

Energy Efficiency Workshop

EE Programs – Panel 1

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Factors that Influence the Effectiveness of Utility EE Incentive Programs

- Federal Efficiency Standards
- Federal Funding and Tax Incentives
- Building Energy Codes
- Education/Awareness Initiatives (e.g., Energy Star)
- Government Lead by Example
- Market Forces
- Integrated Resource Planning
- Utility Rate Structure and Business Model
- State Energy Efficiency Mandates
- Potential GHG Regulation
- Development of Other Energy Uses/Opportunities

What structures are particularly important to the success of utility administered efficiency programs?

- Stable and supportive state policy
 - ✓ Clear policy directives: Who must deliver programs, what type of programs are required?
 - ✓ Provisions for program design & promotion, monitoring, verification & evaluation
 - ✓ Determination of efficiency opportunity and goals
 - ✓ Performance criteria and enforcement mechanisms
 - ✓ Funding mechanism
 - ✓ Opportunity to experiment
 - ✓ Periodic review of performance, efficiency potential, program effectiveness

Iowa's EE Policy

- Iowa policy calls for the efficient utilization of energy resources to enhance the economy by decreasing dependence on energy resources from outside the state. Iowa Code § 473.3
- Public gas and electric utilities must provide reasonably adequate service, including energy efficiency programs pursuant to Board-approved plan. Iowa Code §§ 476.8, 476.6(14)(EE plan as a whole shall be cost-effective).
- Every 5 years, IOUs assess EE potential; based on findings, IOUs propose comprehensive EE programs (for all customers classes) that are designed to meet approved goals and budgets. Iowa Code § 476.6(16)(b)
- MUNI and REC programs are within discretion of individual utilities; however, recently directed by legislature to conduct assessment of potential and file plans.
- The Utilities Board shall periodically conduct a contested case proceeding to evaluate the reasonableness and prudence of the utility's plan and budget. Iowa Code §476.6(16)(g).

What is “energy efficiency” in Iowa?

- “Energy efficiency measures” include activities on the customers’ side of the meter which reduce customers’ energy use or demand including, but not limited to, end-use efficiency improvements; load control or load management; thermal energy storage; or pricing strategies.
- Energy efficiency plans of regulated IOUs shall include a range of programs tailored to meet the needs of all customer classes, including programs for qualified low-income persons.
- Low-income, trees, education excluded from cost-effective analysis

What Programs Work?

Program B/C 2009	Participant		Ratepayer		Utility		Tot.Resourc		Societal	
	MEc	IPL	MEC	IPL	MEc	IPL	MEC	IPL	MEC	IPL
Res Rebates	1.54	1.51	0.65	1.09	2.79	4.98	0.97	2.02	1.27	2.02
Res Audit	2.65	2.45	2.00	1.00	2.00	4.65	1.55	2.98	2.15	3.27
Res New Construct	1.86	1.42	0.83	1.42	3.75	5.18	1.52	4.70	2.03	5.17
Res Load Mgmt	---	---	0.88	1.91	0.90	1.92	1.91	1.92	2.10	2.11
Commercial Rebate	2.86	2.60	1.42	1.06	16.6	5.12	4.01	3.39	5.59	3.73
Commercial Custom	3.74	1.37	0.73	2.01	5.06	7.53	2.42	3.40	3.38	3.73
Com Audit Sm-Med	2.03		0.65		1.95		1.22		1.66	
Com Audit (Lg)	1.99	4.55	0.94	2.32	4.20	8.62	1.97	6.54	2.65	7.20
Com New Construct	1.59	1.13	1.05	1.74	4.06	4.63	1.64	2.41	2.28	2.65
Com Load Mgmt	19.81	2.17	0.61	2.07	0.62	2.52	5.12	2.54	5.64	2.79
Appliance Recycling	12.81	---	0.49	0.95	1.79	5.77	2.02	9.82	2.48	10.8
Agriculture res	3.86	4.26	0.58	1.74	2.38	13.9	1.77	3.88	2.51	4.26
Multifamily res	5.15	---	0.71	1.36	6.57	4.64	3.52	5.38	4.60	1.36
Low Income res	1.69	---	0.35	0.86	0.55	1.76	0.55	2.04	0.66	2.24

How do programs adjust to changed efficiency standards and policies?

- No incentives for meeting minimum efficiency requirements
- Incentives for supporting compliance with building energy code requirements?
- With changing efficiency requirements, adjust baseline savings for projected energy savings
- Consider impacts of future standards, such as changing Energy Star criteria

Continuing Challenges

- Landlord-tenant problem (commercial and residential)
- Multi-family
- Small Commercial
- Lower Income
- Quality Assurance in new homes