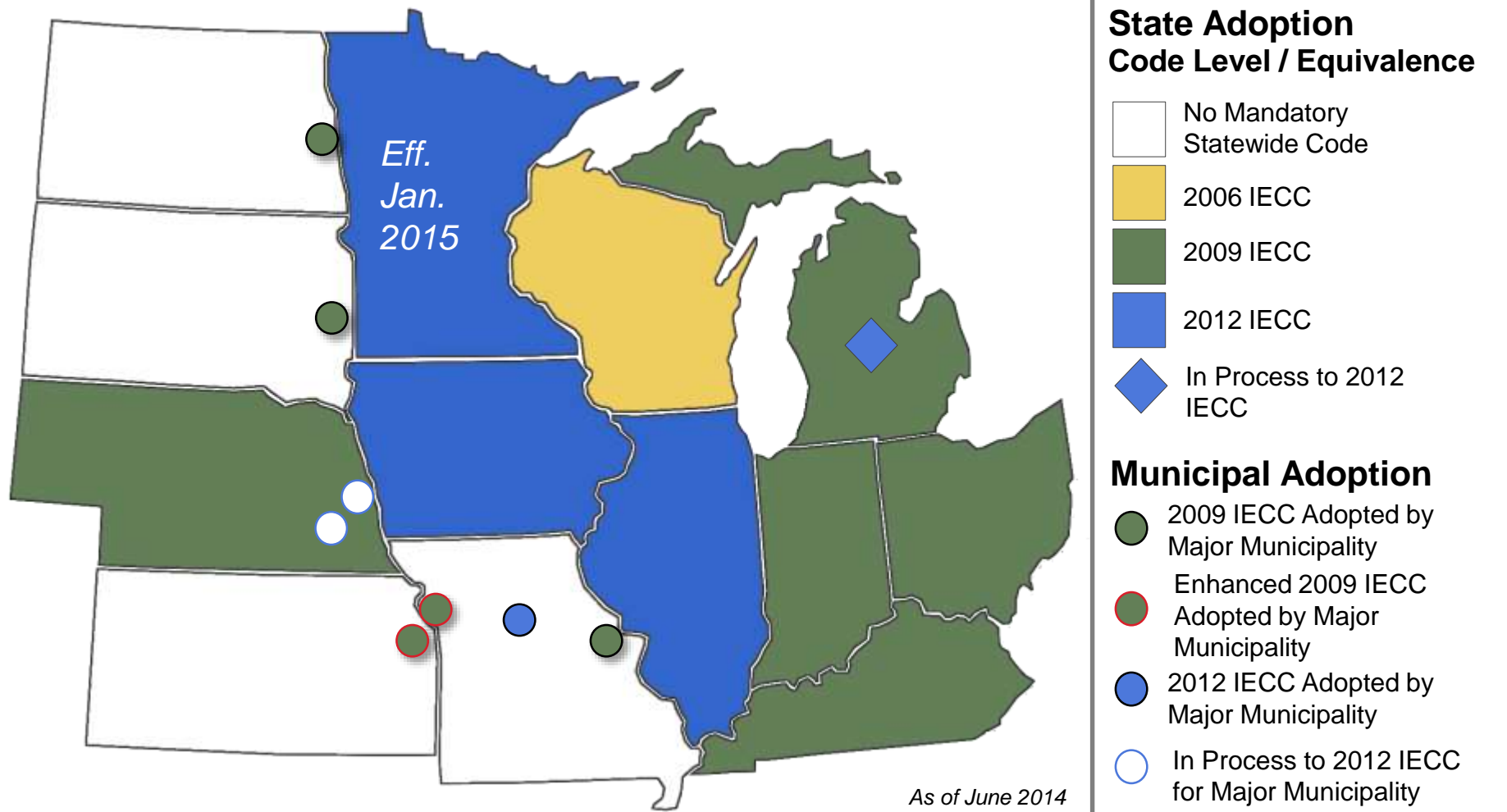
-  State Pilot Underway
-  State Pilot Complete
-  State Owned Considering
-  State Owned Enacted

Municipal + Private Owned Benchmarking Ordinance

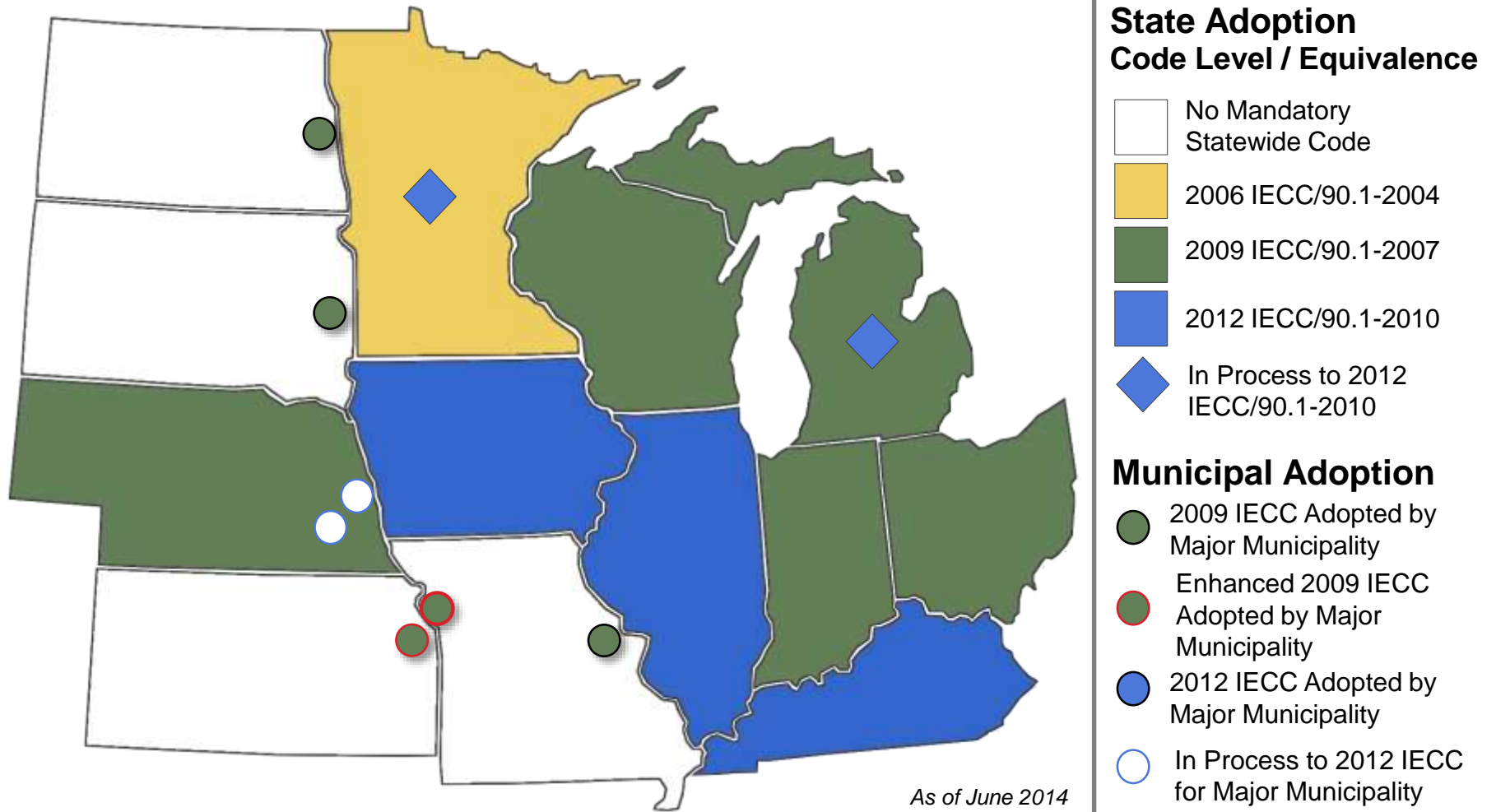
-  Challenge Program Underway in Municipality
-  Legislation In Progress by Municipality
-  Adopted by Municipality

RToS Voluntary Residential Time of Sale Disclosure

Residential Building Energy Code Adoption in the Midwest



Commercial Building Energy Code Adoption in the Midwest



Important State ESPC Policy Components

- Requirement to reduce energy usage, potentially by a defined amount in a defined time frame
- Prequalified providers list
- Document templates
- Single responsible party

Best Practices in ESPCs: States Leading By Example

- Michigan
 - PA 295 (2008): 25% state government energy reduction goal by 2015
 - Required establishment and training of energy reduction coordinators to work with energy and budget offices
 - Performance Contracts coordinated by the MI Department of Management & Budget
 - Prequalified providers list, standardized performance contract process, standardized documents
- Kansas
 - Enabling legislation, simplified procurement, self-funding program
- Wisconsin
 - EO to promote ESPCs in state buildings (2006)
 - Prequalified list of ESCOs, guide which explains process
 - State energy bond fund provides financing for ESPC projects across state facilities

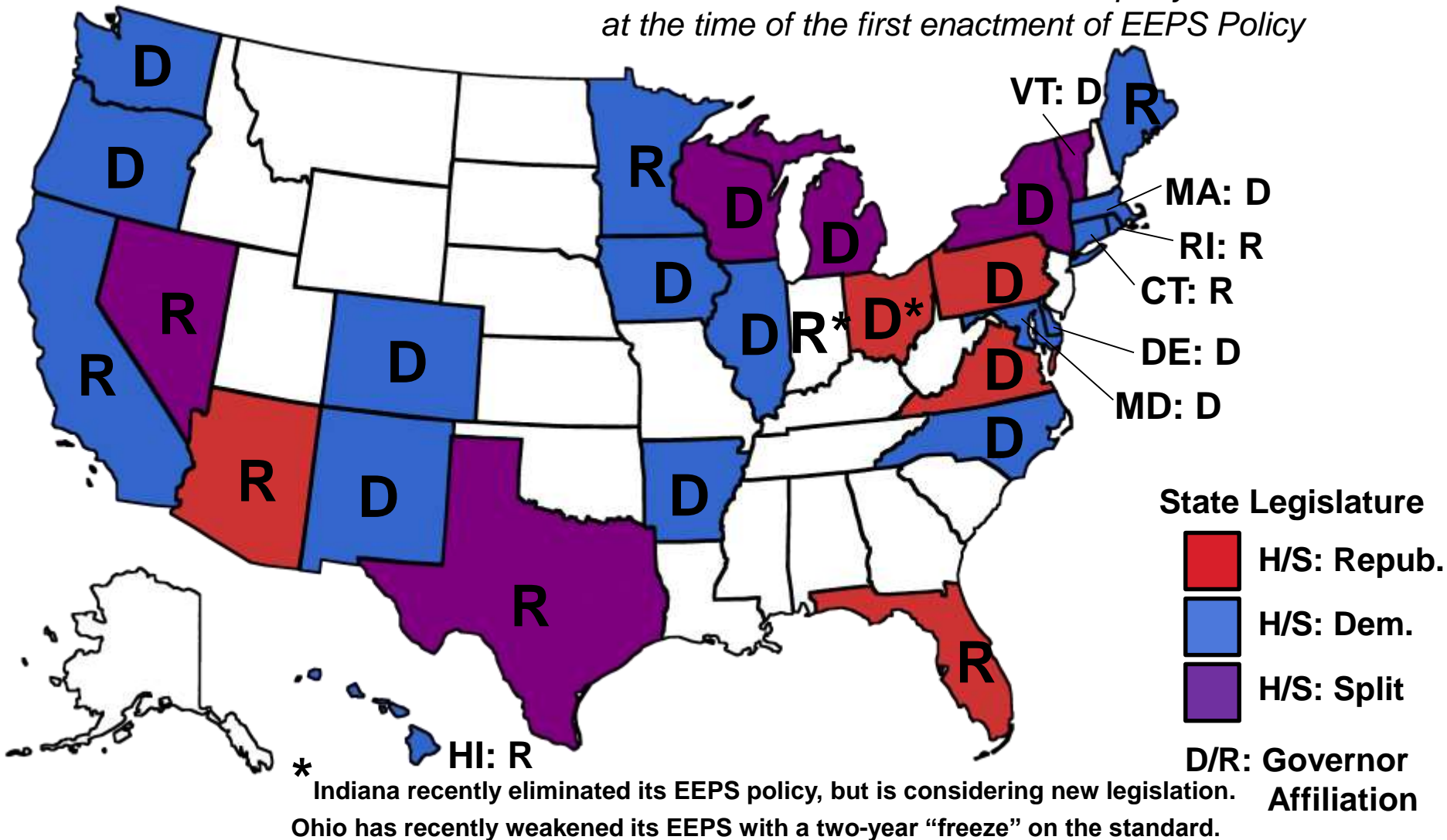
(ESPCs are enabled in every Midwest state)

Midwest Policy Trends

- Energy Efficiency Procurement Standard (EEPS) Rollback Debates (Ohio, Indiana)
- Funding constrained environment for energy efficiency utility programs
- Emerging financing tools
- Big Implications of EPA's Clean Power Plan

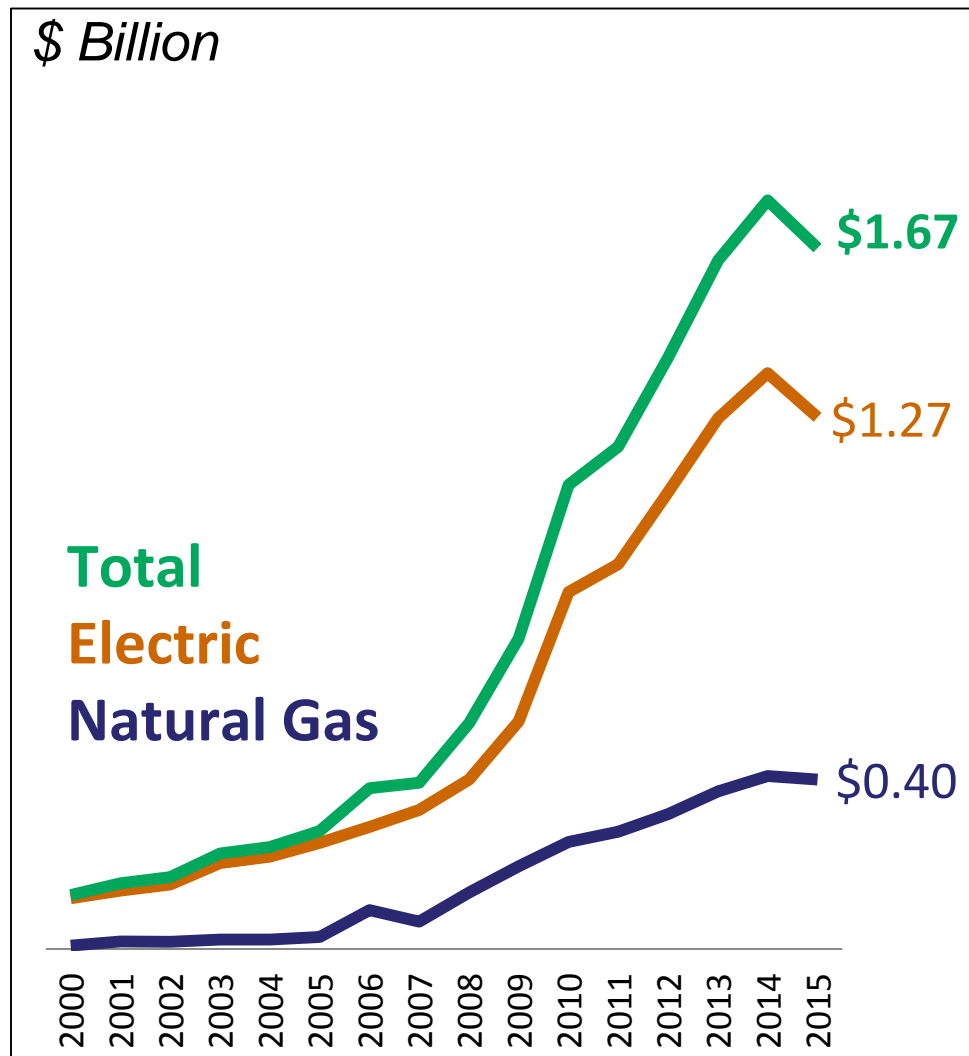
Energy Efficiency is a Bipartisan Issue

State House/Senate and Governor party affiliation at the time of the first enactment of EEPS Policy



Energy Efficiency Policies & Investment in the Midwest

Timeline of Midwest EE Policies		
1983	MN	Pilot legislation
1990	IA	Initial legislation
1991	MN	CIP requirement adopted
1996	IA	Legislation updated
1999	WI	Public Benefit Fund adopted (electric & gas)
2007	IL	EERS legislation adopted (electric)
2007	MN	EERS legislation adopted (electric & gas)
2008	MI	EERS legislation adopted (electric & gas)
2008	OH	EERS legislation adopted (electric)
2008	IA	EE mandated by Executive Order (electric & gas)
2009	IL	EERS legislation adopted (gas)
2009	IN	EERS implemented by regulatory order
2009	MO	Voluntary EE standard legislation adopted (electric)
2010	WI	EERS implemented by regulatory order
2011	WI	EERS adjusted by legislation
2014	IN	EERS overturned by legislation



Midwest Efficiency Targets and Funding Levels

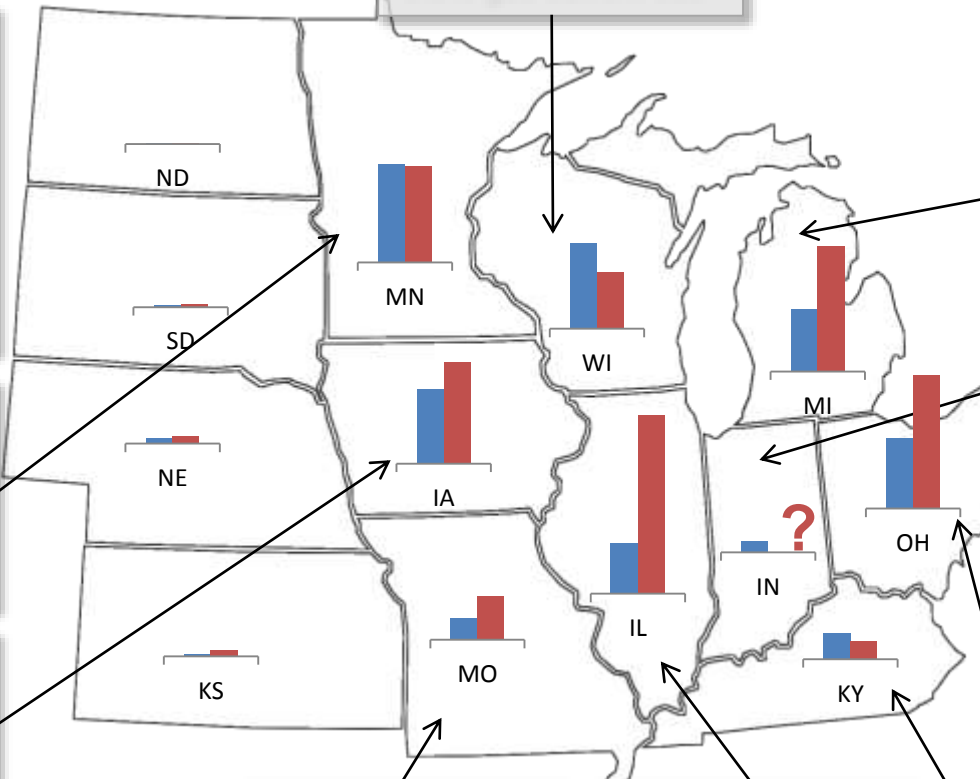
2010 \$1.11 billion
2015 \$1.67 billion

Wisconsin
No specific targets
0.6% elec current est.
0.5% gas current est.

**North Dakota
South Dakota
Nebraska
Kansas**
Voluntary energy efficiency only

Minnesota
1.5% elec by 2010
1.0% gas by 2010
(gas goal reduced by commission)

Iowa
Set on a utility basis
1.2% elec current plans
0.85% gas current plans



Michigan
1% elec by 2012
0.75% gas by 2012

Indiana
Overturned 2014
Future legislation & funding unclear

Ohio
Two-year "freeze" after 2014
Future legislation & funding unclear.

Missouri
IRP process;
Voluntary electric

Illinois
2% elec by 2015
1.5% gas by 2017

Kentucky
Voluntary electric and gas

Challenges & Opportunities

- Upfront costs and financing are a significant barrier to implementing projects
 - Solutions that leverage public and private resources are important to energy efficiency sector growth
- Need for greater education and awareness on value of energy efficiency

Financing

- Increasing standardization of financing products
 - Investor Confidence Project
 - Citi's Green Bond Principles
- New and emerging public-private financing tools
 - On-bill financing
 - Growth of commercial PACE
 - WHEEL: Warehouse for Energy Efficiency Loans (NASEO, Energy Programs Consortium, Renewable Funding)

EPA Clean Power Plan

- Proposed rule under Section 111(d) to regulate carbon emissions
- Released June 2014
- Comment period deadline on proposed rule: October 16, 2014
- Significant role for energy efficiency: considered by EPA to be one of the four main “building blocks” to comply with rule
- Important policy driver over next several years

2015 MIDWEST ENERGY SOLUTIONS CONFERENCE

PRESENTED BY



The Chicago Hilton and Towers, Chicago, IL
January 28-30, 2015

Questions and Contact Information

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