



The Clean Power Plan: State Reactions and Implications for Energy Efficiency

2015 Behavior, Energy, and Climate Change Conference

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American Council for an Energy-Efficient Economy

The American Council for an Energy-Efficient Economy (ACEEE)

- ACEEE is a 501(c)(3) nonprofit that acts as a catalyst to advance energy efficiency policies, programs, technologies, investments, & behaviors
- 50+ staff; headquarters in Washington, D.C.
- Focus on end-use efficiency in industry, buildings, & transportation
- Other research in economic analysis; behavior; energy efficiency programs; & national, state, & local policy
- Funding:
 - Foundation Grants (52%)
 - Contract Work & Gov't. Grants (20%)
 - Conferences & Publications (20%)
 - Contributions & Other (8%)



Agenda

I. Clean Power Plan overview

II. Role of Energy Efficiency

III. State reactions and compliance processes

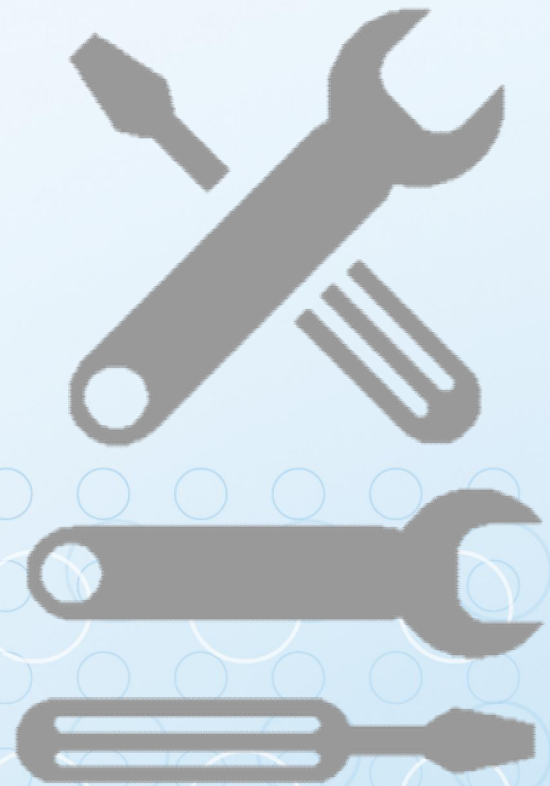
IV. Communicating Energy Efficiency

The Clean Power Plan

- Authority given to EPA under Section 111(d) of the Clean Air Act
- Regulates carbon dioxide emissions (the primary greenhouse gas pollutant) from existing coal and natural gas power plants that have already been built.
- Final rule
 - Sets emission targets for states
- Draft federal plan, and draft EM&V guidance
 - Proposes what a state plan might look like and how
- States autonomy to do things differently from what EPA sets out in final rules
 - Failure to submit state compliance plan → federal plan from EPA

Energy Efficiency as a Pollution Reduction Strategy

- Not the first time energy efficiency has been used as an air quality compliance tool
- “Beyond the fence” vs. traditional pollution abatement methods
- Opportunity for informing air regulators about efficiency, and vice versa



Opportunities for Energy Efficiency

- Utility and non-utility EE programs
- Residential, commercial and industrial measures
- Appliance replacement and recycling programs
- Behavioral programs
- Energy savings performance contracts (ESPC)
- Building energy codes
- Energy benchmarking
- State appliance and equipment standards
- Combined heat and power (CHP)
- Water and wastewater programs

State Reactions

What States Generally Like

- Compliance timeline
- Sets more equitable state goals
- Reliability considerations
- “Trading-ready” plan options
- Allows nuclear as compliance option

...and Don't Like

- Compliance timeline
- Increases stringency of some state goals
- Remains complex and requires analysis
- Costs



Decisions states are weighing now

Request an extension?

Rate vs. mass?

Trade with other states?

How to engage low-income?

Participate in Clean Energy
Incentive Program?

Comment on federal plan, model
rule, EM&V Guidance, or Clean
Energy Incentive Program?



State Planning Authorities

Governor

Department of Health/Environment

- Air Quality Board/Commission
- Technical work groups (AZ)

State Legislature

- Legislative subcommittee on CPP (VA)

Public Utilities Commission

- Supporting agency; oversee programs, reliability, etc.



State Planning Authorities (cont'd)

State Energy Office

- Supporting agency; develop and implement policies and programs

Obligated parties/stakeholders

- Utilities, local governments, industry, etc.



The process we can expect to see in states over the next year

Behind-closed door meetings

Formation of plan development groups/assigning of responsibility

Stakeholder processes

Comments to EPA

Meetings/discussions with other states

2016 submissions and requests for extension



Let's look at a few states...

Michigan

39.4% emission rate reduction
759 lbs CO2/MWh

- Proactive Republican Governor
- Michigan Agency for Energy
- Highly collaborative
- Energy Optimization Standard – at risk



Pennsylvania

34.9% emission rate reduction
587 lbs CO2/MWh

- Political 180°
- Legislative approval required
- Extensive public listening sessions + public comment period
- Act 129



Virginia

36.8% emission rate reduction
934 lbs CO₂/MWh

- Public comment period and stakeholder meetings
- Executive support, legislative opposition
- Governor's Executive Committee to Reduce Energy Consumption in the Private Sector



Communicating Energy Efficiency

- It is a compliance strategy!
- Framing: as a *resource*, or as an opportunity to *reduce energy waste*.
- Enables control over energy consumption, and maintenance of comfort, convenience, and quality of life.
- Benefits industry and businesses – not just homeowners.



Looking Forward

- Avenues – and motives – for compliance planning vary widely by state
- Outward opposition doesn't always mean noncompliance
- Watch the legislatures



ACEEE's Role

Resources for states

- Best practices for energy efficiency program development (stakeholder process guidance, multifamily and low-income programs, state and local lead by example)
- Compliance templates (building codes, EE financing, combined heat and power)
- State Energy and Pollution Reduction (SUPR) Calculator

Technical assistance

Answer States Questions (ASQ)

- Partnership with NASEO and RAP

Resources

EPA State-Specific Fact Sheets: <http://www2.epa.gov/cleanpowerplanttoolbox/clean-power-plan-state-specific-fact-sheets>

ACEEE Section 111(d) Page <http://aceee.org/topics/section-111d-clean-air-act>

NASEO/ACEEE 111(d) Resource Hub <http://111d.naseo.org/>

ACEEE State and Local Policy Database <http://database.aceee.org/>

SEEA Clean Power Plan: <http://www.seealliance.org/policy-initiatives/emerging-initiatives/clean-air/>

MEEA Clean Power Plan: <http://www.mwalliance.org/policy/clean-power-plan>

E&E Clean Power Plan Hub http://www.eenews.net/interactive/clean_power_plan

Questions? Comments?

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Regional Coordination Efforts

