

# SEEA Policy Highlights



January 2014

## Staffing: Launching the New Year with a “Bang” of New Talent

---

### Industry Expert Bob Balzar Joins SEEA as Utility Policy Advisor



SEEA is pleased to announce that the Tennessee Valley Authority’s (TVA) principal consultant for external relations, Bob Balzar, will serve as its strategic advisor for a three-month period beginning January 2014. During his work assignment with SEEA, Bob will advise the senior management team for 25 percent of his time as it continues to advance energy efficiency policy and programs across the gas and electric utilities sector in the southeast region. His specific areas of focus will include the development of concepts that support a new utility business model; SEEA outreach to assist utilities in addressing the requirements of Section 111(d) of the Clean Air Act; and engaging new organizations, both utilities and businesses, in SEEA’s highly regarded membership program. Bob has been a tremendous resource to SEEA’s over the years, and SEEA looks forward to working with him in this new role.

### Welcoming SEEA’s New Energy Codes Manager Lauren Westmoreland



SEEA is excited to welcome Lauren Westmoreland as our new Energy Codes Manager. Lauren, who comes to SEEA from Advanced Energy, is a registered architect with in-depth technical field experience on both residential and commercial energy codes. Lauren has worked closely with SEEA in the past developing content for SEEA’s *Success with Energy Codes* manuals and serving as an instructor for energy code trainings. In addition to her in-depth codes knowledge, Lauren has extensive experience working with utility energy efficiency programs and is a registered architect. Lauren has a Masters in Architecture from North Carolina State and a Bachelors in Architecture from Georgia Tech.

### SEEA Acknowledges the Significant Contributions of Outgoing Energy Codes Associate Roxanne Greeson

In January, Energy Codes Associate Roxanne Greeson will be leaving SEEA to pursue a graduate degree through Georgia State’s Instructional Design and Technology Masters program, supporting her longer term career goal of becoming a technical college instructor. SEEA wishes Roxanne the best of luck in this new chapter, and thanks her for all of the valuable contributions she’s made to our energy codes program. SEEA hopes to hire another Energy Codes Associate, with a targeted start date in Q2. Roxanne will continue as a part-time consultant through the end of Q1.

## Utilities and Public Service Commissions

---

### DOE Awards Arkansas and Mississippi \$1 Million in Partnership with SEEA to Ramp up Statewide Utility Energy Efficiency Initiatives

# SEEA Policy Highlights



January 2014

SEEA is delighted to announce that Arkansas and Mississippi have received \$1 million in funding from the U.S. Department of Energy (DOE) to advance policies and programs that encourage cost-effective, utility investments in energy efficiency. The monies are part of DOE's competitively awarded State Energy Program (SEP) projects, and were the only two "Area of Interest 2: Stimulating Energy Efficiency Action in States" awards made. Over the three-year cooperative agreement horizon, which is slated begin in February, SEEA will serve as the primary contractor in both states, facilitating policy and program initiatives in partnership with local implementers. Mississippi also received a \$100,000 Area 1 award for addressing barriers to industrial energy efficiency and combined heat and power.

Thirteen states received a combined \$4 million in SEP monies, including four additional southeastern states: Alabama, Kentucky, South Carolina and Tennessee. Nearly half the funding awards (7/16) were made to southeastern states, and more than one quarter of the funds were awarded to Mississippi and Arkansas, a reflection of the strong momentum and impact that energy efficiency is having in this region. SEEA congratulates the funding recipients – especially those in the Southeast – and looks forward to leveraging this capital to enhance energy efficiency as a driver of a vibrant regional economy.

## *Mississippi*

The Mississippi Development Authority (MDA), in collaboration with SEEA, received a \$500,000 award to support the effective implementation of the state's recently passed energy efficiency rules. This award constitutes Phase II of a 2010-2013 Stimulating Energy Efficiency Action in Mississippi cooperative agreement, and will strategically build upon the existing cooperative agreement to transform Mississippi's energy efficiency marketplace, generating new opportunities for economic development, job creation and energy security.



## *Arkansas*

Also the recipient of a \$500,000 DOE award, Arkansas will partner with SEEA and others to strengthen its state policies and programs through best practices and innovative approaches, with the goal of enhancing utility investment in the Arkansas energy efficiency market.



Already a leader in the Southeast, thanks to a strong public service commission and utility leadership, Arkansas passed its first energy efficiency rules in 2007 and followed up with an Energy Efficiency Resource Standard in 2010. As a result, the state has effectively created a template for energy efficiency advancement in the region. Following Arkansas' example, both Louisiana and Mississippi adopted their first energy efficiency rules this past summer.

For more information on the awards, visit <http://goo.gl/XYZLW6>.

## **SEEA Supports Rollout of Mississippi's Landmark Energy Efficiency Rules**

Since the passage of Mississippi's landmark energy efficiency rules in July, SEEA has been working closely with the Mississippi Public Service Commission (MPSC) and MDA to develop strategies and provide

# SEEA Policy Highlights



January 2014

resources for their successful rollout. In November, MPSC and MDA co-hosted an Energy Efficiency Workshop. The event was a resounding success, with approximately 100 high-quality attendees, and presentations from the American Council for an Energy-Efficient Economy (ACEEE) and Arkansas Public Service Commission. SEEA looks forward to continuing to support the MPSC and MDA's leadership on future energy efficiency initiatives.

On the heels of the workshop, ACEEE released *A Guide to Growing an Energy-Efficient Economy in Mississippi*, a program and policy study that identifies "strategic, actionable opportunities for Mississippi to consider to expand and perpetuate its energy efficiency efforts over the next decade." MDA and SEEA commissioned and closely advised on the report to identify the ripest in-state energy efficiency advancement opportunities. The study can be found at <http://goo.gl/FcVEDE>.

As SEEA and other stakeholders provide technical assistance and strategic perspective, the state's utilities are finalizing Quick Start plans, which all jurisdictional utilities with 25,000 meters or more will be required to file no later than January 11, 2014. Once these Quick Start plans are submitted, SEEA will continue to advise and support the successful rollout of the programs.

## **Louisiana Public Service Commission Hosts Energy Efficiency Technical Conference**

In November, the Louisiana Public Service Commission hosted a technical conference to discuss protocol, logistics and concerns regarding implementation of the statewide energy efficiency rules passed in August. Among the topics discussed were cost recovery, plan filing, annual reporting, staff review and audit, the rules' industrial opt-out provision and more. SEEA provided regional context and recommendations on Quick Start program design, and will continue to engage in ongoing proceedings.

Utilities' first filing deadline for budget guidelines and energy efficiency rate riders is set for February 1. Program plans will be filed in June and will begin in October, and accordingly utilities are anticipated to issue program implementation Requests for Proposals (RFPs) after the rate riders are approved.

## **North Carolina Technical Reference Manual Work Underway**

Discussion are currently underway to create a statewide technical reference manual (TRM) for North Carolina, and SEEA is participating and providing regional perspective. Advanced Energy facilitated several meetings with key stakeholders 2013 and will be organizing monthly meetings to advance this effort in 2014. These meetings will discuss key issues and protocols, as well as survey best practices from existing state or regional TRMs.

## **SEEA Presents Best-Practice Recommendations at TVA Energy Efficiency Information Exchange**

In mid-January, SEEA will present a targeted set of recommendations to the Tennessee Valley Authority (TVA) and other stakeholders gathered at TVA's Energy Efficiency Information Exchange (EEIX). This stakeholder group, formed to address Demand Side Management (DSM) considerations for TVA's upcoming 2015 Integrated Resource Plan (IRP), is composed of diverse representation, including state

# SEEA Policy Highlights



January 2014

energy offices, local power companies, advocacy groups and the Tennessee Valley Public Power Association (TVPPA). SEEA’s presentation includes an analysis of regional trends, highlight of TVA’s strengths, recommendations for TVA growth (such as opportunities to expand and streamline programs) and examples of model energy efficiency programs.

SEEA emphasizes a collaborative approach to problem solving, providing stakeholders with perspective and recommendations on regional trends, lessons learned and best practices. Accordingly, SEEA has earned a respected reputation across the region and has been regularly invited to participate in numerous state-based forums such as TVA’s EEIX.

## Regional News

---

### ACEEE Scorecard Demonstrates Momentum for Energy Efficiency in the Southeast



The seventh edition of the American Council for an Energy-Efficient Economy’ (ACEEE) State Energy Efficiency Scorecard, released in November, is a testament to the tremendous amount of progress in the Southeast over the past several years. While southeastern states have historically fallen in the lower tiers of the rankings, several states have substantially improved their standings, as a result of increased momentum for energy efficiency in the region.

Notably, Mississippi was named one of ACEEE’s “most improved states,” rising from 51 to 47. According to the press release, “Mississippi is now set to become a regional leader in energy efficiency.” The entire report can be found here: <http://goo.gl/XUOACf>.

### TVA Announces Closure of Eight Coal-Fired Generation Units

In November, TVA announced the pending closure of eight coal generating units in Alabama and Kentucky. The decision was prompted by a combination of forthcoming environmental requirements, an aging generation stock, declining energy consumption and low natural gas prices. TVA is one of the nation’s biggest users of coal for electricity generation, and the units that are being shut down constitute some of TVA’s largest coal-fired units. TVA’s press release on the closures is available here: <http://goo.gl/6CmnID>.

The changes that TVA is experiencing are being felt by many other major utilities across the country, and they point to significant opportunities for enhancing energy efficiency within utility portfolios. SEEA is actively engaging with utilities across the region to support and facilitate industry discussions on adapting utility business models to the transition into an energy services economy.

# SEEA Policy Highlights



January 2014

## Arkansas Public Service Commission and Its Utilities Move Ahead with Expanded Energy Efficiency Programs

In January 2013, the Arkansas Public Service Commission (APSC) opened Docket No. 13-002-U to address efficiency-related policy issues critical to establishing the next three-year cycle of energy savings targets under the state's Energy Efficiency Resource Standard. In April, the Parties Working Collaboratively (PWC) – a collaborative of the state's major investor-owned utilities and other stakeholders – requested a statewide energy efficiency potential study to inform these targets, and in September, the PSC ordered the PWC to develop and submit to the Commission for its approval a Request for Proposal (RFP) describing detailed recommendations for the study. In addition, the PWC were asked to provide a recommendation on “a reasonable third-party estimate” of the cost of compliance with carbon regulation to inform energy efficiency program evaluation.

In November, the PWC submitted their RFP and recommendations for approval; the RFP is currently confidential, due to sensitive information that may impair competitive bidding for the potential study. The PWC and other parties were largely in agreement on the parameters of the potential study and other key issues raised in the directive; however, all parties were not able to agree on a specific carbon compliance cost recommendation. The major issues in dispute are the timing, price and escalation rate for applying carbon compliance costs.

Testimony given on behalf of the general staff, independent evaluation monitor, PWC, Attorney General and others can be found at <http://goo.gl/motVIU>. The Commission is expected to rule on the majority of these issues in early 2014.

## Georgia Power/Georgia Public Service Commission Reach Agreement on Rate Increases

The Georgia Public Service Commission (GPSC) has approved a settlement in a Georgia Power rate case that puts in place \$466 million of stepped rate increases for Georgia Power customers over the next three years. For more information on the agreement, visit <http://goo.gl/3KV1EX>.

Rate increases underscore the importance of growing energy efficiency's share of the utility resource portfolio. Energy efficiency is a least-cost resource that reduces usage, lowering consumer bills directly, and decreases system-wide costs.

## FEECA to Be Revisited in 2014



The Florida Energy Efficiency and Conservation Act (FEECA) requires utilities with sales of 2,000 GWh or more to reduce the growth rates of electrical demand and energy consumption by implementing cost-effective energy efficiency programs. It also establishes the authority for the Florida Public Service Commission (FPSC) to set targets for both energy and peak demand savings.

Per statutory requirement, FEECA targets are revisited at least every five years. The last update was in 2009, and the next update will occur in 2014, with formal proceedings beginning in

# SEEA Policy Highlights



January 2014

April. SEEA will be an active participant in the goal development process, providing regional perspective and information on best practices.

FEECA impacts seven Florida utilities: Florida Power & Light Company, Florida Public Utilities Company, Gulf Power Company, Jacksonville Electric Authority, Orlando Utilities Commission, Progress Energy Florida Inc. and Tampa Electric Company.

## Regional Utilities Join MISO South Region

In December, utilities in Arkansas, Louisiana, Mississippi, Missouri and Texas officially became a part the Midwest Independent Transmission System Operator (MISO). This grid integration – the largest ever – is anticipated to streamline grid management activities and promote grid reliability and efficiency through coordinated dispatch and regional planning efforts.

The integration added 33 new market participants across the Southeast, creating a new planning region, known as “MISO South.” It includes Entergy (Arkansas, Mississippi, Louisiana, Texas, Gulf States and New Orleans), Cleco Corporation, Lafayette Utilities System, Louisiana Energy and Power Authority, Louisiana Generating, South Mississippi Electric Power Association and East Texas Electric Cooperative. In 2012, an independent industry analysis projected \$1.4 billion in savings over a 10-year period as a result of the integration. For more information on the integration, visit <http://goo.gl/xnKNGD>.

Despite the success of the MISO integration, on the other end of the spectrum, Entergy’s proposal to merge its transition network with ITC Holdings was called off based on regulators’ concerns about costs. In early December, the Mississippi Public Service Commission (MPSC) rejected the proposal, which would have required approval of all five regulatory bodies in the four states Entergy serves. More information on the decision can be found at <http://goo.gl/8clflf>.

## Emerging Utility Initiatives

---

### New Utility Business Model Conversations Underway

Energy utilities face numerous and daunting challenges. In addition to more stringent federal regulations, increased competition from natural gas suppliers and dramatic shifts in technology are reshaping the landscape for energy generation and end-consumer energy management.

SEEA is actively engaging with utilities across the region to support and facilitate industry discussions on adapting utility business models to the transition into an energy services economy. Driven by SEEA’s commitment to facilitating constructive dialogue and steadfast pursuit of “win-win” solutions, SEEA has been, and continues to be, an active participant in utility business model conversations with utilities. In 2014, SEEA will continue to engage and support utilities, regulatory authorities and the broader stakeholder base of energy technology developers, non-utility energy service providers and energy

# SEEA Policy Highlights



January 2014

consumers as we work to develop innovative strategies and support the resilience of southeastern energy utilities. SEEA will support this effort through convening opportunities, the facilitation of constructive dialogue and providing regional perspective and connectivity.

## **SEEA Highlights Role for Energy Efficiency in Complying with Federal Climate Regulations**

In June, the U.S. Environmental Protection Agency (EPA) will issue draft standards for regulating greenhouse gas emissions from existing sources, with the goal of issuing final standards by June 1, 2015. Following their release, states will be required to submit plans for implementing them by June 30, 2016.

While it is likely that these regulations will be litigated, if and when they take effect, they will require adjustments on the part of the energy generation sector. Specifically, they are likely to present challenges to the many states in the SEEA footprint that rely currently on coal-fired energy generation. Recognizing the importance of decreasing greenhouse gas emissions in a way that does not hinder regional economic growth or place southeastern states at a competitive disadvantage, SEEA has taken the proactive approach of encouraging energy efficiency as a least-cost pathway for complying with the forthcoming regulations. The legal challenges to the EPA's regulatory authority to issue these new standards notwithstanding, energy efficiency can play a central role in helping states and utilities meet any future carbon dioxide (CO<sub>2</sub>) emissions standards or guidelines for existing plants.

In conjunction with four of its sister Regional Energy Efficiency Organizations, SEEA submitted comments to EPA that lay out recommendations for incorporating energy efficiency as a compliance pathway for meeting the forthcoming standards. These comments are available at <http://goo.gl/Mh17iQ>.

The public stakeholder process for developing the draft regulations closes around mid-January 2014, and another comment period is anticipated to open after the draft rules are released in June. Comments may be submitted at <http://goo.gl/Xo2Lil>.

## **Building Energy Codes**

---

### **Efficiency Gets a Vote at 2015 IECC Final Action Hearing**



This fall, SEEA attended the 2015 IECC Final Action Hearing in Atlantic City, New Jersey, along with a dozen voting representatives from the Southeast – many of whom SEEA recruited and submitted code change requests that were approved. Hundreds of proposals were considered at the hearings, which determined the content for the next iteration of the nation's model codes for new construction and major renovations.

Several significant provisions were passed, including RE-188, which adds a new voluntary performance pathway, or Energy Rating Index. In addition, the hearings marked the successful defeat of RE-166, which would have allowed home builders to “trade off” short-lived

# SEEA Policy Highlights



January 2014

mechanical equipment efficiencies meet the performance-based approach to energy code compliance. Both proposals were marked by in-depth debates, as demonstrated by the lengthy line at the microphone in this picture!

## **Arkansas Residential Energy Code Adoption Negotiations Continue**

Currently, the Arkansas Energy Office is negotiating with the Arkansas Home Builders Association to reach an agreement on measures for inclusion in the state's residential code update. Due to changes in duct and HERS testing requirements, the administrative process will be restarted in 2014, and will include another opportunity for public comments. SEEA is coordinating with groups like the American Chemistry Council (ACC) to foster support for the code updates.

## **SEEA and MDA Cultivate In-State Capacity through Commercial Code Trainings**

The Mississippi Development Authority (MDA) has established in-state technical expertise and workforce development resources by contracting with an in-state trainer, Chad Moore, to provide trainings on ASHRAE 90.1-2010, which was adopted as the state's commercial code in July 2013. Additionally, SEEA has negotiated a deal with ASHRAE national and the local chapters to work more effectively within MDA's budget, while providing MDA the resources that they need.

## **Duct Testing Implementation at Issue in Louisiana**

The Louisiana State Uniform Construction Council is holding a rules meeting on January 14th with the Technical Code Study and Advisory Committee to consider delaying duct testing past the January 1, 2014 effective date. SEEA will be attending the meeting to support the Louisiana Department of Natural Resources.

## **SEEA Hosts Southeast Energy Codes Coalition Meeting**

This fall, SEEA convened the Southeast Energy Codes Coalition for its second in-person meeting in Atlanta. This gathering of more than 20 energy codes experts and advocates served to build relationships among its members and to identify key opportunities to realize the significant energy savings associated with the effective implementation of energy codes. SECC is currently setting its 2014, issue-based agenda and will meet remotely every other month to discuss and drive this agenda forward.

## **SEEA North Carolina Rollback Prevention Continues**

HB 201, which was proposed and defeated in the 2013 legislative session, is expected to be reintroduced in 2014. This bill would roll back North Carolina's commercial energy code standard from the 2012 IECC/ASHRAE 90.1-2010 to the 2006 IECC/ASHRAE 90.1-2004, effectively making it the weakest and least cost-effective commercial energy code in the Southeast. SEEA is serving as the only out-of-state participant in a stakeholder working group that is focused on maintaining North Carolina's current building standards, and SEEA will continue to contribute and provide resources throughout 2014.

## **Data/Data Access**

---

# SEEA Policy Highlights



January 2014

## **SEEA Assesses Regional Potential for Data Access Initiatives**

In 2014, SEEA will begin conducting a regional assessment to survey the potential for energy benchmarking, disclosure, building labeling and other related activities. This work will build off the success of stakeholder networks and collaboratives SEEA has developed through initiatives like our energy codes program and our Better Buildings Neighborhood Program Consortium.

---

**Thank you for your interest in SEEA!**

For more information on SEEA's policy initiatives, contact Policy Associate Abby Schwimmer at [aschwimmer@seealliance.org](mailto:aschwimmer@seealliance.org) or 404-602-9665.