

# SEEA Policy Highlights

January 2015



## Utility and Public Service Commission Initiatives

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### Tennessee Valley Authority Leads the Way with 2015 IRP



The Tennessee Valley Authority (TVA) continues to play a leading role in advancing energy efficiency in the Southeast. Unique in the region, its 2015 integrated resource plan (IRP) will utilize best-practice treatment of energy efficiency by introducing energy efficiency into the IRP model as a selectable resource. This approach, which is recognized nationally but newer to the Southeast, allows for dynamic optimization of the share that energy efficiency contributes to the overall resources evaluated in the IRP. SEEA is current working with TVA to refine a handful of assumptions within their methodology, solidifying this IRP's position

as both a regional and national model.

In February, TVA will host a dedicated, energy efficiency-focused IRP seminar in Knoxville. SEEA looks forward to leveraging the outcome of the meeting, and commends TVA for continuing to support a collaborative stakeholder process as the IRP moves forward. Stay tuned for more!

### New Leadership at the Arkansas Public Service Commission

In January, Arkansas Public Service Commission (APSC) Chairwoman Colette Honorable was sworn in as a Commissioner for the Federal Energy Regulatory Commission (FERC). Honorable replaced FERC Commissioner John Norris, who resigned to take a position with the U.S. Department of Agriculture.

During her tenure on the APSC, beginning in 2007, Commissioner Honorable was nothing short of extraordinary, demanding the best, but also spearheading a collaborative spirit that championed the expansion of energy efficiency programs across the state, overseeing Arkansas' energy efficiency programs as they evolved and completed their first cycle under the state's Energy Efficiency Resource Standard (EERS). Arkansas' investor-owned utilities have earned national recognition for their efforts, including their recent recognition as a "most improved" state in ACEEE's 2014 State Energy Efficiency Scorecard. SEEA commends Commissioner Honorable for her extensive contributions to energy efficiency and the Southeast, and look forward to what we know will be even greater accomplishments influencing national energy regulation. Visit <http://goo.gl/MMASdX> to learn more about Honorable's appointment.



SEEA Policy Director Jenah Zweig caught up with Commissioner Honorable at a recent meeting.

Honorable's departure left a vacancy on the APSC, a governor-appointed commission, and prior to leaving office, Arkansas Governor Mike Beebe named Lamar Davis to Honorable's seat. In addition, upon taking office, new Governor Asa Hutchinson appointed Ted Thomas as APSC Chairman, filling a vacancy left by Commissioner Butch Reeves. Davis previously served as Governor Beebe's deputy chief of staff. Thomas is a lawyer, a former state representative and a former APSC administrative law judge.

The third member of the Commission is Elana Wills, who has been with the Commission since 2011 and was reappointed by Governor Beebe through 2019.

## Mississippi Public Service Commission Election Heats Up

This year is an election year for all three of Mississippi's districts. Several candidates have announced their intentions to run for Commissioner Lynn Posey's Central District seat, amidst rumors the career politician may retire. These candidates include: State Representative Cecil Brown--an "old school" Democratic candidate, currently favored to win--and Mitch Tyner--an attorney who represented a Tea Party-backed candidate in a 2014 U.S. Senate race. Two other Republicans, former state Senator Lee Yancey of Brandon and utility construction company project manager Jason Cochran of Flowood, said they are also considering running for the Central District MPSC seat. State Senator Tony Smith, R-Picayune, filed to run for Southern District MPSC seat mid-January, although other candidates may be in the running as well. The qualifying deadline for candidates is Feb. 27, 2015.

The MPSC is a three-member board, with one representative from each of three geographical districts. Commissioners are elected to four-year terms, without term limits.

The Commission is currently comprised of three elected Commissioners. Currently, these seats are held by Brandon Presley (Northern District), Lynn Posey (Central District) and Steve Renfroe (Southern District). Posey, who currently serves as Chair, is not anticipated to seek reelection for a third term; Presley has announced that he will run for reelection; and Renfroe, who received special appointment to the position, was never anticipated to run for reelection.

## Skrmetta Wins Tight Louisiana Public Service Commission Race

Louisiana also recently held elections for two seats on their Public Service Commission. The first, held by incumbent Foster Campbell (D), was decided in the November 4 election; the second, held by Erik Skrmetta (R), went to a runoff in December, with no candidate winning 50 percent of the vote, and resulted in a close victory over challenger Forest Wright.

SEEA congratulates both Commissioners on their reelection, and looks forward to working with them to continue to expand the benefits of energy efficiency to Louisiana's families and businesses.

## FEECA Proceedings Result in Historic Energy Efficiency Rollbacks for the Sunshine State



In December, the Florida Public Service Commission (FPSC) released a final order in proceedings under the Florida Energy Efficiency and Conservation Act (FEECA), setting in motion a historic rollback in the state's utility-administered energy efficiency programming.

Through the FEECA goal-setting process, the FPSC establishes targets for both energy and peak demand savings for all utilities with sales of 2,000 GWh or more. Per statutory requirement, FEECA targets are revisited at least every five years.

Ultimately, the decision to scale back the FEECA utilities' was largely a result of a move from the Total Resource Cost (TRC) test to the Ratepayer Impact Measure (RIM) test to screen available energy efficiency measures - a move that was widely contested by energy efficiency advocates and others. FEECA utilities now have 90 days to develop and file their energy efficiency program plans.

The final order is available on the FPSC website at <http://goo.gl/cbHu3o>.

## Louisiana and Mississippi Wrap 2014 with Successful Statewide EE Program Launches

The end of 2014 produced significant milestones in the advancement of energy efficiency in the Southeast, including the launch of statewide utility energy efficiency programs in Louisiana and Mississippi.

## **Louisiana**

After an initial delay, Louisiana's Quick Start energy efficiency programs are now in full force. Customers of Cleco, SWEPCO and Entergy Gulf States Louisiana/Entergy Louisiana LLC, have access to a variety of programs, ranging from low-income weatherization programs to offerings for large commercial and industrial customers.

In 2015, each utility will also complete their IRP processes. Technical conferences to review IRP drafts will be held in the first quarter of the year.

## **Mississippi**

The majority of the approved Quick Start programs filed in accordance with Rule 29: Conservation and Energy Efficiency Programs are now available to customers, and the remaining programs are slated to begin by early 2015.

SEEA has created a document that summarizes and aggregates information related to the Quick Start programs in *Summary of Mississippi's Approved Quick Start Energy Efficiency Programs*, available at <http://goo.gl/9DIIAu>.

In addition, on February 25, utilities from across Mississippi will present their new energy efficiency program offerings followed by an interactive question and answer session at the Utility Energy Efficiency Program Showcase (see attached flyer). This event is free and open to the public, and it has attracted a good deal of interest at both the state and regional levels.

For more information on this event, please see the event flyer: <http://goo.gl/NVeZJC>.

## **Entergy New Orleans Hosts Technical Conferences on Revenue Decoupling**

This year, Entergy New Orleans (ENO) will move into Phase II of its Energy Smart program offerings, while concurrently exploring regulatory mechanisms to ensure it is "made whole" for its investments in energy efficiency.



In 2013, the New Orleans City Council issued a directive asking ENO to explore options for revenue decoupling. In early 2014, ENO filed comments raising concern about decoupling's impacts and recommending that the decoupling issue be looked at in greater depth within the current IRP docket. In February, ENO hosted the first of three decoupling technical conferences to further investigate this issue and take stakeholder comments.

While a number of gas utilities in of southeastern states are decoupled, this has not yet expanded to electric utilities. Arkansas' utility working group recently explored the issue within the context of an "innovative ratemaking docket," but no electric utility in this group has moved forward with a decoupling proposal to date.

## **Partnership Promotes Industrial Energy User Engagement in the TVA Footprint**

Industrial customers play an important role in shaping energy demand and load management planning within local power companies (LPCs). However, this consumer class has proven historically hard to reach with traditional messaging and education on opportunities related to energy efficiency. SEEA, in partnership with the Industrial Energy Efficiency Network and the Tennessee Valley Public Power Association (TVPPA), is developing a training program designed to support LPC management and key accounts teams to better serve their industrial customers.

Leveraging regularly scheduled TVPPA district meetings, SEEA will provide a workshop with the overall theme of engaging larger customers in a new way and highlighting energy efficiency opportunities on a district-by-district basis, pending interest. These trainings will help LPCs to better engage their own customers and provide key accounts managers with the knowledge and skills to provide increased value to their local community.

## Building Energy Codes

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### AJC Op Ed Shows How “Energy Codes Boost Development”

SEEA was recently invited to write an op ed for the Atlanta Journal-Constitution, Atlanta’s major regional newspaper with a print circulation of almost half a million, affluent, educated readers. The piece, titled “Energy Codes Boost Development,” highlights the results of SEEA’s recent codes white paper which shows that despite the adoption of stronger energy codes across the Southeast, there has been no adverse effect on commercial construction starts.



The paper, titled “The Economic Impact of Commercial Energy Codes in the Southeast” and written by Energy Codes Manager Lauren Westmoreland and Communications Director Judy Knight, is based upon SEEA’s in-depth analysis of commercial construction data purchased from Reed Construction Data. This spring, SEEA will also release a similar analysis on the impact of residential energy codes on permits.

To view the paper, please visit <http://goo.gl/Wfpqjp>; to view the op ed, visit <http://goo.gl/P8PW9J>.

### Southeast Energy Codes Coalition Third Annual Meeting

In November, SEEA hosted its third annual Southeast Energy Codes Coalition (SECC) Meeting in Atlanta. Topics of discussion included SECC strategy and direction, the DOE Energy Code Field Study (described below) and lessons learned in North Carolina regarding both the unsuccessful legislative effort to roll back the commercial energy code and the emergency ruling to void low-e window requirements. Finally, the group developed strategies for moving the SECC forward in 2015, specifically addressing membership, networking and streamlining SECC member efforts.

To learn more about the SECC, or to get involved, please send an email to [cbhedwar@seealliance.org](mailto:cbhedwar@seealliance.org).

### 2009 IECC Takes Effect in Arkansas and Louisiana

The New Year saw the official implementation of the 2009 IECC in both Arkansas and Louisiana. The new version of the Arkansas Energy Code is based on the 2009 IECC with state amendments; Louisiana adopted the 2009 IRC, Chapter 11: Energy Efficiency.

Currently, nine of the 11 states in SEEA’s territory now have energy codes (both residential and commercial) that are equivalent to or stronger than the 2009 IECC, representing a highly cost-effective opportunity for saving energy and strengthening local economies.

### Stakeholder Convening Kicks Off DOE Residential Energy Code Field Studies

In November, SEEA hosted an Energy Code Convening for awardees of the DOE Residential Energy Code Field Study. This initiative – a partnership between SEEA, Southface and Advanced Energy – which aims to demonstrate whether investment in education, training and outreach programs can produce a significant, measurable change in single-family residential energy code compliance rates in three years, is underway in eight states (Alabama, Arkansas, Georgia, Kentucky, Maryland, North Carolina, Pennsylvania and Texas), five of which are in SEEA’s territory. SEEA was the only organization that received an award in multiple states, and received the most funding of all grantees.

This convening served as an initial touch point to build stakeholder alignment and collaboration. More information on state-specific efforts is provided below:

## **Arkansas**

As noted above, Arkansas adopted a new energy code based on the 2009 IECC that went into effect at the beginning of 2015. The project team is postponing the start of on-site data collection for the pre-program baseline until more houses are permitted under the new code. Anticipating data collection to begin in late March, SEEA held a kick-off meeting in Little Rock in October, where the project was met with good reviews from stakeholders. SEEA will hold three additional open, forum-style stakeholder meetings to engage the building industry for their feedback on the education, training and outreach activities slated for the months following the completion of the baseline data collection phase.

## **Georgia**

SEEA held a kick-off meeting in Atlanta to engage and inform stakeholders on the upcoming Residential Energy Code Field Study. Georgia's energy code has been in place since 2011, and SEEA and its partners are moving forward with pre-program baseline data collection in February. Notably, Georgia Power has expressed a strong interest in this initiative, and SEEA looks forward to partnering with them as the project moves forward. Data collection will begin after the three stakeholder meetings. These meetings are scheduled for February 12th in Atlanta, February 25th in Savannah and February 26th in Perry.



Additional information on the field studies is available on SEEA's website at <http://goo.gl/EqAitN>.

## **Additional Code Compliance Efforts**

SEEA continues to support compliance in states with newly adopted energy codes, helping to ensure that the savings available on paper are realized in the field.

## **Florida**

SEEA developed residential energy code trainings for the 2014 Florida Building Code, Energy Conservation. These modules will be used by Florida Home Builders Association (FHBA) and the Building Official Association of Florida (BOAF) in a joint training series that will reach as many as 300 builders and code officials across the state. In addition, SEEA's Circuit Rider, Arlene Stewart, conducted a total of 6 site visits to local Florida jurisdictions through the Florida Circuit Rider Program. Upon completion of 10 site visits, Stewart and SEEA will develop a final report, summarizing the findings of the Florida Circuit Rider program.

## **Arkansas**

Over 100 of the *Success with the Arkansas Energy Code* guides for code officials and builders have been distributed in Arkansas. In addition, these guides will be distributed at upcoming trainings funded by the Arkansas Energy Office in Q1 2015. A complementary curriculum was also developed by SEEA and distributed to the Arkansas Energy Office.

# **Local Initiatives**

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## **Little Rock Becomes Arkansas' Third Energy Improvement District**

In January, the Little Rock City Board of Directors unanimously adopted an ordinance this week to create an "Energy Improvement District." This will allow commercial property owners to access loans for energy efficiency, renewable energy and water conservation projects that are secured by the tax assessment on their property to fund energy improvement projects.

In 2013, Arkansas passed PACE-enabling legislation. Both Fayetteville and North Little Rock adopted similar ordinances in 2014.

### **City of Atlanta Benchmarking Ordinance**

The City of Atlanta is currently considering an ordinance to increase energy efficiency in commercial buildings through energy benchmarking. A draft ordinance is still being developed, and there have been several opportunities stakeholders to get involved and discuss the details of the ordinance and expected impacts.

## **EPA's Proposed Clean Power Plan**

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### **New Resource Summarizes Key Takeaways from Southeastern Comments on EPA's Proposed Clean Power Plan**

SEEA has released a new resource that aggregates many of the key southeastern regional and national stakeholder comments on EPA's proposed Clean Power Plan. This document highlights key themes and takeaways, focusing on stakeholders and areas of focus most relevant to energy efficiency in the Southeast. In addition, SEEA also maintains a regularly updated listing of regionally relevant comments on our website, as well as a southeastern-focused resource portal.

SEEA does not take a position on whether EPA has the authority to or should regulate greenhouse gas emissions from existing sources. If these regulations move forward and include "outside of the fence line" compliance options, SEEA is focused on working with states, utilities and other key stakeholders to support energy efficiency as a least-cost, multi-pollutant resource and compliance pathway—where appropriate and cost-effective—to build a stronger, more vibrant Southeast.

The document is available on SEEA's 111(d) web portal at <http://goo.gl/ikNUFr>.

### **Final Rule Delayed**

In January, EPA announced that the final greenhouse gas rules for new, modified and existing power plants will not be released until midsummer – a slippage in release dates for all three rules.

The rule for existing sources, the EPA's proposed Clean Power Plan, was scheduled to be released on June 1. The comment period for the draft rule, which closed in December, resulted in approximately two million stakeholder comments that are being reviewed by EPA.

### **Stakeholder Collaboration Drives Productive Conversations in the Southeast**

As southeastern states continue to develop strategies for meeting compliance obligations under EPA's Clean Power Plan, a number of robust stakeholder processes have created productive dialogue and proactive efforts to identify least-cost compliance options.

- South Carolina's Clean Power Plan energy stakeholder coalition continues to meet frequently, and is currently in conversations about the role of energy efficiency within its state compliance plan. In January, SEEA President Mandy Mahoney spoke to the group of the opportunity to leverage energy efficiency, not only as a compliance strategy, but as a tool for fostering increased regional economic opportunity.
- In late January, Duke University's Nicholas Institute, a close SEEA partner, held a convening for state energy offices, air regulators and utility regulators. Nicholas continues to play an important convening, facilitation and thought leadership role for southeastern stakeholders.

- In addition, the Industrial Energy Efficiency Network Summit, where SEEA provided a keynote presentation, provided useful dialogue on the role of energy managers in generating energy efficiency savings that may support compliance.
- Finally, the EPA's proposed Clean Power Plan continues to serve as an area of focus at national and regional conferences and convenings, which has provided a forum for productive dialogue.

SEEA continues to support state activities, and to provide technical assistance and resources on strategies for incorporating energy efficiency into 111(d) compliance planning.

## Thank you for your interest in SEEA!

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