

# States Energy Efficiency Policies

Glen Andersen

Energy Efficiency Institute

June 24 , 2008



NATIONAL CONFERENCE  
*of* STATE LEGISLATURES

*The Forum for America's Ideas*



# Goals of the Presentation

- Provide an overview of state actions on Energy Efficiency
- Offer an update on specific state efforts



# Why are States Interested in Energy Efficiency

- Environmental Issues
- Meeting Energy Demand
- Improve Energy Security
- Energy Independence
- Prevent environmental degradation
- Clean Energy Resource
- Lower Energy Prices
- Economic Development

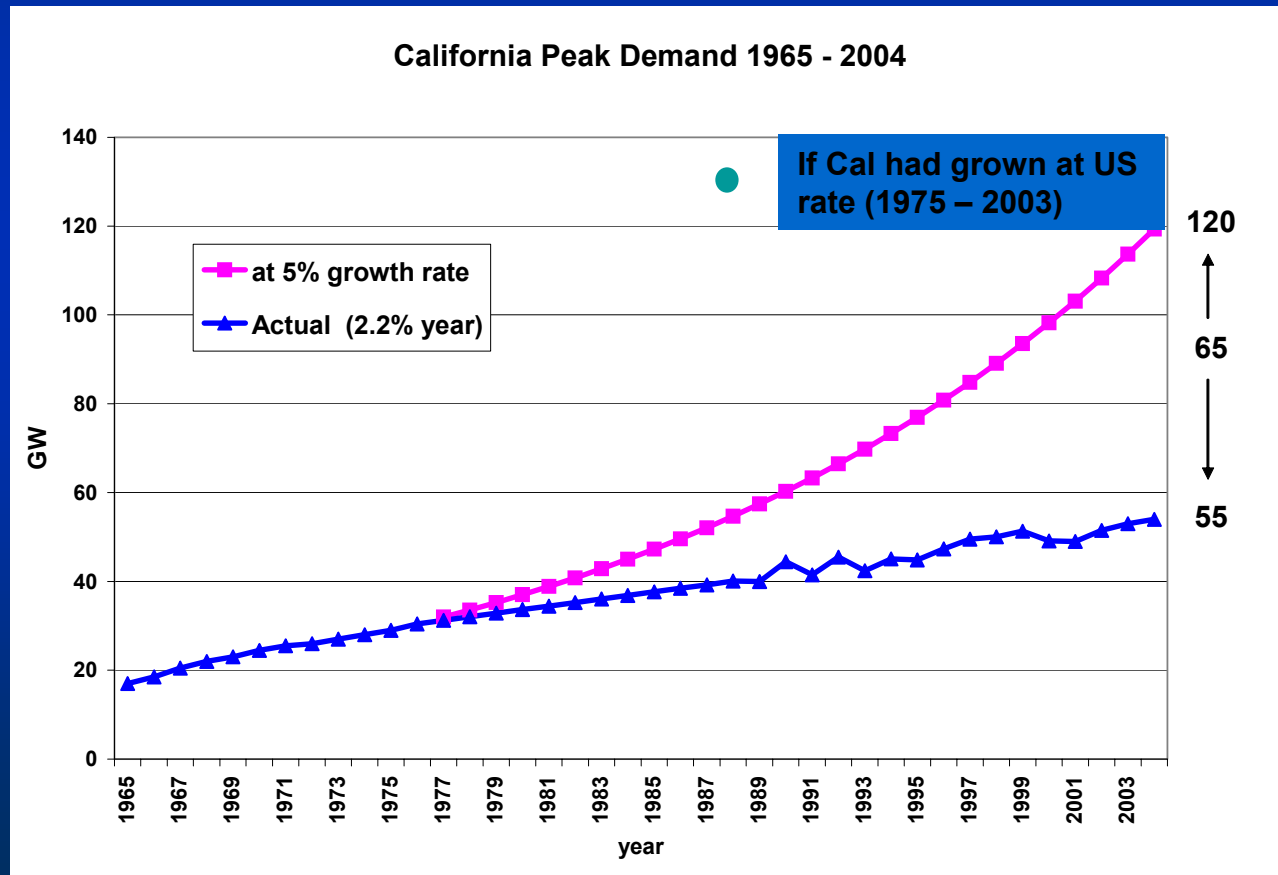


# State Energy Efficiency Policies

- Energy Efficiency Portfolio Standards
- System Benefit Funds
- Tax incentives/Rebates
- Energy Service Contracting
- High Performance Building Mandates
- Residential and Commercial Building/Energy Codes
- State Purchasing Requirements
- Lead by Example
- Appliance Efficiency Standards

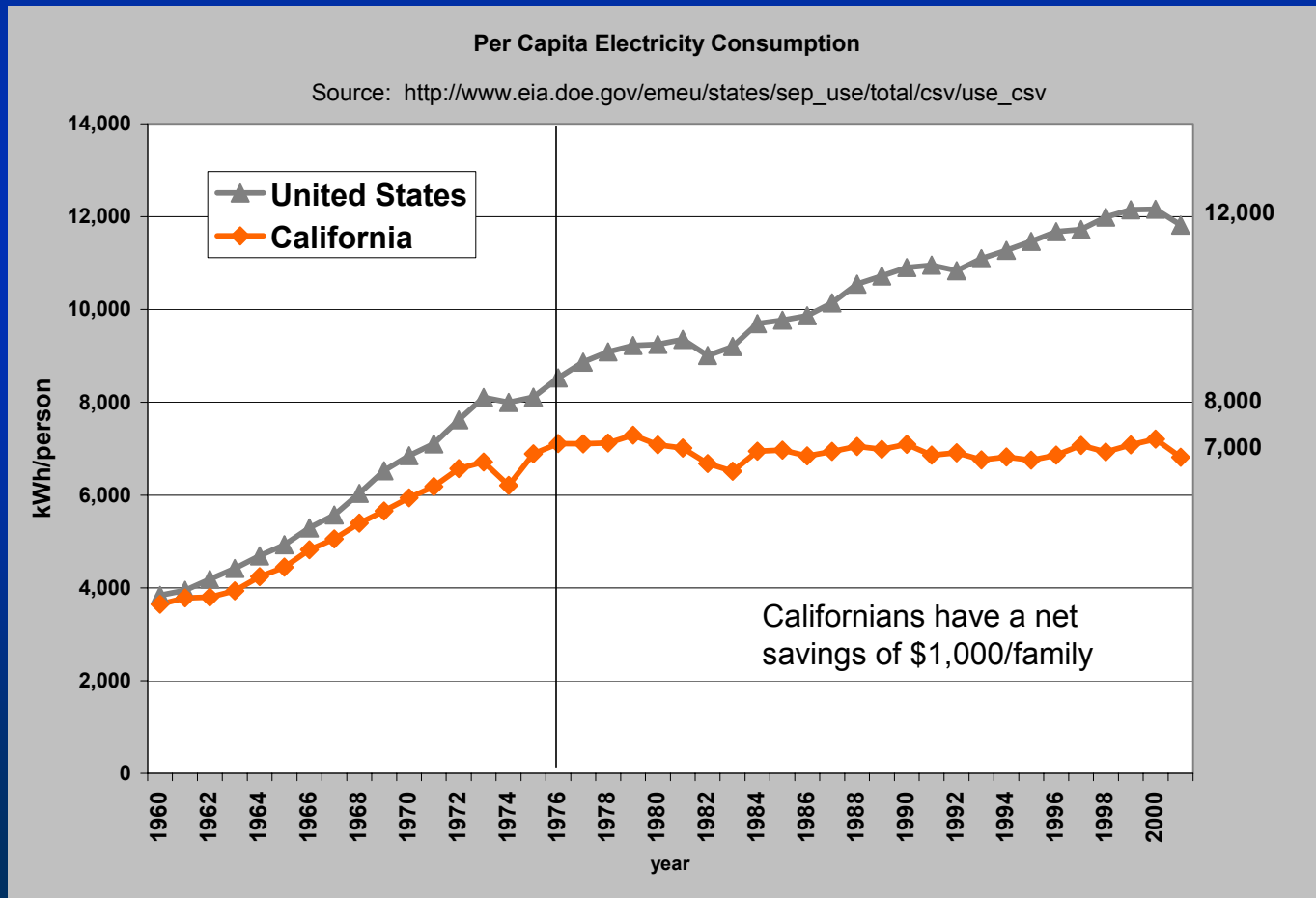


# California's Energy Efficiency Policy



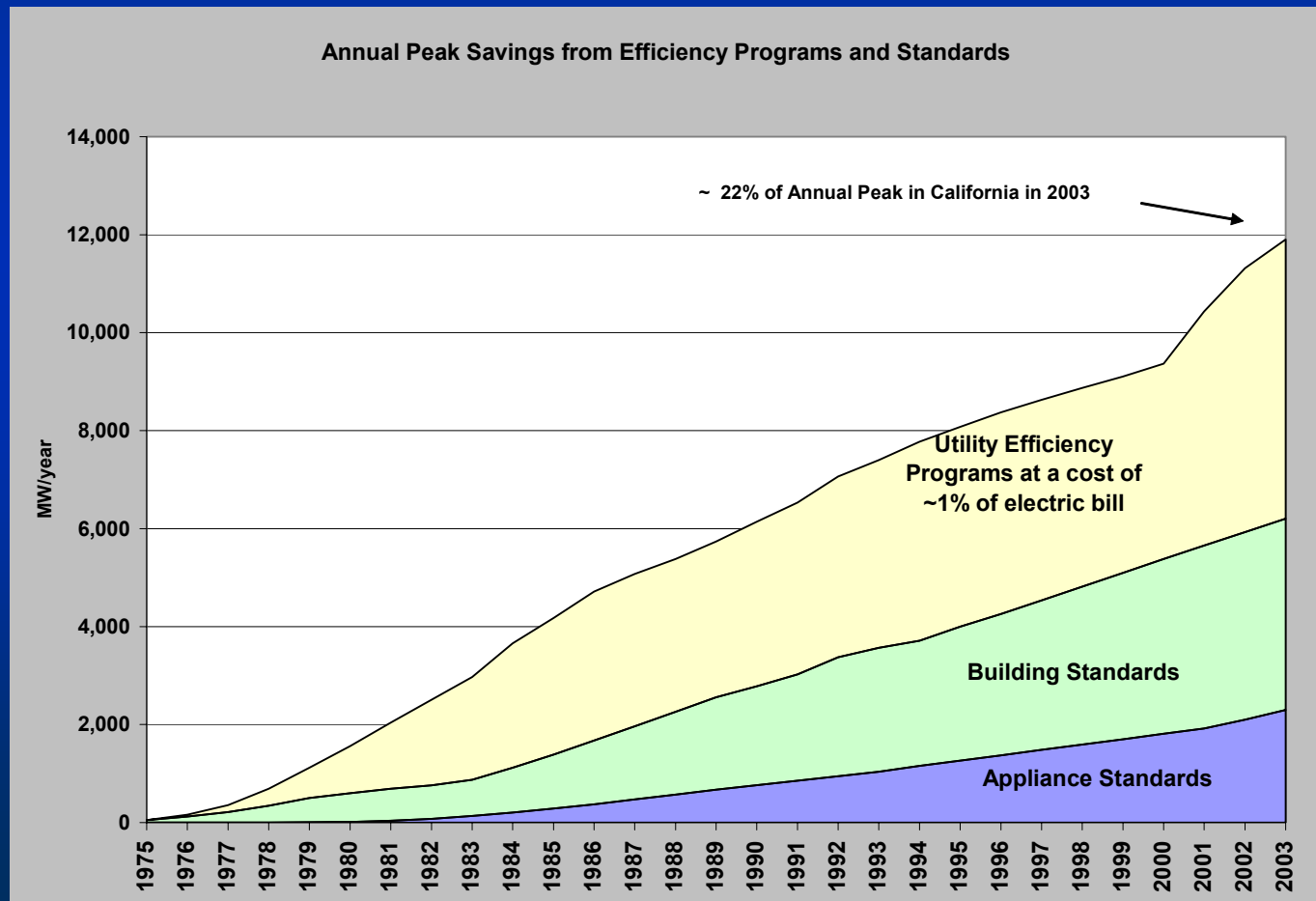


# California's Energy Efficiency





# California's Energy Efficiency Policy





## System Benefit Funds

- 22 states have system benefit funds
  - Funded through small surcharge utility bills
  - For energy efficiency research, weatherization, demand management, rebates, education, energy audits and other efforts.
- Connecticut Clean Energy Fund (Conn. Gen. Stat. §16-245m)
  - Weatherization, energy audits, energy star appliance promotion, building envelope improvements
  - Generating \$4 in lifetime savings for every \$1 of the \$71 million spent in 2006.
  - In 2006, reduced CO<sub>2</sub> emissions by 181,000 tons, NO<sub>x</sub> and SO<sub>x</sub> by 442 tons.





## High Performance Building Policies

- 15 states have passed high performance building requirements: AZ, CA, CO, FL, HI, MD, ME, MA, NV, NJ, NM, RI, SC, SD and WA
- WA SB 5509 (2005)
  - All major state-funded construction and renovation projects on public buildings must be certified to at least the LEED silver standard.
  - Must document their operational savings



# High Performance Building Policies

- Minn. Stat. 16B.325
  - Partially or fully state-funded buildings over 10,000 sq. ft built after 2004 must exceed state energy code by at least 30%.
  - Must use Energy Star equipment.
- MN S.F. 2706 (2008)  
Sustainable Building 2030
  - Create performance standards that reduce energy consumption in buildings by 60% in 2010 (from 2003) increasing to 90% in 2025.
  - Must be incorporated into the mandatory state-funded building guidelines as soon as practical.
- California Green Building Action Plan
  - New buildings must be LEED silver
  - All State-owned buildings must reduce purchased energy by 20% by 2015.



# Energy Efficiency Resource Standards

- 15 states require some amount of demand to be met by energy efficiency.
- Efficiency Vermont (S.B. 137, 1999)
  - Transferred EE programs from utilities to Statewide Utility "Efficiency Vermont."
  - Run by contractor -- must meet savings targets or payment is withheld
  - Met 1% of sales in 2006, plan for 3.5% from 2007-2008
- Next Generation Energy Act, Minnesota (SF 145, 2007)
  - Utility Goal of 1.5 % of retail sales each year.
  - Uses rate design, energy codes, appliance standards, market transformation programs, waste heat recovery, etc.



# Energy Efficiency Resource Standards

- Illinois ( 2007)
  - Increases from .2% in 2008 to 2% per year in 2015
  - Utilities contribute 75% , Dept. of Commerce 25%
- Texas (SB 7, 1999)
  - Electric Utilities must offset 10% of demand growth through energy efficiency
  - Increased to 20 percent in 2007
  - Considering further increases
- New York "15 by 15"
  - Funded through increase in System Benefits Charges beginning October 2008
  - PSC forecasts the effort will save customers over \$4 billion through 2015 and generate thousands of new jobs



# Transportation Efficiency

- State Government Purchasing Requirements
  - Wisconsin requires the state fleets to reduce consumption of petroleum by 10% by 2010 and 50% by 2015.
  - Vermont requires all state government agencies, offices, and department purchases to be among the most fuel efficient vehicles available in each vehicle class.
- California, Connecticut and (WA S 6309) require labeling of CO2 emissions through a environmental impact label.
- Many states offer HOV lanes to Hybrid (or electric) vehicle drivers and tax credits towards their purchase.



# Transportation Efficiency





# Disclosure Laws

- Mandatory Home Energy Efficiency Ratings
  - Kansas H.B. 2036 (Enacted 2007)
    - Homebuilders or realtors must disclose information about the energy efficiency of new homes to potential homebuyers.
    - Energy Efficiency Disclosure Form -- provides homebuyers with disclosure form that allows comparison with national standards.
  - Maine (L.D. 2074, Enacted 2006)
    - Landlords must post energy efficiency disclosure forms prominent location in rental units and provide copies upon request
    - Includes average energy costs, insulation information, fuel type, etc.



# Case Study: Effective, Low Cost Program

- North Carolina's Utility Savings Initiative
  - Provides 25 state agencies and 17 universities with tools to reduce utility expenditures and save energy.
  - Requires each state agency and university to submit an annual strategic energy plan
  - Partnerships between universities and other state departments to provide technical assistance and minimize costs.
  - Uses performance contracting to help finance upgrades and renovations.
  - Has saved \$56 million in energy costs since 2002; \$1 million annual program cost.





# Outlook

- States will continue to pursue and increase energy efficiency for numerous reasons:
  - Increasing energy costs will increase the visibility of energy efficiency as the least cost energy resource.
  - Energy Efficiency is an essential tool in helping states meet renewable portfolio standards and greenhouse gas reduction goals.
  - Energy efficiency will help meet growing energy demand while reducing the need for expensive transmission and distribution investments.



## Contact Information

Glen Andersen

7700 East First Street

Denver, CO 80230

Phone (303) 364-7700

[glen.andersen@ncsl.org](mailto:glen.andersen@ncsl.org)



NATIONAL CONFERENCE  
*of* STATE LEGISLATURES

*The Forum for America's Ideas*

Web Site: [www.ncsl.org/programs/energy/energy2.htm](http://www.ncsl.org/programs/energy/energy2.htm)