



Comments to the U.S. Environmental Protection Agency (EPA) Regarding its Proposed Clean Power Plan Rule Docket No. EPA-HQ-OAR-2013-0602

Submitted by
Northeast Energy Efficiency Partnerships (NEEP)
December 1, 2014

Northeast Energy Efficiency Partnerships (NEEP) appreciates the opportunity to submit comments regarding the Environmental Protection Agency's (EPA) proposed Clean Power Plan (CPP), intended to regulate greenhouse gas emissions from existing power plants under section 111d of the federal Clean Air Act (Docket EPA-HQ-OAR-2013-0602).¹

Introduction

NEEP was founded in 1996 as a non-profit organization whose mission is to serve the Northeast and Mid-Atlantic region to accelerate energy efficiency in the building sector through public policy, program strategies and education. Our vision is that the region will fully embrace energy efficiency as a cornerstone of sustainable energy policy to help achieve a cleaner environment and a more reliable and affordable energy system.

NEEP strongly supports EPA's inclusion of energy efficiency as one of the four "building blocks" by which states may achieve compliance with the CPP. For 18 years, NEEP has worked across the region to help advance energy efficiency in the built environment, and to offer proof of its ability to reduce harmful emissions of carbon dioxide and other greenhouse gases from the electricity generating sector. With the Northeast and Mid-Atlantic regions of the U.S. having achieved substantial savings from energy efficiency policies and programs during that time frame, we can assuredly attest to EPA's proposed plan to significantly address climate change via the emissions reductions from generating units, and we are proud to stand with the agency as it shapes this plan for America's clean energy future.

We also are in firm alliance with the states in our region participating in the Regional Greenhouse Gas Initiative (RGGI), the country's first market-based carbon cap-and-investment system that has already achieved major CO₂ savings across a nine-state region since its inception in 2009. As \$1.8 billion has been raised through RGGI carbon auctions through September 2014 - the vast majority of which has been reinvested in energy efficiency and other clean energy measures - with sizeable economic benefits to the region, we are wholly confident that the CPP will result in similar benefits for the entire nation, finally weaning us off of fossil fuels and laying the groundwork for broad deployment of clean, renewable energy resources.

In addition to the comments contained herein, NEEP has also worked over the last several months to convene a stakeholder group from around the country to address specific elements of the proposal related to evaluation, measurement and verification (EM&V) of energy efficiency programs. The consensus comments of that group were submitted on November 26, 2014 via email in a separate document, and include input from a number of different organizations, including the American Council for an Energy Efficient Economy (ACEEE); Natural Resources Defense Council (NRDC); Alliance to Save Energy (ASE); Northwest Regional Technical Forum; Southeast Energy Efficiency Alliance (SEEA); South-

¹ These comments are offered by NEEP staff and do not necessarily represent the view of the NEEP Board of Directors, sponsors or partners.



Central Partnership for Energy Efficiency as a Resource (SWEEP); and Southern Alliance for Clean Energy, among others.

Thus, with NEEP’s comments related to evaluation, measurement and verification having been submitted via that consensus document, we will limit our comments herein to issues we judge to be outside of those specific points related to EM&V. We note that some additional EM&V-related comments have been submitted under that separate transmittal but were not necessarily categorized by EPA as “EM&V issues” in the proposed CPP. These include issues related to the lifetime of energy efficiency measures, as well as whether to utilize gross or net energy savings in calculating savings credits and as an input in establishing state emissions reduction targets.

Specific recommendations and comments

While generally and strongly supportive of the proposed Clean Power Plan as presented for public review on June 18, 2014, NEEP also wishes to provide input on specific elements of the plan, including areas where we believe further clarification may still be needed. We have organized those comments to reflect the reference their citation in the pages of the proposed plan, as well as to indicate where our position may be consistent with that of other, allied organizations.

General support: (pp. 34855-58): NEEP strongly supports the general approach of including energy efficiency in the Best System for Energy Reductions (BSER). As is evidenced by the tables we have included below summarizing savings in several Northeast states, and as has been recognized by the EPA, energy efficiency presents the quickest, most reliable and most cost-effective means of reducing greenhouse gas emissions from the electric generating sector, and we applaud the agency for emphasizing energy efficiency as an effective and affordable way for states to meet the requirements of the CPP. We also support the concept that states should be allowed flexibility in crafting their compliance plans, as has been espoused by the agency, and urge the EPA to remain open to the broadest range of end-use efficiency policies and programs being allowed as potential compliance strategies. As energy efficiency deployment can occur in a variety of ways, such flexibility will afford states the latitude they need to craft an effective and compliant strategy that can account for particular circumstances.

Building Block 4: Demand-Side Energy Efficiency (pp. 34871-75): No fewer than eight states in the Northeast region of the U.S. in 2013 achieved greater than 1 percent in electricity savings as a percentage of state retail electric sales as a result of their energy efficiency programs. Indeed, the leading states of Massachusetts, Rhode Island and Vermont (ranked number 1, 3 and 3, respectively, in the most recent ACEEE *State Energy Efficiency Scorecard*) are approaching or have exceeded 2 percent savings levels. Other states around the country have also exceeded 1.5 percent in annual electricity savings. In addition, several states in the Northeast, as illustrated in the table below, have set energy efficiency savings goals of at least 1.5 percent of electric sales per year. Thus, in establishing its emissions reductions targets for each state, EPA may have, in fact, underestimated the savings from electric utilities that it has assumed, that assumption being that all states can “ramp up” to 1.5 percent electricity savings per year. As this assumption drives the emissions rate targets for each state, NEEP would urge the EPA to revise this savings estimate upward.

State	Policy Type	Annual Energy Savings Goals
Connecticut	All Cost-Effective Energy Efficiency	1.4 % of annual electric sales



Maine	All Cost-Effective Energy Efficiency	~1.5% of annual electric sales
Massachusetts	All Cost-Effective Energy Efficiency	2.6% of annual electric sales
Rhode Island	All Cost-Effective Energy Efficiency	2.6 % of annual electric sales
Vermont	All Cost-Effective Energy Efficiency	2.4 % of annual electric sales
New York	Energy Efficiency Resource Standard	15 % of electric sales by 2015
Maryland	Energy Efficiency Resource Standard	15 % of per capita electric use by 2015

In its proposal for setting emissions targets for individual states, EPA has assumed that electric utilities can ramp to 1.5 percent electricity net savings per year from energy efficiency programs delivered by utilities or other designated program administrators (hereafter referred to as “utility programs.”) Those assumptions are based upon savings starting in 2017 at the level of savings that was achieved by utility programs in each state in 2012, with those savings assumed to increase at a rate of 0.2 percent per year until reaching the target of 1.5 percent per year. These savings assumptions hence inform the emissions savings targets established for each state.

Based upon our experiences in the Northeast, NEEP would suggest that these are very conservative assumptions and should be revised upward. As noted above, many of our state efficiency programs in the region are already at or surpassing 1.5 percents savings per year. Similarly impressive savings have been achieved in other states around the country, including California, Michigan, Hawaii, Oregon, Washington and Arizona.²

The ramp-up target of 1.5 percent savings per year is also based upon utility programs alone, without accounting for additional savings to be realized through complementary programs and policies, including building energy codes and state-based appliance efficiency standards. As EPA has asked specifically for comment on an alternative ramp-up target of 2 percent savings per year from a combination of utility and non-utility programs, NEEP would strongly support such an alternative, and might even suggest that, based on our experiences in the region, an even higher ramp-up target be considered. The suggested alternative of 1 percent savings per year, with a ramp up rate of 0.15 percent per year, as highlighted on pp. 34873 and 34898 is far too conservative and should be rejected by EPA, particularly given the example of leading states that are already achieving high levels of energy savings.

Addressing specifically the topic of building energy codes being included as part of state compliance plans, NEEP acknowledges EPA’s identification of the challenges of evaluating, measuring and verifying savings from building energy codes. But we also wish to point out that significant analysis has been done on this topic in recent years, and we firmly believe that energy codes should and must be allowed

² See: American Council for an Energy Efficient Economy 2014 *State Energy Efficiency Scorecard* at 33.



as part of state compliance because of their ability to comprehensively and fairly affect energy savings in states.

NEEP agrees with our colleagues from ACEEE in recommending that the 2007 ASHRAE 90.1 Standard for commercial buildings and high-rise residential and the 2009 International Energy Conservation Code (IECC) for low-rise residential buildings be used as the baseline for measuring savings from building energy codes, as some 40 states in the U.S. currently employ these codes.³ Under the American Recovery and Reinvestment Act of 2009, all states signed certifications that they were updating their codes to the IECC residential 2009 code and the ASHRAE 90.1-2007 commercial code, or equivalent, making this an appropriate and logical national baseline.

In terms of determining savings from building energy codes, NEEP further supports ACEEE's recommendation that savings be determined by comparing the baseline to the new building energy code for a sample group of the most common building types, and then weighing the savings from each building type by the number of homes (residential sector) or square feet (commercial sector) of each building type built in a state each year. For further assurance of savings from newly-adopted building energy codes, EPA can also reference analysis done by the Department of Energy and Pacific Northwest National Laboratory (PNNL) for specific states to determine energy savings from the 2012 IECC and ASHRAE 90.1 2010 standard,⁴ and EPA should authorize states to use this analysis in determining their savings estimates from code.

As the code is only as good as its compliance rate, we further concur with ACEEE's recommendation that states that have yet to do so conduct a code compliance study to estimate compliance with building codes as of a base period and compare this to compliance in years after 2020, the difference in compliance on an energy savings basis then multiplied by the estimated code savings (assuming full code compliance) in order to estimate the additional energy savings due to improved compliance (or reduced savings due to declining compliance). Again, DOE and PNNL have developed a detailed method for code compliance studies that EPA should reference.⁵

In addition, several states have undertaken work in recent years to estimate energy savings from code compliance resulting from activities undertaken by utilities and other efficiency program administrators. NEEP has published a report on the topic of attributing savings from code support activity by utilities that EPA should use as reference in understanding various methodologies available to assess savings from code compliance.⁶ Following that report's publication, the states of Rhode Island and Massachusetts initiated new programs for attributing savings from code activities undertaken by utility programs, which provides further examples of methods for measuring and verifying savings from building energy code compliance.⁷

³ See 2014 ACEEE State Energy Efficiency Scorecard. <http://aceee.org/research-report/u1408> .

⁴ See: http://www.energycodes.gov/development/residential/iecc_analysis and http://www.energycodes.gov/development/commercial/cost_effectiveness .

⁵ <http://www.energycodes.gov/compliance/evaluation> .

⁶ See: <http://www.neep.org/attributing-building-energy-code-savings-energy-efficiency-programs>

⁷ See: https://www1.nationalgridus.com/EnergyCodeTechSupport-RI-TPC?utm_source=general&utm_medium=general&utm_campaign=preinspection?ng=us?ng=us



Similarly, NEEP recommends that state-based appliance efficiency standards – standards that are not preempted by the National Appliance Energy Conservation Act (NAECA) of 1987 – be allowed as part of state compliance plans. Since 2002, NEEP has worked with states in the region to help them adopt 31 appliance efficiency standards for specific commercial and residential product categories. Looking forward, the Appliance Standards Awareness Project (ASAP) projects energy savings from a package of eligible state-based appliance efficiency standards could save substantial energy and related CO₂ emissions in Northeast states. The range of energy savings is substantial; for just the state of Rhode Island, for example, the region's smallest state, enacting this group of new state-based appliance standards could result in annual CO₂ savings by 2025 of some 138,000 metric tons per year. For New York, the region's largest state, annual CO₂ savings of 2,798 metric tons per year by 2025 could be realized.⁸ Given this potential, states should be encouraged to adopt new appliance efficiency standards as a strategy for reducing CO₂ emissions, and the EPA should include standards as a qualify CPP compliance strategy.

Levelized Cost of Saved Energy (pp. 34874-75): EPA has assumed a levelized cost of saved energy (LCSE) of \$85-90 per MWh of energy savings in the period from 2020-2030 in estimating costs of compliance with each proposed state CO₂ reduction target, which NEEP suggests is much too high, not consistent with the Northeast and Mid-Atlantic states in their approved energy efficiency program filings, and could have a chilling effect on inclusion of energy efficiency in compliance strategies.

Of the states in the region reporting through NEEP's *Regional Energy Efficiency Database* for 2012, data show the LCSE to be significantly lower than EPA's estimates. These costs range from \$30 per MWh in Vermont and New Hampshire, \$40 per MWh for Massachusetts and Rhode Island, and \$50 per MWh for Connecticut and Maryland.⁹

Consistent with comments being filed by our colleagues in other regions of the country, including those of the Southwest Energy Efficiency Project (SWEET), NEEP would also suggest that additional data on this topic be examined, as the Northeast and Mid-Atlantic regions are not alone in illustrating lower assumed LCSE. According to reports from ACEEE (for the period 2009-2012) and Lawrence Berkley National Laboratories (LBNL) (for the period 2009-2011) LCSE for energy efficiency programs around the country are much lower than EPA's assumption. The LBNL report showed an average LCSE of \$21 per MWh, while ACEEE's report showed an average LCSE of \$28 per MWh, with both analyses considering program administrator costs only (without including participant costs).¹⁰ LBNL also analyzed total energy efficiency program costs in 11 states and concluded that total costs are typically double the program administrator costs, suggesting a total levelized cost of about \$42 per MWh. It is also our understanding that LBNL is currently conducting further analysis of total program costs, and NEEP would suggest that the EPA should reference this analysis when it becomes.

As has also been suggested by other filers, ACEEE's tracking of program administrator costs over time shows no evidence that the average cost of saved energy rose in the 2009-2012 time period. Moreover, ACEEE found a weak correlation between the cost of saved energy and the level of achieved energy

⁸ See: <http://www.appliance-standards.org/map/benefits-from-state>

⁹ See: <http://www.neep-reed.org/Focus.aspx>.

¹⁰ M.A. Billingsley et al. *The Program Administrator Cost of Saved Energy for Utility Customer-Funded Energy Efficiency Programs*. Lawrence Berkeley National Laboratory, Berkeley, CA. March, 2014. <http://emp.lbl.gov/sites/all/files/lbnl-6595e.pdf>.



savings achievement, suggesting that average costs will not increase, or only increase slightly, if 1.5 percent per year of electricity savings is the required target.

NEEP can support this contention by also looking at the LCSE in its states over time, where energy efficiency programs are not only among the most mature in the country, but have ever-increasing savings goals being set and realized. Thus, the theory that once easier to achieve measures, such as residential lighting installations, are broadly deployed that program costs will significantly increase has not been the case in the Northeast.

Based on the experiences of our stakeholders in the Northeast, as well as evidence presented from national analyses, NEEP joins with SWEEP and several other national organizations in recommending that the EPA assume a LCSE in the range of \$50-55 MWh for future ratepayer-funded energy efficiency programs. Moreover, we urge the EPA to also recognize the significant non-energy benefits from energy efficiency programs that states in our region are increasingly seeing as needing to be included in benefit-cost analyses. A proceeding to examine such benefits is currently underway at the Massachusetts Department of Public Utilities (DPU) and could likely prove illustrative in understanding the range of non-energy benefits related to environmental compliance.¹¹ Finally, NEEP's EM&V Forum has also gathered an inventory of state benefit-cost screening issues and practices, and made similar recommendations for how states can further recognize the expanded range of benefits from energy efficiency programs, including higher productivity, increased occupant comfort and reduce water consumption.¹² Similar analysis has been conducted by the National Efficiency Screening Project and should be referenced as well.¹³

Thus, we also join with many of our energy efficiency advocacy organization colleagues in urging the EPA to recognize the full range of non-energy benefits of energy efficiency measures and programs in conducting the benefit-cost analysis of the CPP.

Allowing states to choose rate or mass-based goals (p. 34894) and **Translating Rate-Based Goals to Mass-Based Goals** (p. 34912): NEEP stands with the RGGI-participating states in supporting EPA's allowance for a mass-based emissions reduction approach to achieve CPP compliance. We further concur with the comments filed by the collective RGGI states¹⁴ that a mass-based approach "simplifies compliance and enforceability, and avoids legal and accounting complexities associated with other rate-based approaches."

Indeed, the experience of the RGGI states has been remarkably successful. In 2012, average 2012 CO₂ emissions from RGGI regulated power plants were more than 40 percent lower than emissions in 2005, while the program at the same time returning more than \$700 million to the region's homes and businesses through reinvestment of RGGI auction proceeds into clean energy measures.¹⁵

¹¹ Massachusetts Department of Public Utilities Docket 14-86.

¹² See: [Energy Efficiency Cost-Effectiveness Screening in the Northeast and Mid-Atlantic States: A Survey of Issues and Practices, with Recommendations for Developing Guidance to the Regional Evaluation, Measurement & Verification \(EM&V\) Forum by Tim Woolf, et al 2013](#) – page 7

¹³ See: http://www.nhpci.org/publications/NHPC_NESP-Recommendations_20140816.pdf

¹⁴ Connecticut, Delaware, Maine, Maryland, Massachusetts, New Hampshire, New York, Rhode Island and Vermont.

¹⁵ See: http://www.rggi.org/rggi_benefits



Thus, in establishing methodologies for rate-to-mass based conversions, NEEP recommends that EPA work with those mass-based states with substantial experience in modeling and analyzing CO₂ emissions, such as the RGGI states, and that EPA be guided by a set of principles aimed at achieving the best outcome. These principles should include:

- Collaboration in working with states, including sufficient stakeholder input, and a process that takes into account state recommendations, rather than EPA simply specifying mass-based targets for each state.
- Flexibility for how states may include energy efficiency in their compliance plans, acknowledging that different states have different levels of experience with evaluation, measurement and verification.
- Fair, consistent and equitable treatment among and between states.
- Transparency and clarity in what is required and documented.
- Simplicity in what is required of states to not over-burden them.
- Credibility of the process and the results by, as cited by the RGGI states, not arriving at a final rule that is “too open-ended,” and which would allow states to “game the system.”

Reporting and Corrective Measures (pp. 34907-09): NEEP supports EPA’s proposal that, should a state’s emissions (under a mass-based approach) or emissions rates fall short of projected levels by more than 10 percent starting in 2022, that a report to EPA, outlining corrective measures, be required of those states.

With regard to the frequency of reporting, NEEP suggests that a 10-year time period is too long for compliance with interim goals and could lead states to forego near-term action, and, thus, create an over-reliance on actions at the end of the 10-year period. Such a risky strategy creates the possibility that states could fail to achieve compliance if they are unable to “make up” savings at the end of the compliance period, which could occur for any number of reasons.

Therefore, NEEP and the joint energy efficiency stakeholders in our separate comments related to EM&V issues have recommended that EPA require interim reporting during the CPP’s 2020-2030 timeframe so that states can demonstrate their progress towards their stated energy efficiency goals and associated avoided emissions targets. We recommend that such interim reporting be on a three-year basis (e.g., starting in 2022, 2025, 2028 and 2030). This reporting cycle is consistent with some state multi-year program planning cycles, and also allows states to align their program impact evaluation cycles with such reporting as practicable.

Net importing and Exporting States (p. 34896-97): EPA has proposed adjusting electricity savings credits downward in those states that are net importers of electricity because some emissions reductions are likely to occur out of state. However, EPA is not proposing a comparable upwards adjustment in savings credits in net exporting states.

NEEP recommends that no adjustment be made for either net importing or net exporting states. We do so for a number of reasons.

First, we agree with our colleagues from SWEEP on the general principle that the state where the electricity savings occur should get the full credit for energy savings, and related emissions reductions,



in that state. As SWEEP has rightly pointed out, while some emissions reductions might occur out of state, the average emissions rate of the exporting state does not necessarily decline due to energy efficiency improvements made within the importing state. Further, reducing savings in one state, while not allowing for adjustments in another, creates asymmetry that would create a disincentive for states to implement new energy efficiency policies and programs. (We also note that this should not be an issue for states choosing a mass-based approach, as emissions reductions occur where they occur, with compliance based upon actual emissions, and not a computation of emission rates.)

Further, we concur with the comments filed by the RGGI states that EPA's proposal for mass-based state to adjust overall CO₂ emissions from the affected fleet to account for the "export" of avoided CO₂ emission credits is both unwieldy and unlikely to achieve the desired results. As the RGGI states note: "Due to the nature of the electricity system and the economic dispatch model of our shared grids, it is impossible to unravel the location and type of fossil fuel-fired generation the specific unit of RE or EE has displaced." We further agree that any attempt to require adjustments to the overall emissions of a mass-based state would be "derived from an arbitrary assumption; specifically, in determining the magnitude by which to offset the emissions of the mass-based state's affected fleet." As the states point out, if a rate-based state were to attempt to claim credit for energy efficiency or renewable energy resources produced in an adjacent mass-based state, this would result in double-counting, irreparably harming the integrity of the program.

Thus, recommending adherence to the principles articulated above of simplicity, transparency, equity and credibility, NEEP recommends that no adjustments be made for either net-importing nor net-exporting states.

State Plans (pp. 34901-09): NEEP supports the concept that a broad range of energy efficiency programs and policies be allowed in state compliance plans, and that, further, the ability to adopt and enforce such measures be left with the states, rather than EPA. NEEP also agrees with the RGGI states that they must be given flexibility to modify such measures and policies, as they are meant to evolve to changing technologies, market circumstances, etc., and, thus, cannot remain static over the 15-year EPA compliance period. As noted above, while EPA notes the challenges of using building energy codes as a compliance strategy due to EM&V issues, NEEP nonetheless feels very strongly that energy codes should be part of any allowable compliance strategies, as should state-based appliance efficiency standards. Other programs and policies that should also be considered for eligibility include state and municipal building energy standards (i.e., "leading-by-example" programs), which the Northeast has considerable experience with and which have produced substantial energy savings over the years; and policies that enhance private financing of energy efficiency projects (e.g., loan loss reserve funds, or Property Assessed Clean Energy Districts (PACE) initiatives).

Credits for Early Actions (pp. 34918-19): EPA has raised the issue of whether states should get credit for existing state policies and programs, or measures adopted in the 2014-2020 time period, for meeting the goals during 2020-2030. NEEP would not support states receiving extra credit for energy savings occurring prior to 2020 or from measures installed prior to 2020 as this would weaken the standards and mean fewer emission reductions will occur during the 2020-2030 time period. This position is supported by EPA's acknowledgement that states are implementing/expanding efficiency programs and policies for reasons other than 111d compliance. NEEP would support EPA allowing for some emissions reduction credits for new or incremental actions that occur in the 2017-2019 time period after a state's carbon emission reduction plan is approved; e.g., for the expansion of energy efficiency programs in the 2017-19 period and the incremental energy savings those years, relative to energy savings levels occurring in say the 2014-16 period. NEEP also agrees that EPA should allow states and utilities to count the energy savings from such efficiency measures installed starting in 2020, even



if they result from efficiency policies that were adopted and took effect prior to 2020, as long as these activities are incremental and are an element of the state's 111d compliance plan.

One additional concept for how EPA can address the issue of credit for early action can perhaps be found in the comments of the collective RGGI states,¹⁶ which has suggested that the EPA "assign an increased ramp-up rate to those states which by year-end 2012 had not met or exceeded either the average U.S. total incremental savings as a percentage of retail sales (2012) or the average U.S. total cumulative savings as a percentage of retail sales (2012)." The RGGI states recommended a targeted 0.38 percent rate of improvement in incremental annual savings per year, as opposed to the 0.2 percent rate proposed by EPA. Under such an approach, EPA would not need to address the issue of "credit" for early action, per se, as much as create a dis-incentive for states to delay action. NEEP feels this approach has significant merit and should be considered by the EPA.

Other Potential Emissions Reduction Measures (p. 34923): EPA has asked for comment regarding other specific potential emissions reduction measures.

NEEP supports the recommendation that efficiency improvements to utility transmission and distribution systems (e.g., conservation voltage reduction) starting in 2020 be eligible for the same energy savings credits as end-use energy efficiency measures. NEEP also recommends that such measures may be included in state compliance plans for incremental actions beyond those otherwise planned prior to development of the 111(d) compliance plan.

Likewise, we support the inclusion of plug-in electric vehicles (EVs) as another potential emissions reduction measure that states can use in state compliance plans and reports. However, we recommend that these credits be applied only for the growth in EVs above those reflected in the baseline to calculate the state's average carbon emissions before CPP measures. Thus, no credit should be given for EVs that would otherwise be adopted by the market but rather credit should only be given for EVs promoted as a CPP compliance measure. It will be important that the EPA clarify what methods (and/or data sources) states can use to include EVs in their initial baseline (to establish their average emission rate) as well as in their compliance plan and report as a compliance measure.

Combined Heat and Power: EPA has proposed that "affected" combined heat and power (CHP) facilities (larger than 25 MW) be credited 75 percent of the thermal output from these affected units, while suggesting that smaller, "unaffected" CHP units could qualify as a type of energy efficiency measure included in Building Block 4 (p. 34924). EPA has further invited comment as to whether CHP should be allowed as a potential emission reduction option.

As combined heat and power (CHP) is currently incorporated, in whole or in part, into the energy efficiency program savings goals in most states in the Northeast¹⁷ NEEP recommends that CHP be allowed as an eligible compliance method as proposed by the EPA, provided such credit reflects incremental CHP activity beyond that otherwise included in the baseline of policies and programs assumed as "in place" prior to 2017.

Evaluation, Measurement and Verification (pp. 34920-21):

¹⁶ See RGGI states' comments at 28.

¹⁷ See: <http://www.neep.org/systems-approach-economical-industrial-efficiency-combined-heat-power-northeast-mid-atlantic-states>



As noted above, NEEP and a group of energy efficiency and clean energy stakeholders on November 26, 2014 submitted via email separate comments related to EM&V issues that EPA asked for comment on at the issuance of the Clean Power Plan. For specific questions related to these comments, EPA representatives should contact Julie Michals, director of NEEP's Regional EM&V Forum, at jmichals@neep.org.

Conclusion

NEEP wishes to once again thank and congratulate EPA for its leadership on setting the nation on a course to a more sustainable energy future. We stand ready and willing to work with the Agency and our affected states to make the Clean Power Plan a success.

These comments were prepared by NEEP Public Policy Director Jim O'Reilly (joreilly@neep.org); NEEP EM&V Forum Director Julie Michals (jmichals@neep.org); and NEEP Executive Director Susan Coakley (scoakley@neep.org), and questions regarding these comments may be directed to any of them. For more information about NEEP, see: www.neep.org.