



Statement from the Southeast Energy Efficiency Alliance (SEEA)

Delivered by: Abby Fox, Policy Manager
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Event: Environmental Protection Agency (EPA)'s Public Hearing: Proposed Clean Power Plan Federal Plan

Location: Sam Nunn Atlanta Federal Center, 61 Forsyth Street, SW, Atlanta, GA 30303

I. SEEA Introduction

Good morning. My name is Abby Fox, and I am a Policy Manager with the Southeast Energy Efficiency Alliance, or SEEA. SEEA is a nonprofit, nonpartisan organization headquartered in Atlanta that serves an 11-state territory—from Virginia, down to Florida, and over to Louisiana and Arkansas. SEEA leverages our extensive network—consisting of utilities, program implementers, trade allies and manufacturers—to convene partners, strengthen enabling policies and strategic programs, and provide technical advisory services.

SEEA does not take a position on EPA's authority to issue the Clean Power Plan. Instead, SEEA is here to provide perspective on how EPA can facilitate the use of energy efficiency as a least-cost compliance pathway within the proposed Federal Plan, while keeping implementation manageable for EPA.

II. Energy Efficiency's Value to the Southeast

Energy efficiency is a proven win-win for the Southeast. In addition to offsetting CO₂ and other emissions, energy efficiency enhances the reliability of the electric grid, reduces power sector risks, improves public health, and supports job creation and economic growth. Of critical importance for the implementation of the Clean Power Plan, energy efficiency remains the region's least-cost resource. A recent SEEA analysis documented that high-performing utilities in the Southeast are generating energy savings at a levelized cost of between one and three cents per kilowatt hour—lower than the spectrum of supply-side resources currently available.¹ Energy efficiency's cost profile makes it an important tool for moderating compliance costs while supporting other critical economic benefits in the Southeast.

III. Energy Efficiency's Role in the Proposed Federal Plan

Following the release of the Final Rule and the removal of Building Block 4: Energy Efficiency, EPA has repeatedly and effectively reinforced the availability of energy efficiency as a compliance option. However, in its proposed Federal Plan, EPA has determined not to make available demand-side energy efficiency and non-affected combined heat and power (CHP). Under a rate-based approach, energy efficiency is not eligible to generate ERCs. Under a mass-based approach, energy efficiency is not included within EPA's proposed allowance allocation method, outside of the Clean Energy Incentive Program, or recommended as a strategy available to states that determine their own allocation processes under a Federal Plan. While the majority of states within SEEA's footprint have expressed their intent to move forward with a compliance plan, some may ultimately take a

¹ <http://www.seealliance.org/wp-content/uploads/Resource-Paper-5-Energy-Efficiency-Costs-FINAL.pdf>



Federal Plan. If energy efficiency is taken off the table for Federal Plan implementation, costs may rise significantly, and may negatively impact the welfare of low-income households and vulnerable communities within our region.

Accordingly, we strongly encourage EPA to explore means to reinforce the availability of energy efficiency as a compliance option by considering options for including it in the Federal Plan. While EPA must take into account important logistical considerations, SEEA believes that energy efficiency could be made available to states as an option under a Federal Plan, while maintaining the desired rigor, as well as ease of implementation.

One of the specific concerns articulated by EPA in its proposed Federal Plan is the management of evaluation, measurement and verification (EM&V) of savings from energy efficiency measures. SEEA is aware of numerous resources that may streamline implementation and lighten the load for EPA. For instance, there are multiple efforts underway across the nation to develop energy efficiency registries, which could serve as clearinghouses to perform the necessary EM&V for ERC generation under a rate-based approach, or various allocation methods and set-asides that incorporate energy efficiency under a mass-based approach. Registries provide a consistent framework for energy efficiency to be included in compliance plans, and facilitate streamlined review and vetting of savings from energy efficiency measures that may lessen the obligation on EPA. Notably, the southeastern states of Georgia and Tennessee are currently participating in a stakeholder process to design and build out a national energy efficiency registry for potential application under the Clean Power Plan.

IV. Concluding Remarks

SEEA looks forward to continuing to collaborate with EPA and regional stakeholders to chart a path forward for energy efficiency under a Federal Plan, and to create a least-cost, maximum benefit compliance framework. Please do not hesitate to reach out to us if we can provide any additional information or perspective to further support this work.

Respectfully Submitted,

A handwritten signature in black ink that reads "Abigail C. Fox". The signature is written in a cursive style.

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