

SEEA Policy Highlights

October 2014



Utility and Public Service Commission Initiatives

SEEA Providing Resources as States Begin Evaluating Least-Cost 111(d) Compliance Strategies

This summer, SEEA launched a 111(d) web portal, which includes a regional primer, relevant news, external resources, a state-by-state activity tracker, regional events and forums, and state-specific fact sheets. Access to the web portal is available at <http://goo.gl/WmPS5s>.

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.



SEEA will continue to serve as a resource to southeastern stakeholders through the duration of the comment period, which was recently extended from October 16th to December 1st, and as states begin to develop compliance strategies leading up to the release of the final rule in June.

Implementation of Louisiana’s Energy Efficiency Rules Delayed to November 1st

In August 2013, the Louisiana Public Service Commission (LPSC) approved voluntary statewide energy efficiency rules, setting in motion a timeline for Louisiana’s three largest investor-owned utilities to begin offering energy efficiency programs to their customers. Originally, these programs were slated for implementation beginning October 1; however, just a few days prior to program launch, the LPSC suspended this timeline to allow public comment on participating utilities’ evaluation, measurement and verification (EM&V) plans and allow the finalization of methodology for calculating lost contributions to fixed costs (LCFC) resulting from these programs.

Following the announcement of the delay, numerous stakeholders expressed the necessity of moving the programs forward as soon as possible, and in just over a week, staff had announced that it had completed a “limited review of the programs,” and that they will launch on November 1st.

The adoption of statewide rules and the utilities’ decision to implement the programs represents a firm commitment to energy efficiency as a driver of Louisiana’s economy and a service to ratepayers, and the Commission’s responsiveness to concerns about the delay is commendable. SEEA is supportive of Louisiana’s significant step forward with these programs, and will continue providing resources to lessen the need for any additional delay to the launch of these energy efficiency programs.

Mississippi Continues Rollout of Statewide Energy Efficiency Rules

The Mississippi Public Service Commission continues to move forward, setting the stage for a successful Quick Start program rollout. All Quick Start program plan filings have been approved. In addition, Energy Efficiency Cost Recovery (EECR) riders, which allow utilities to recover program costs and lost contributions to fixed costs, have been approved for nearly all utilities. Mississippi Power Company has submitted their EECR rider, and approval is expected as a part of the Commission's November docket. All Quick Start programs will launch by December.

Arkansas Parties Working Collaboratively (PWC) Continues to Innovate and Lead

Potential Study Update

This summer, the Parties Working Collaboratively (PWC)—Arkansas' utility stakeholder working group—kicked off a statewide potential study to determine the availability of cost-effective energy efficiency in the state, intended to inform the state's second cycle of comprehensive portfolio savings targets. To conduct the potential study, the PWC has selected Navigant Consulting and the American Council for an Energy-Efficient Economy. Throughout the potential study process, SEEA will be providing resources and technical assistance to PWC groups like the Arkansas Energy Office (AEO).

SEEA Spearheads Development of Energy Efficiency Financing Strawman

This fall, in partnership with the Clinton Climate Initiative, Arkansas Advanced Energy Association and AEO, SEEA will be developing an energy efficiency finance strawman that will lay out a proposed approach to third-party statewide energy efficiency financing. SEEA and its partners will leverage regional and in-state resources to develop models to expand access to energy efficiency program offerings in Arkansas. Once complete, they will be presented to the PWC for consideration, and then to the Commission for further action.

SEEA Helps Southeastern Cooperatives Leverage USDA Funding Resources

The passage of the 2014 Farm Bill has significantly expanded capital resources to support energy efficiency investments in the rural Southeast. In particular, the bill made amendments to the U.S. Department of Agriculture (USDA) Rural Utility Service (RUS) lending terms for rural Electric Membership Cooperatives (EMCs), municipal utilities and other authorized borrowers. Historically, these loans were only issued for generation and transmission system upgrades, but authorized uses have been expanded to allow borrowers to undertake a wide range of opportunities including on-bill financing, renewables, distributed generation infrastructure, and consumer education and engagement programs.

To support regional EMCs and continue their leadership in innovative, consumer-focused utility programming, SEEA is partnering with the University of North Carolina Environmental Finance Center to provide capacity building and technical resource support to regional EMCs pursuing or considering on-bill repayment programs. Building on SEEA's experience developing energy efficiency loan programs with private lenders, and leveraging relationships with regional utilities, state energy offices and public service commissions, SEEA will aid regional EMCs and municipal utilities to develop successful applications to RUS and support the design and implementation planning for on-bill financing programs.

Georgia Power Demand Side Management Working Group Update

Georgia Power's Demand Side Management Working Group is currently engaged in discussions on two primary issues. The first is the potential study that serves as the foundation for Georgia Power's energy efficiency program development, which will be incorporated into the company's 2016 integrated resource plan (IRP). The study is expected to be completed in early 2015.

In addition, the group has been looking at how utility programs support 111(d) compliance strategies for Georgia. Stay tuned for more!

Tennessee Valley Authority Integrated Resource Plan Moves Forward

The Tennessee Valley Authority (TVA) continues to move through their integrated resource plan (IRP) update, with the goal of releasing a draft document in November. SEEA participates in this process through TVA's Energy Efficiency Information Exchange (EEIX) stakeholder group, which was formed to address Demand Side Management (DSM) considerations within the IRP. It is composed of diverse representation, including state energy offices, local power companies, advocacy groups and the Tennessee Valley Public Power Association (TVPPA).

Regional News

Arkansas and Kentucky Named “Most Improved” in ACEEE 2014 State Energy Efficiency Scorecard

SEEA is pleased to announce that Arkansas and Kentucky have been named “most improved” in the American Council for an Energy-Efficient Economy's 2014 State Energy Efficiency Scorecard.

“Smart, cost-effective investments in energy efficiency are having an increasing impact on economic growth in communities across the Southeast,” said SEEA President Mandy Mahoney. “SEEA is proud of the homegrown leadership exemplified by Arkansas and Kentucky that has harnessed energy efficiency as the driver of a more vibrant, more competitive region.”

The Scorecard, now in its eighth year, ranks all 50 states and the District of Columbia on policies and programs that encourage the efficient use of energy in buildings, transportation and industry. It is widely considered the industry authority for tracking state-level energy efficiency activities and progress.

For the full SEEA press release on both states and their achievements, please visit <http://goo.gl/cDFZ91>.

New Study Shows Economic Impacts of Statewide Energy Efficiency Policy in Arkansas



A new study released by the Arkansas Advanced Energy Foundation (AAEF) showcases that Arkansas' energy efficiency programs have yielded a \$1.5 billion increase in total statewide output and more than 12,500 high-paying jobs for Arkansans.

Arkansas' investments in energy efficiency are largely the result of its energy efficiency resource standards (EERS), which requires jurisdictional utilities to achieve a certain level of energy savings on an annual basis. Arkansas was the first state in the Southeast to adopt an EERS and the 26th state nationally.

AAEF's report, “The Economic Impact of Energy Efficiency Programs in Arkansas,” is available at <http://goo.gl/3bK9MT>.

Virginia Releases Quadrennial Energy Plan

On October 1, Virginia Governor Terry McAuliffe submitted the state's quadrennial energy plan, outlining his vision for the Virginia's energy future, to the General Assembly. The plan focuses on an “all-of-the-above” approach, advancing diverse traditional energy resources, as well as energy efficiency and renewables.

The plan recommends a number of strategies for advancing energy efficiency in the public and private sectors:

- Appointing a Chief Energy Efficiency Officer to support energy savings in government buildings;
- Convening the “Virginia Board on Energy Efficiency” to develop a strategic plan for meeting Virginia’s voluntary goal of a 10% reduction in retail energy consumption;
- Developing an outreach program to engage municipalities in Energy Performance Contracting;
- Creating a central state facility energy data registry to track energy consumption; and
- Engaging social entrepreneurs in implementing innovative models, such as pay for performance, to test new ways to cut energy bills and to finance energy efficiency upgrades in existing buildings.

Notably, the plan also includes an analysis of the costs and benefits to Virginia of the EPA's Clean Power Plan, which regulates CO₂ emissions from existing fossil fuel-fired power plants under Clean Air Act Section 111(d).

Visit <http://goo.gl/GszYOz> to read the full 2014 Virginia Energy Plan.

Arkansas Chairwoman Colette Honorable Tapped for FERC

In August, Arkansas Public Service Commission Chairwoman Colette Honorable was nominated to a position with the Federal Energy Regulatory Commission (FERC). Chairman Honorable, who was appointed to the Arkansas Public Service Commission in 2007 and has served as its chair since 2011, has been a champion of energy efficiency, leading the Commission through its implementation of the Southeast’s first-ever energy efficiency resource standard (EERS). In November 2013, she was also elected President of the National Association of Regulatory Utility Commissioners (NARUC).

Honorable’s appointment is subject to Senate approval. If approved, Honorable would replace Commissioner John Norris, who resigned to take a position with the U.S. Department of Agriculture.

Tight Gubernatorial Elections May Shape the Southeast’s Future Energy Efficiency Landscape

SEEA’s 11-state footprint is home to a number of very close, nationally followed, gubernatorial elections – the outcomes of which may have major implications for energy efficiency policy throughout the region. In Florida, the incumbent Governor Rick Scott (R) is polling very close to former Governor Charlie Crist (D). Just to the north, the race between incumbent Governor Nathan Deal (R) and Democratic opponent, State Senator Jason Carter, remains tight. In Arkansas, Asa Hutchinson (R) is polling approximately five points ahead of Mike Ross (D). Alabama, South Carolina and Tennessee are also holding gubernatorial elections this year.

A non-profit, nonpartisan organization, SEEA looks forward to working with current and future state leaders to cultivate energy efficiency as a source of economic prosperity and vitality in the Southeast.

Building Energy Codes Program

SEEA Receives DOE Award to Advance Energy Code Compliance in Arkansas and Georgia

SEEA is pleased to announce it has been awarded \$1.5M by the U.S. Department of Energy (DOE) to advance energy code compliance programs in Georgia and Arkansas. SEEA will deliver these programs in partnership with Advanced Energy, a planning, technical and engineering services firm based in North Carolina, and Southface, a green building training provider located in Georgia.

Said SEEA Energy Codes Manager Lauren Westmoreland, “SEEA and our partners are excited about the opportunity to make it easier for local builders have the tools, skills, and up-to-date building techniques they need to meet their state’s building energy code. Identifying barriers to energy code compliance and providing builders and other stakeholders with effective strategies to address these will be an important focus of our work.”

The goals of SEEA’s planned work are two-fold: 1) to provide a data-supported assessment of the current level of residential energy code compliance in Georgia and Arkansas, and 2) to set up innovative programs in both states that will increase the rates and ease with which residential builders meet the current codes. SEEA expects that by the completion of this three-year effort, Georgia and Arkansas will be able to measure significantly higher rates of code compliance in their residential construction sectors. Both states will also gain a template of strategies for their utilities to consider to more actively support and get credit for energy code compliance.

Other southeastern states receiving funding for similar efforts that SEEA will also be working to coordinate with are Alabama, Kentucky and North Carolina. More information on the award is available at <http://goo.gl/WZhJsQ>.

SEEA Welcomes New Energy Code Associate Amy Dzura



SEEA is thrilled to welcome Amy Dzura as our new Energy Codes Associate. In her new role, Amy will support the development of new energy code activities throughout the Southeast, effectively engaging with a wide range of technical stakeholders and delivering targeted technical assistance on energy code adoption, implementation and compliance.

Amy comes to SEEA from Advanced Energy in North Carolina. She is a certified HERS Rater and a LEED Green Associate.

Florida Circuit Rider Program Underway

This summer, SEEA launched the region’s first-ever energy code circuit rider program late in the state of Florida. The circuit rider model has met with great success improving compliance rates in other states like Idaho. Florida has the most construction starts of all states within SEEA’s regional footprint, underscoring the importance of targeted resources like circuit riders in facilitating energy code compliance.

In June, circuit rider Arlene Z. Stewart conducted the first Building Department visit for the SEEA Commercial Energy Code Process Research Project. Accompanied by SEEA Energy Codes Program Manager Lauren Westmoreland, Stewart shadowed code field inspectors and plans examiners, and discussed department processes with management. Stewart will continue this process for nine additional jurisdictions in Florida. The goal of these visits will be to understand how building departments operate and potential challenges to compliance, and to develop strategies for technical resource deployment.

New White Paper Sheds Light on Impacts of Commercial Energy Codes in the Southeast

This fall, SEEA released a new white paper assessing the impacts of energy codes on the Southeast’s energy and construction sectors. 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. Major findings include:

- SEEA found no correlation between the adoption of stronger energy codes and the number of construction starts or construction costs per project. This finding demonstrates that energy codes create value for the Southeast without impeding the growth of the construction market.
- State-specific information on commercial construction, such as which counties have the most construction, the types of projects being constructed (e.g. hospitals, multi-family), and the types of construction (i.e. new or renovation).

SEEA intends for this analysis to assist and provide value to state energy offices, planners and construction industry professionals in the Southeast. In addition, these findings can spur new conversations among stakeholders about the kinds of codes and economic activity that can best serve the region's long-term need for affordable energy, construction-sector job growth and economic development.

The white paper is available on SEEA's website at <http://goo.gl/9oiuNw>.

Mississippi Named a “Standard Bearer” by the International Code Council and Institute for Market Transformation

At the International Code Council's (ICC) Annual Conference, the Institute for Market Transformation (IMT) and ICC recognized the Mississippi Development Authority (MDA) – Mississippi's energy office – as a “Standard Bearer for Excellence in Energy Code Compliance.” This national award program, now in its third year, honors state and local jurisdictions and individuals who have gone above and beyond to raise compliance with building energy codes using smart, practical and cost-effective strategies.

Mississippi's commercial energy code is the only code enforced statewide, and is a significant update from the previous version. Since the code was adopted, MDA has coordinated with local ASHRAE chapters to provide training. MDA has also conducted extensive outreach to groups affected by the code update, like building owners and managers, to talk about the code and answer questions. SEEA supported MDA throughout the adoption process, and now in training and implementation efforts, helping to maximize savings opportunities available through the new code are maximized. Congratulations to MDA on their well-deserved award!

North Carolina Low-E Window Rule Rejected – Energy Code Preserved

North Carolina has rejected a proposed rule that would have decreased the U-value requirements for windows due to a perceived “risk” of melting vinyl siding from low-energy (“low-E”) window reflections. This decision followed was made following the approval of an emergency rule decreasing the U-value requirements for windows that were put in place by the North Carolina Building Code Council this summer.

Evidence indicates that low-e windows do not pose any threat to the public health, safety or welfare. On balance, the energy-savings benefits of low-E windows far outweigh their costs.

This decision was based on input from a public hearing, held in September, and stakeholder comments. SEEA serves as a nonpartisan interested party in the development of the North Carolina Energy Code, and has engaged in the code development and implementation process by providing insights and best practices from across the Southeast.

Arkansas and Louisiana Adopt the 2009 IECC

Following a lengthy stakeholder process, Arkansas' new residential energy code, based on the 2009 International Energy Conservation Code (IECC), is on its way to adoption. Recently, the code was approved by the legislature's Joint Energy Committee and is slated for review by the Rules and Regulations Committee in the near term. The new code is anticipated to go into effect on January 1, 2015.



The neighboring state of Louisiana is also updating its residential code to the 2009 IECC with no major amendments. The code has already made its way through the Louisiana State Uniform Construction Code Council and will need to be approved by LA Congress. Like Arkansas, the new code is anticipated to

go into effect January 1.

SEEA is currently developing Arkansas- and Louisiana-specific Success with Energy Codes manuals to support successful implementation of the new codes. For more information on SEEA's Success resources, please visit <http://goo.gl/LFOP4q>.

Thank you for your interest in SEEA!

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