

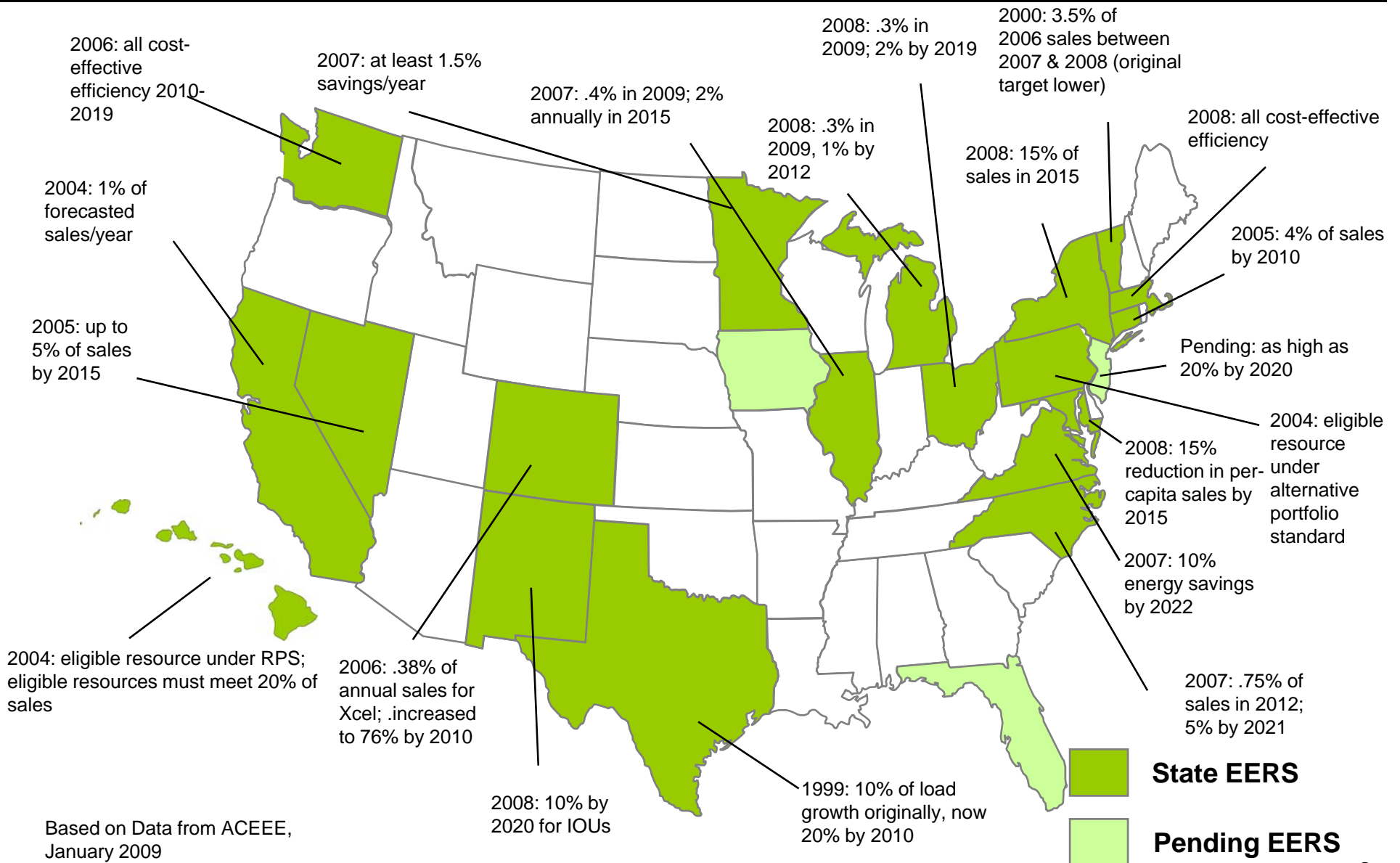
Energy Efficiency Resource Standards: Making Efficiency the First Priority

Energy Future Coalition
February 24, 2009

What is an EERS?

- **Energy Efficiency Resource Standards (EERS)**
 - Require utilities to deliver more energy efficiency for electricity and natural gas
 - Similar to Renewable Portfolio Standard
 - Set a quantified target for savings over a certain period of time
 - Measure and verify results
- **How they work:**
 - Utilities offer rebates for energy efficient products and building/factory efficiency improvements
 - State Public Utility Commissions determine how ratepayers compensate utilities
- **Proven and effective:**
 - 18 states have adopted an EERS
 - 3 more states have EERS policies in the works.
 - CA, VT achieving ~2% efficiency savings annually

State Policy Action: Energy Efficiency Resource Standards in 2009



Unlocking Efficiency With a National EERS



- DESC, EFC, and others support:
 - National Energy Efficiency Resource Standard
 - 15% electricity savings and 10% natural gas savings by 2020
 - Let states determine incentive structure for utility companies and ratepayers
 - Credible and workable measurement and verification
- What kind of efficiency qualifies?
 - End use energy efficiency – buildings, lighting, HVAC, insulation, appliances, data centers
 - Distribution efficiency
 - Industrial efficiency – waste heat, combined heat and power
 - State building codes and standards that are stronger than federal standards

Benefits

- **Cheaper:** Saves \$144 billion in utility bills.
 - Mature programs deliver energy efficiency for 3 to 4 cents per kWh.
 - New power costs 8 to 10 cents (or more) per kWh.
- **Cleaner:** Little or no GHG emissions. Eliminates need for more than 300 power plants.
- **Faster:** A new coal power plant takes 6 to 8 years to permit and build. A new nuclear plant will take over a decade to permit and construct. Efficiency is available today.
- **Bigger:** Efficiency can supply most or all electricity demand growth through 2030.
- **Better:** Drives sales of energy efficient products. Creates 260,000 net jobs

Policy Action



- Obama position consistent with DESC/EFC position
- Rep. Ed Markey (D-MA) has introduced H.R. 889, consistent with the DESC/EFC principles
- May be included in House energy and climate legislation, which is moving quickly
- No Senate legislation to date, but Senate expected to move quickly
- How can DESC most effectively engage policy makers?