



Energy Efficiency – Hot Topics and Key Opportunities for States

Policy brief from Northeast Energy Efficiency Partnerships

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[Northeast Energy Efficiency Partnerships](#) (NEEP) is a resource to help policymakers learn more about opportunities to accelerate energy efficiency in their states. NEEP provides support to the region in four key areas: speeding the adoption of high-efficiency products, reducing building energy use, advancing knowledge through best practices and generally increasing the visibility of the benefits of efficiency. NEEP is available to assist state energy offices, legislators, regulators or administration officials in any or all of these areas.

Energy efficiency can help states to meet a range of economic, environmental and energy system goals. Following are succinct descriptions of those opportunities from NEEP's vantage point, with more detailed analysis and other resources available upon request.

Regulatory Framework

With ramped up state goals and efficiency programs that seek broader and deeper savings, the ability to meet those goals depends greatly on energy efficiency program administrators (utilities and others) operating in a manner that allows them to be flexible and responsive to changing circumstances—as well as the ability to employ new, creative and innovative methods to attain those savings. With support from governors and legislators, public utility commissioners and other energy officials can help create this environment. In NEEP's view, some elements of such a regulatory framework are to:

- Provide flexibility in program offerings and budgets that afford program administrators leeway in how they achieve savings and work with multi-year budgets and goals.
- Apply new approaches to cost-effectiveness screening that allow programs to capture some of the benefits not currently accounted for in these tests. This can be done by screening at the portfolio level and by allowing non-traditional methods of gaining savings (e.g. consumer behavior programs, new technologies, or programs to advance building energy codes or appliance efficiency standards).
- Find ways to value associated program benefits that may be included in broader public policy goals—such as saving water and fuel, improving health and safety, controlling energy costs, lessening the strain on energy systems and reducing emissions, especially greenhouse gases.
- Encourage holistic programs such as integrating electric and thermal efficiency and supporting program providers to take a systems approach to energy savings, with the ultimate goal of constructing or retrofitting to net-zero energy buildings.

Complementary Public Policies

Together with a flexible regulatory environment, states have the opportunity to pursue and support public policies that leverage ratepayer-funded programs to achieve even greater energy savings. These policies include building energy codes, energy use rating for existing buildings, and appliance efficiency standards. Specifically, we encourage:

- Dedicating greater resources and support to improve building energy code enforcement and the adoption of “stretch” building energy codes that are at least 20 percent more efficient than baseline state energy code.¹
- Enacting policies requiring that all residential and commercial buildings be rated for energy performance, and for such ratings to be disclosed at appropriate points in real estate transactions or at other points in a way that allows markets to value energy efficiency in homes and buildings.²
- Adopting new appliance and equipment efficiency standards, which cull the least efficient products out of the consumer market as technology advances, and supporting federal standards to achieve the same.³

¹ NEEP Model Energy Code: <http://neep.org/public-policy/building-energy-codes/model-policy>

² NEEP Building Energy Rating whitepaper: <http://neep.org/public-policy/building-energy-codes/building-energy-rating>



- Developing methods for program administrators to measure and claim the energy reductions that result from their work in advancing codes and standards (through education, training, testing, etc.) and attribute them to savings targets.

Energy Efficiency Programs to Stimulate Economic Development

As states continue to climb out of recession, governors and legislatures are looking for ways to jump start the economy and also close budget deficits. Sufficient, stable funding for energy efficiency helps the economy in many ways—it puts money back in the pockets of residents and businesses to spend on other goods and services, it creates good local jobs that can't be exported⁴, it reduces pressure on energy infrastructure, and it is the cheapest, cleanest way of meeting the region's energy needs.

Policymakers may find themselves in the position of making decisions about short-term fixes to fiscal crises that could end up hurting state policy goals and ratepayers in the long-run. NEEP can provide information and expertise to support maintenance and expansion of energy efficiency programs, including innovative financing mechanisms being tried around the region and in other states as a means to help surmount first-cost hurdles.

Resources from NEEP

We have an abundance of news materials and policy resources on our website, www.neep.org. We invite you to browse the following, or let us know if you have a specific need.

- [Highlights](#), our bi-monthly policy news and analysis e-newsletter
- [Policy Tracking Brief](#), our monthly round-up of legislative and regulatory happenings
- [From Potential to Action](#), a report on New England's electric efficiency potential with policy recommendations (limited hard copies are available)
- [The Regional Evaluation, Measurement and Verification Forum](#), which supports the development and use of common and/or consistent protocols to evaluate, measure, verify, and report the savings, costs, and emission impacts of energy efficiency. Most states in NEEP's region are involved in the Forum.
- [Valuing Building Energy Efficiency through Disclosure and Upgrade Policies: A Roadmap for the Northeast U.S.](#), a whitepaper with leading case studies from around the U.S. and the globe
- [High Performance Schools and Public Buildings](#) page, which includes an [Operations and Maintenance Guide](#) for schools and other resources from the Northeast Collaborative for High Performance Schools (CHPS)
- [Model Progressive Building Energy Codes Policy](#), a whitepaper with strategies for developing a "stretch" code
- [Technical Assistance for EECBG and SEP](#)⁵ recipients, a project of the U.S. Department of Energy with support from NEEP on best practices for building energy

Please do not hesitate to contact NEEP staff if we can be of assistance in any way.

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³ NEEP Appliance Standards Project: <http://neep.org/public-policy/2/78/Appliance-Efficiency-Standards>

⁴ See [Engines of Economic Growth](#), Environment Northeast's paper detailing the job creation potential of robust efficiency investment http://www.env-ne.org/public/resources/pdf/ENE_EnergyEfficiencyEngineofEconomicGrowth_FINAL.pdf

⁵ <http://www1.eere.energy.gov/wip/solutioncenter/>