Electric Co-op Energy Efficiency Programs

NCSL Legislative Conference
August 7, 2012 in Chicago
Electric cooperatives are:

- Private, independent, non-profit electric utilities
- Owned by the customers they serve
- Incorporated under the laws of the states in which they operate
- Established to provide at-cost electric service
- Governed by a board of directors elected from the membership which sets policies and procedures that are implemented by the co-op’s management
Electric Cooperatives
Electric Cooperatives

- 42 million consumer members
- 47 states
- 840 distribution Co-ops
- 65 generation and transmission Co-ops
- 70,000 employees
- 75% of the US landmass
- 12% of the meters in the US
Cooperative Diversity

• Largest has over 235,000 consumers
  – 24 have over 100,000 consumer members
• Smallest has just 112 consumers
• Co-ops serve rapidly growing territories
  – 24 have grown over 70 % in 10 years
Co-ops interest in Efficiency

• New generation is expensive, happens slowly
• Efficiency can postpone generation expenses
• Consumer-members are asking for it
  – Comfort
  – Lower bills
  – Conservation
Government is gaining interest

- In the 110th Congress - 122 bills
- In the 111th Congress - 138 bills
- In the 112th Congress – Over 150 bills
- Bipartisan interest
  - Energy conservation
  - Jobs
  - Energy security
  - Constituent interest
Rural Energy Savings Program

- Started discussions in late 2009
- Early co-op adopters in SC, KS, IN, IL
- Rep. Clyburn (D-SC) led the efforts
- S.3102/H.R. 4375
  -Introduced in March 2010
  -Passed in the House, Sept. 2010
  -56 House sponsors, 6 Senate Sponsors
  -Ran out of time
RESPA Details

• Loans to co-ops to finance efficiency efforts
  – Coops operate the program
    • Arrange for audits for consumer members
    • Propose improvements to payback in 10 year
    • Hire contractors to install improvements
    • Loan repayment is on the electric bill
    • 10 year loan payback by consumers
      – Co-op pays back RUS over 10 years
RESPA in 2012 & Beyond

• The bill is included in Farm Bills
  – Senate-Passed Bill
    • Authorizes a robust program
  – House Committee Bill
    • Includes relending authority

• USDA Proposed a $250 M Rule
  – Comment period is underway
Co-ops & States Aren’t Waiting

• 96% of Electric Co-ops have Energy Efficiency Programs
• One program is Touchstone Energy’s TogetherWeSave.com
  – A dozen interactive web applications
Prairie Energy, Inc.

• Generation & Transmission Co-op
• Based in Jacksonville, IL
• Ten Distribution Co-op Members
  – Central IL
• Produced the Energy Efficiency Wall
Prairie Energy, Inc.

Energy Efficiency Wall
IL HOME Efficiency Results

- 397,622 Therms of NG
- 889,426 Gallons of LP
- 1,628,462 kwh of electricity
- Nearly 7,000 metric tons of CO₂ eliminated
Wabash Valley Power Assoc.

• Generation & Transmission Co-op
• Based in Indianapolis, IN
  – 26 Distribution Co-op members
  – 4 States – IN, IL, MO, OH
• Started offering EE Programs in 2010
• Invested $745,000 in 2010
  – Saved over 4900 MWh of Electricity
Wabash Valley Power Assoc.

• 2011 Residential Rebate Program
  – Energy Star Clothes Washers - $50
  – Heat Pumps - $150/Ton
  – Freezer/Refrigerator Cycling
  – TE Home – Pay for the Rater

• 2011 Commercial Program
  – Lighting and HVAC

• Over 5,474 MWh saved
Wabash Valley Power Assoc.

• 2012 Program
  – PowerMoves.com
  – Heat Pump Rebates - $150/Unit
  – Heat Pump Water Heaters - $400 Rebate
  – Expanded to Schools and Agriculture
  – 200 Applications to date

• Over 10,000 MWh saved YTD
South Carolina Electric Co-ops

• Low Interest Loans for Efficiency Improvements
• Authorized by S.C. Act 141, 2010
• Created Help My House
  – Partnered with
  – Central Electric Power Co-op &
  – USDA’s Rural Utilities Service
  – 100 Homes
S.C.’s Help My House

• Features
  – Voluntary Participation
  – Low Barrier to Entry
    • Help my House lends at 2.5%
  – Bookend Audits to Verify Energy Savings
How the S.C. Model Works

- Customer Requests an Audit
- Audit is Performed by Trained Expert
- Report ID’s Improvements and Payback
- Customer Chooses to Participate
- Customer Chooses Contractor
- Improvement are Made
- Work is Audited Again
How the S.C. Model Works cont.

• Successful Audit Precedes Payment
• Customer Begins Repayment on the Bill
  – Loan is Attached to the Meter
  – Generally Customer gets 1/3 of the Savings
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