

The State Energy Office Perspective on Energy Efficiency in the PJM Wholesale Market

September 30, 2013

+ Presentation Outline



- Background on NASEO and the State Energy Offices
- Driving Energy Efficiency
 - Policies and Plans
 - Program
 - Financing
- Capturing Energy Efficiency in PJM Wholesale Markets
 - Opportunities for Collaboration
 - Questions Going Forward



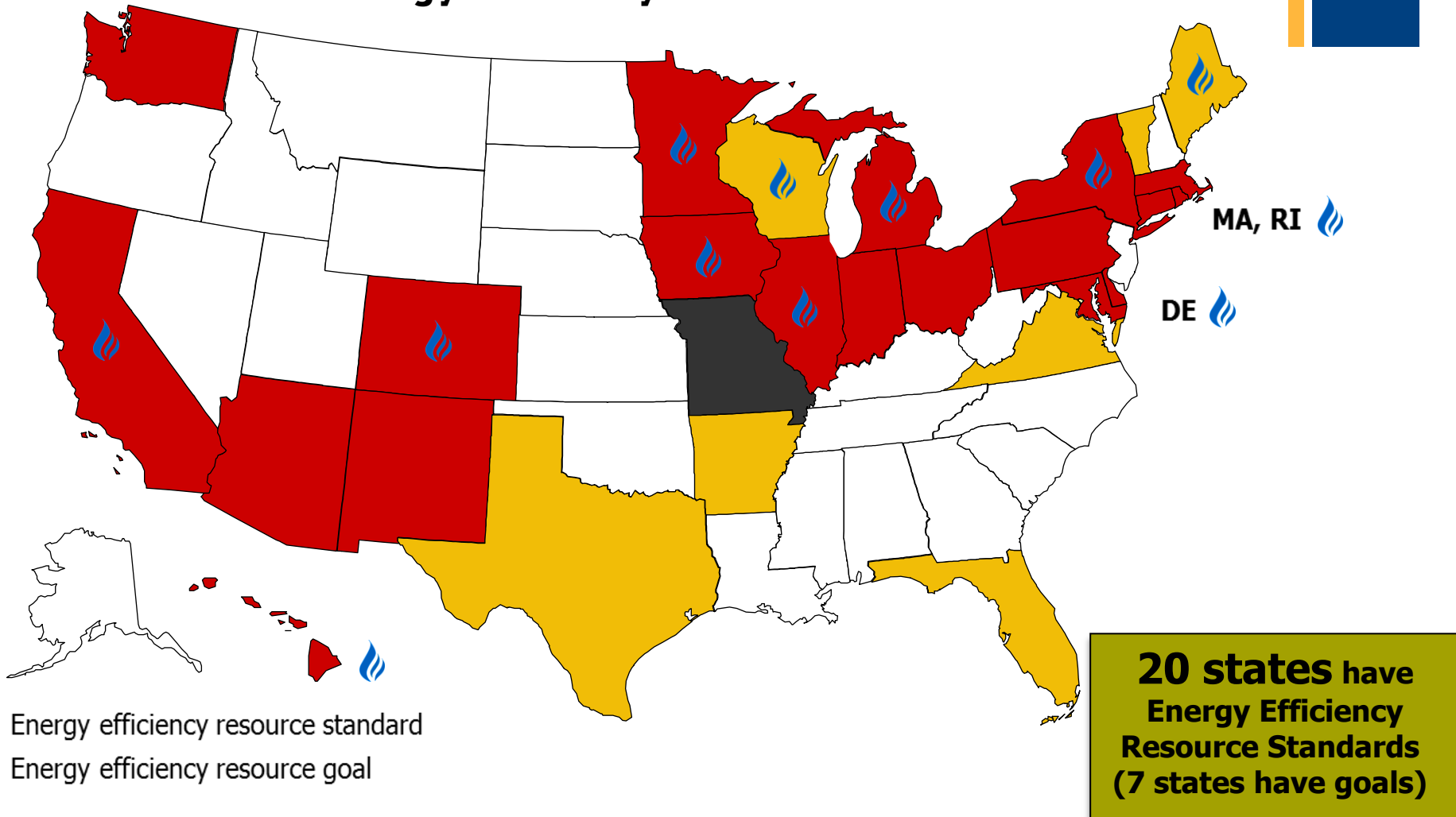
Background



- Membership includes the 56 Governor-designated energy officials from each state and territory
- SEOs are important agents of change that:
 - Advance practical energy policies
 - Support energy technology research, demonstration, and deployment
 - Partner with the private sector to accelerate energy-related economic development and enhance environmental quality
- NASEO is organized through a committee and regional structure

+ Driving Energy Efficiency: Policies

Energy Efficiency Resource Standards





Driving Energy Efficiency: Plans



“The best way to lower individual energy bills and collective energy rates is to use less energy. Reducing energy costs through conservation, energy efficiency, and demand response programs lowers the cost of doing business in the State, enhances economic development, and advances the State’s environmental goals.”

- 2011 New Jersey Energy Master Plan

“Establish, in tandem with electric utilities, an energy savings target for utility energy efficiency initiatives. This will help reinforce the concept that energy efficiency is a quantifiable energy resource.”

- 2013 – 2017 West Virginia Energy Plan



Driving Energy Efficiency: Programs

Residential Sector in New Jersey



Home Performance with Energy Star

Budget	\$39,358,734
Annual energy savings	2,830 MWh
Participants	3,702
Demand Reduction	814 KW



Driving Energy Efficiency: Programs *Public Facilities in Maryland*



State Agency Loan Program	
Budget (FY12)	\$2.5 million
Annual energy savings	3,000 MWh equivalent
Annual cost savings	\$360,000
Leveraged Funds	\$22.5 million



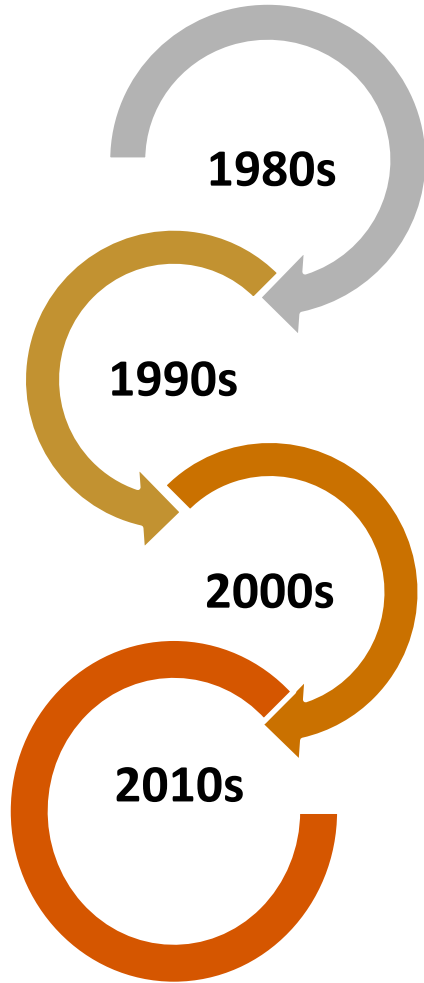
Driving Energy Efficiency: Programs *Industrial Facilities in Ohio*



Energy Efficiency Programs for Manufacturers (est. 2002)

Program Requirement:	15% energy use reduction from existing conditions
Cumulative investment:	\$25 million
Annual energy savings:	79,000 MWh
Annual cost savings:	\$13 million

+ Driving Energy Efficiency: Financing



1980s

- Revolving loan funds; experimentation with programs for public facilities (heralding energy savings performance contracting)

1990s

- Risk-oriented technology innovation funds; focus on commercialization more prominent

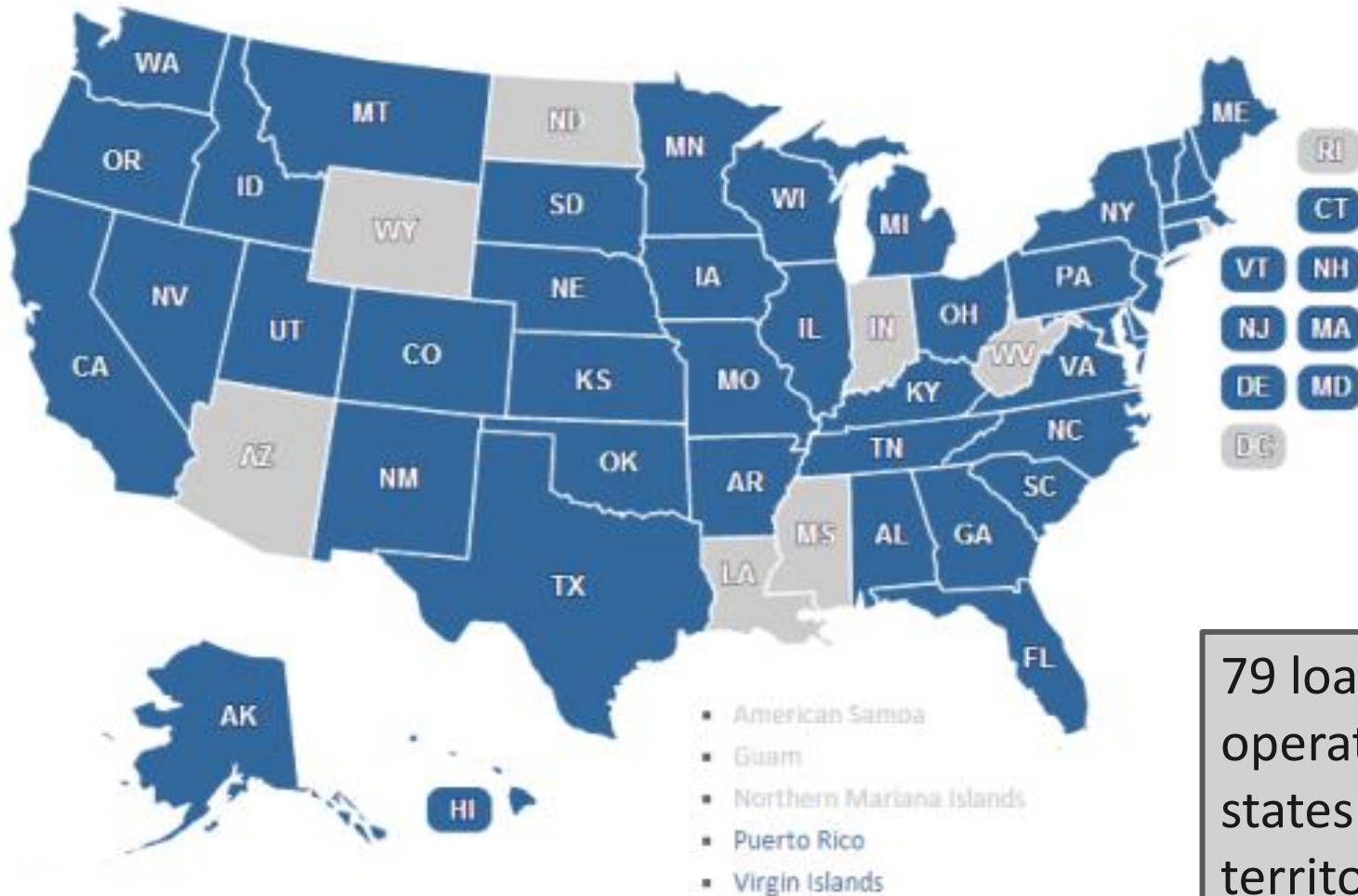
2000s

- Accelerated use of public benefit funds for cost-effective efficiency and renewables

2010s

- Expansion of public-private partnerships, targeting market barriers in all sectors and increasingly sophisticated mechanisms.

+ Driving Energy Efficiency: Financing



79 loan programs operating in 44 states and territories



Opportunities for Collaboration:



- Information sharing:
 - Forecasting
 - Market participation statistics
 - State energy program and policy design
- Outreach and education to the private sector



Questions:

- In states across the PJM region:
 - How does the use of different cost-effectiveness tests, or different applications of the same test, affect the deployment of energy efficiency in the wholesale market?
 - How does the application of different EM&V protocols affect the deployment of EE in the wholesale market?
 - How would more widespread and fully implemented decoupling practices affect EE in the wholesale market and state energy program design?*

*Not an endorsement of decoupling, just food for thought.





Questions?
Thank you!

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