

Delaware's Energy Efficiency Resource Standards “EERS 101”

DNREC

October 27, 2009

What is an EERS?

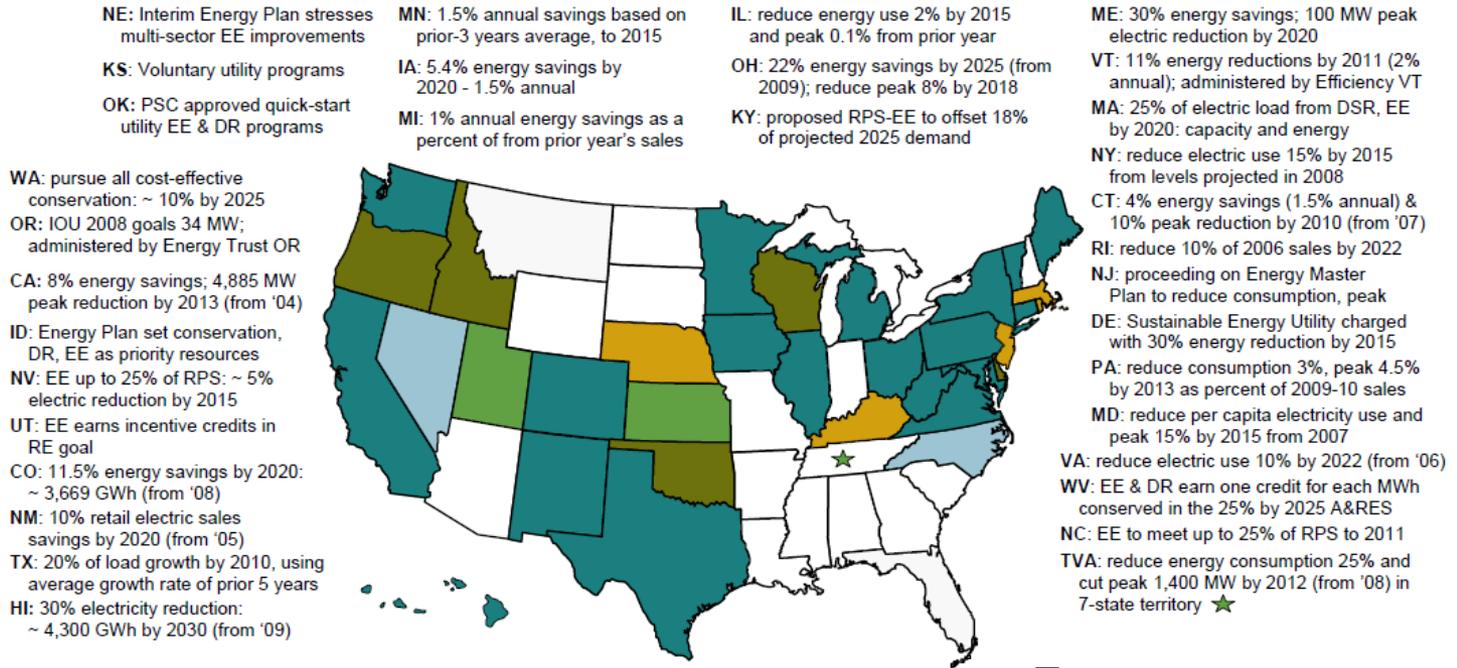
- ▶ Similar in concept to a Renewable Portfolio Standard
- ▶ Requires electric and natural gas utilities to achieve a set level of energy savings from energy efficiency and conservation
- ▶ Programs designed to help the end-use customer
- ▶ 21 states have EERS policies or energy savings goals
- ▶ Energy efficiency benefits: least-cost resource, less need for new capacity, less pollution, lowers GHG, creates jobs

EERS States

Electric Market Overview: Energy Efficiency Resource Standards (EERS) and Goals

Federal Energy Regulatory Commission • Market Oversight @ FERC.gov

21 States have Energy Efficiency Resource Standards



Updates at: <http://www.ferc.gov/market-oversight/mkt-electric/overview/elec-ovr-eeeps.pdf>

* TVA is a Public Power Authority – this is not a state action.
Abbreviations: A&RES – Alternative & Renewable Energy Standard; DR - demand response; DSR – demand-side resources; EE - energy efficiency; E&G: electric and gas utilities; RPS: Renewable Portfolio Standard;
Sources: ACEEE, DOE- EERE, EPA, Institute for Electricity Efficiency (IEE); Regulatory Assistance Project, State regulatory and legislative sites, State Efficiency Agency reports, trade press

- EE as part of an RPS law or rule
- EERS by regulation or law (stand-alone)
- Voluntary standards (in or out of RPS)
- EERS pending regulations, proposed, or studied
- Other EE entity, rule, or procurement order

Delaware's Energy Efficiency Resource Standards

The statute requires electric and natural gas utilities in the state to achieve:

- 2% electricity consumption savings and 2% peak demand reduction by 2011, increasing to 15% by 2015
- 1% natural gas savings by 2011, increasing to 10% by 2015

Delaware's Energy Efficiency Resource Standards

- ▶ Energy efficiency and conservation programs will be implemented by the SEU in collaboration with the affected utilities.
- ▶ Demand response (DR) programs will be implemented by the affected utilities.
- ▶ Programs initially funded by Stimulus and RGGI monies and transition to a Sustainable Energy Trust Fund created by a small Energy Efficiency Charge

Legislative Background

- ▶ SB 106 “The Energy Conservation and Efficiency Act of 2009”
- ▶ Strong support from the Governor, the Senate and House
- ▶ Recommended in the 2009 Delaware Energy Plan developed by the Governor’s Energy Advisory Council
- ▶ Collaborative effort of DNREC, Senate Energy & Transit Committee, and utilities

Policy Environment

- ▶ Decoupling
- ▶ EE as priority resource
- ▶ DSM programs
- ▶ Smart meter (AMI) deployment
- ▶ Building code updates
- ▶ SEU programs
- ▶ ARRA funds- SEP and EECBG
- ▶ Federal RES to include an EE percentage target
- ▶ Dynamic pricing

EERS States

Most successful:

- ▶ CA- reported 3,652 GWh savings in 2007 and 5,000 GWh in 2008
- ▶ VT- Best funded electric and natural gas efficiency and conservation programs, administered by Efficiency Vermont
- ▶ CT- Utilities met 1% of electricity needs through efficiency in 2006, white tag trading allowed

Similar goals:

- ▶ CT: 1.5% electricity savings per year; 10% peak demand reduction by 2010
- ▶ MD: 15% electric by 2015
- ▶ MN: 1.5% natural gas savings per year
- ▶ NY: 15% forecasted electricity usage by 2015
- ▶ ME: Efficiency Maine goals are 30% by 2020

Energy Efficiency Spending

Top Ten State Electricity Efficiency Program Spending

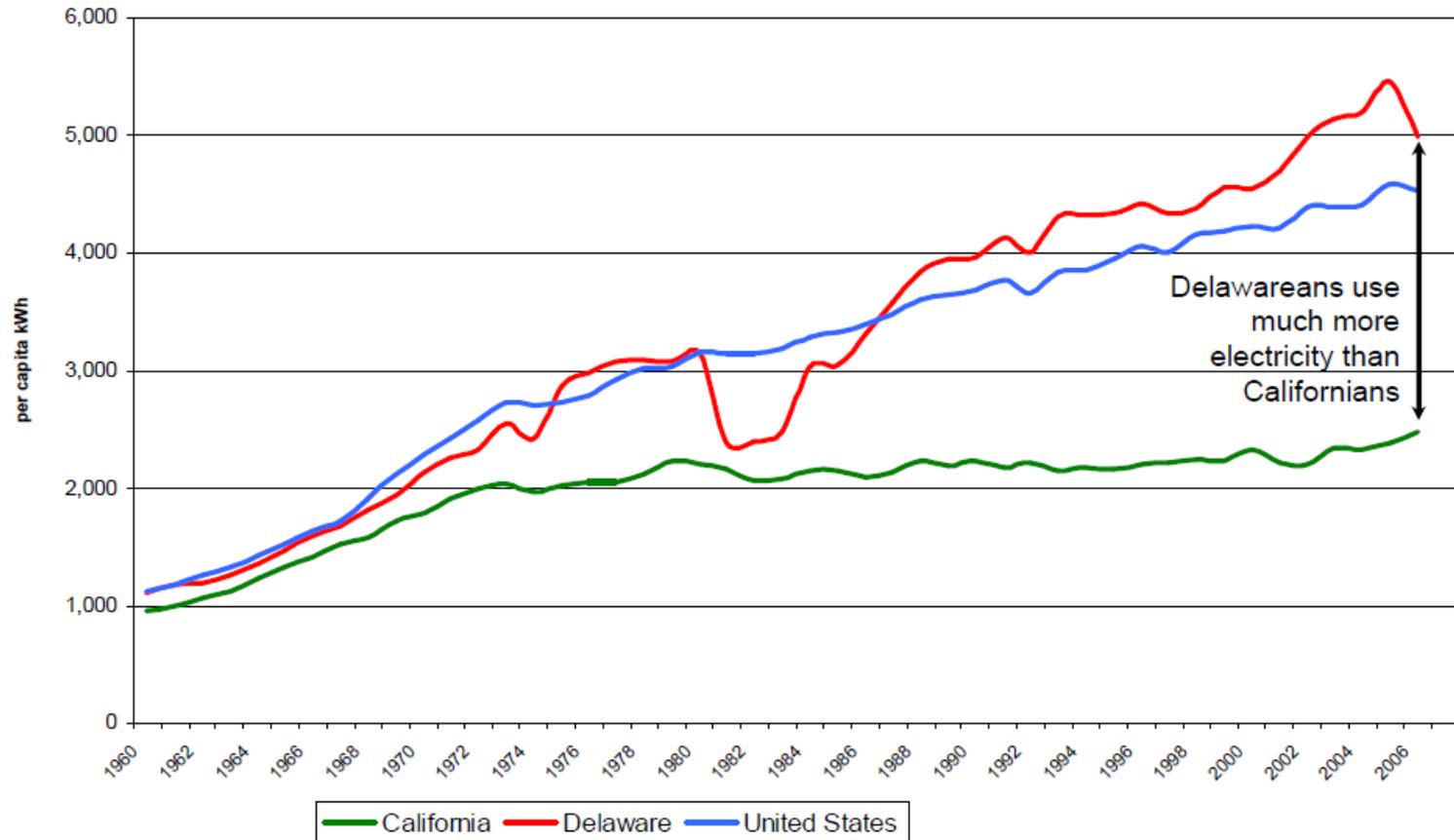
State	2007 total spending (\$millions)	Spending as a Percent of Revenues
VT	\$23.6	3.4%
WA	\$126.7	2.6%
CA	\$755.3	2.2%
OR	\$69.1	2.1%
CT	\$95.7	2.0%
RI	\$17.9	1.9%
MN	\$91.2	1.7%
NY	\$241.5	1.6%
IA	\$56.5	1.4%
MA	\$120.2	1.4%

State Natural Gas Efficiency Program Spending

State	2007 total spending (\$millions)	Spending Relative to State Population (\$per capita)
IA	\$28.4	\$9.5
NJ	\$37.8	\$4.4
MA	\$25.6	\$4.0
UT	\$9.5	\$3.6
CA	\$118.1	\$3.2
MN	\$15.6	\$3.0
OR	\$10.7	\$2.9
VT	\$1.5	\$2.4
RI	\$1.9	\$1.8
WI	\$10.0	\$1.8

In 2007, DE spent ONLY \$208,000 on ratepayer EE programs

How Delaware Compares

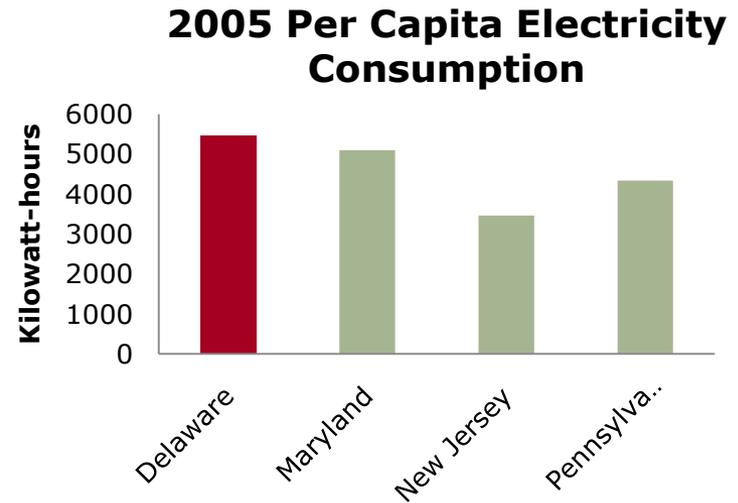
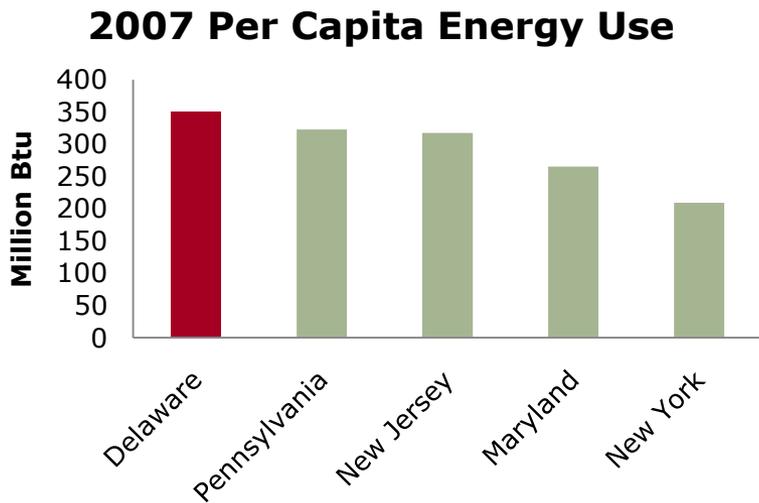


EIA, 2009 State Energy Data System (SEDS); U.S. Census Bureau, 2007, 2000, 1990

From the "SEU Early Launch Program" by Amy Roe presented to the Senate Energy and Transit Committee Presentation, Spring 2009

How Delaware Compares

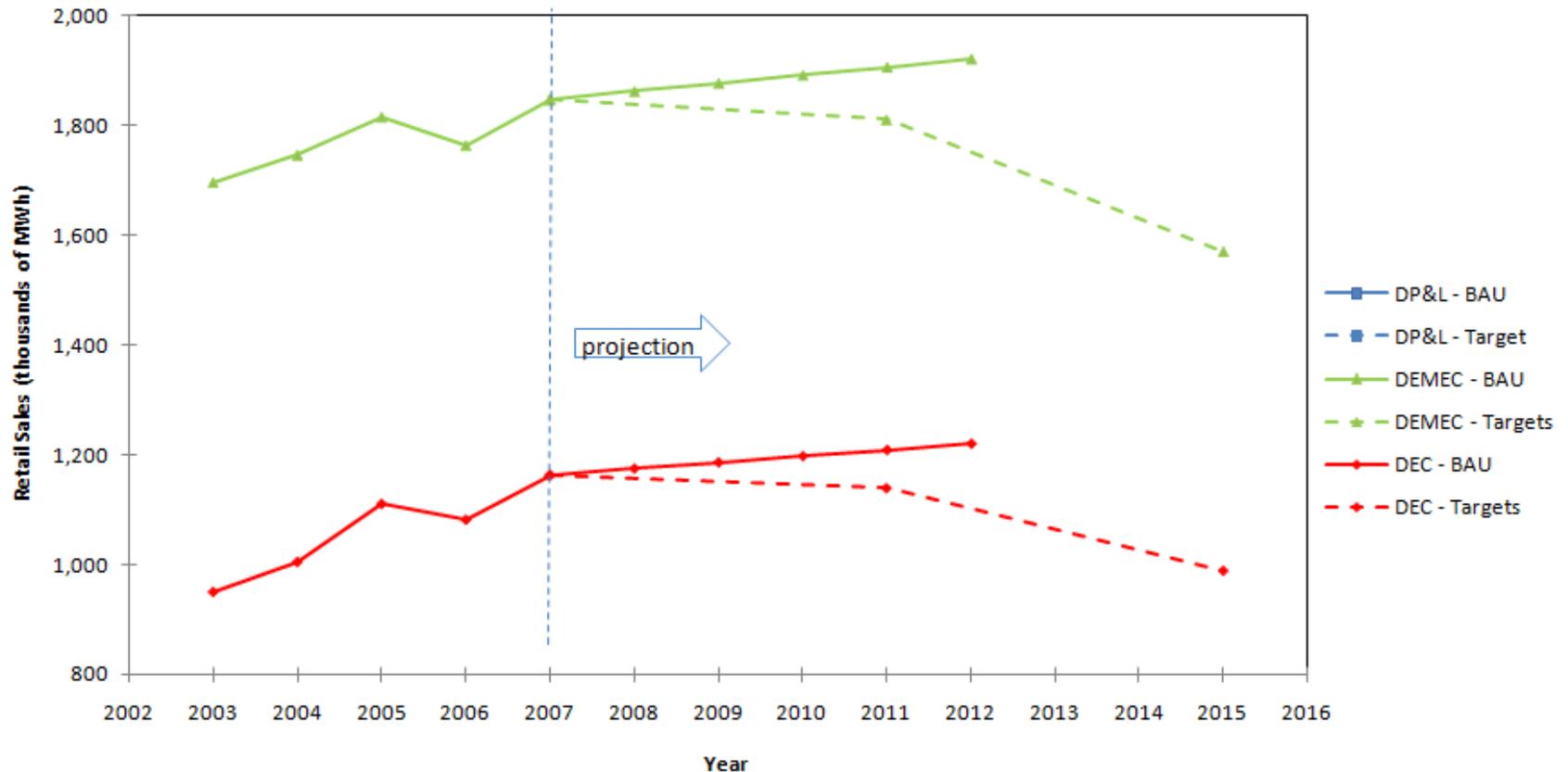
- ▶ Surrounding states per capita energy intensity



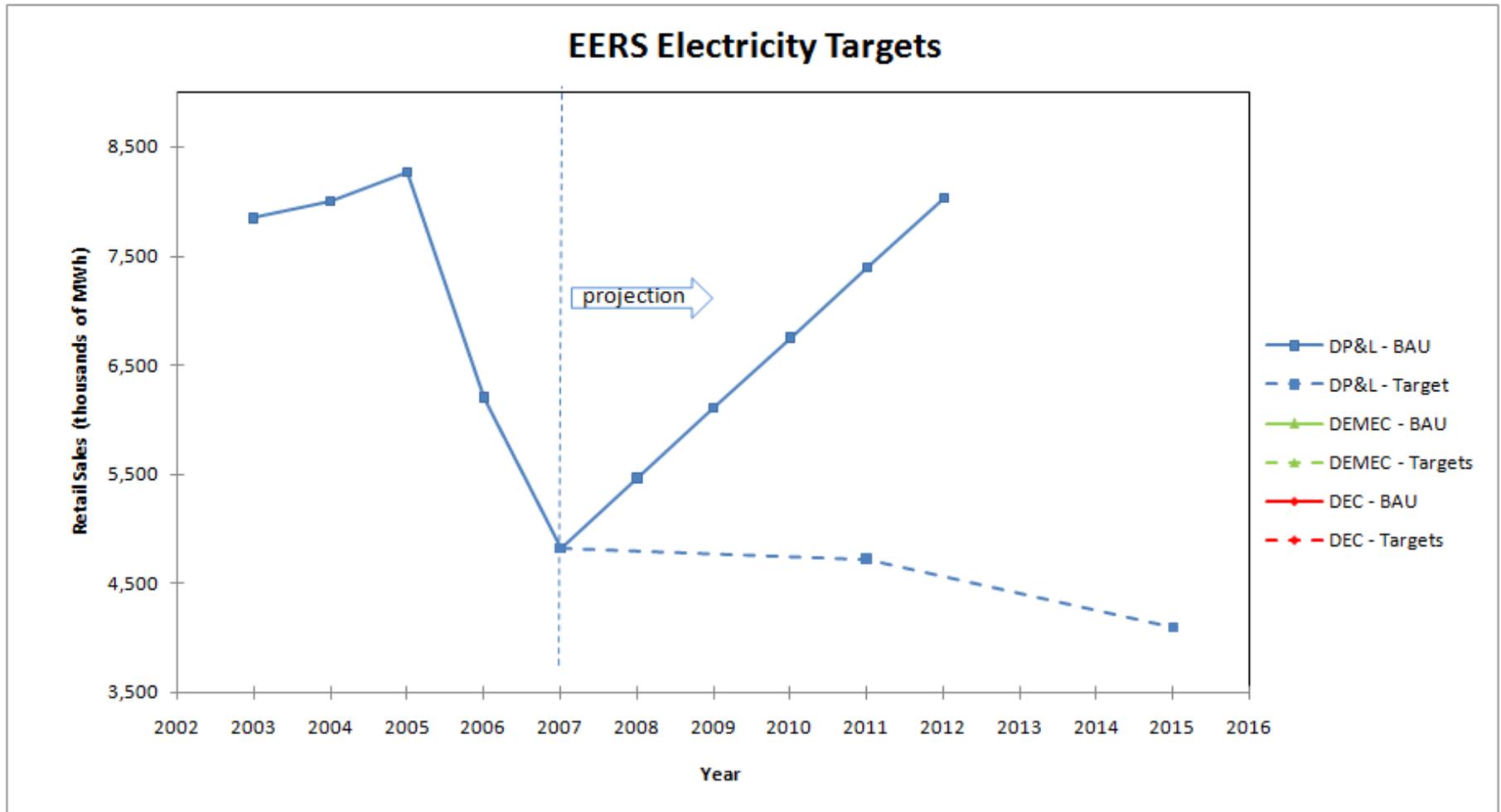
Source: EIA State Energy Data 2007:Consumption; EERE State Activities and Partnerships: Electric Power and Renewable Energy in Delaware (2008)

What do the targets look like?

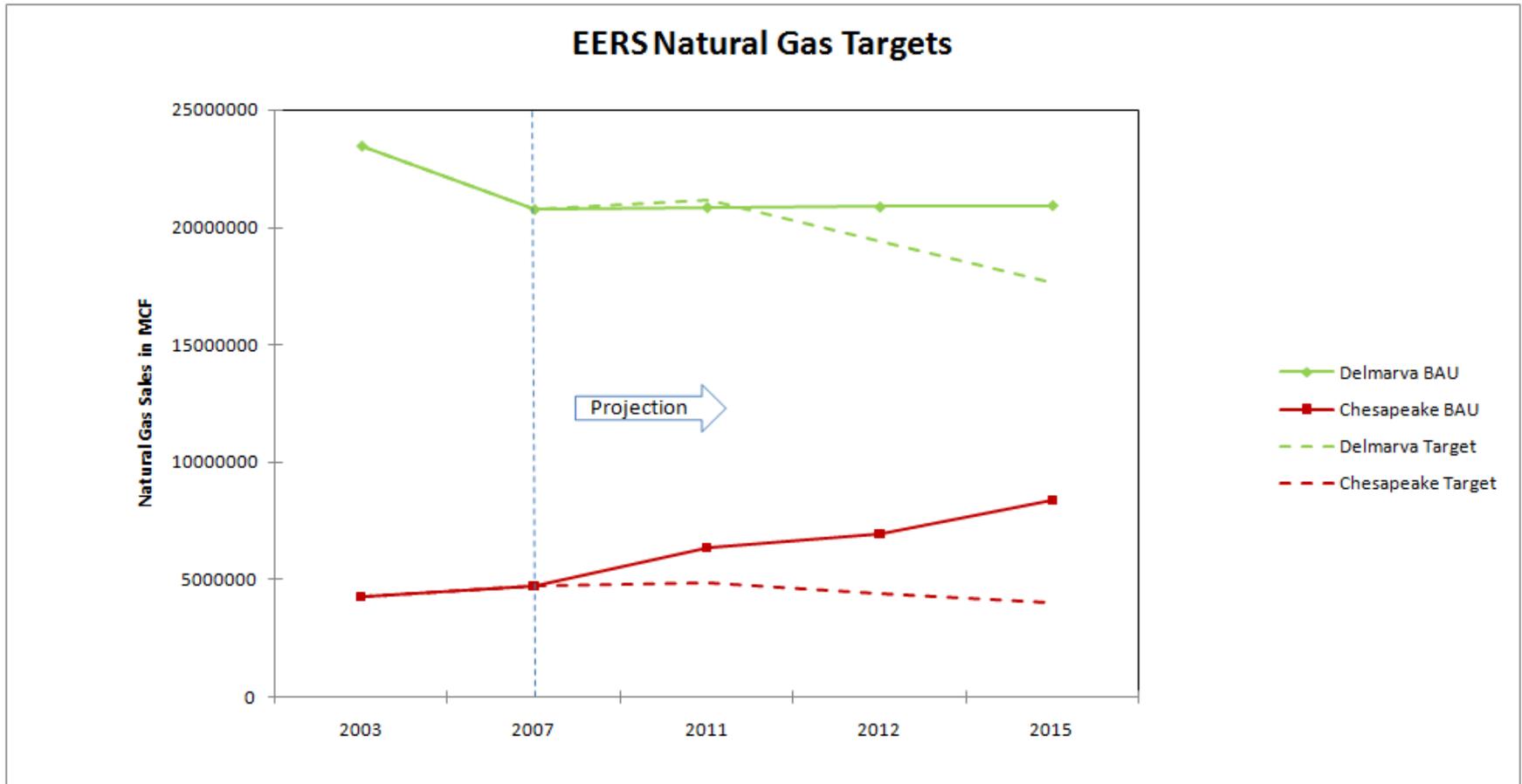
EERS Electricity Targets



What do the targets look like?



What do the targets look like?



BAU projections based on data provided in the 2009 Delaware Energy Plan

Source: Delaware Energy Plan 2009

What is the role of the Workgroup?

- ▶ Workgroup convened to encourage stakeholder input and involvement in the planning and implementation of the EERS.
- ▶ Workgroup charged with developing a study to:
 - determine the feasibility and impacts of achieving the energy savings targets
 - provide recommendations to DNREC to aid the development of rules and regulations