



Government's Role in Energy Efficiency

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Office of Energy Independence



The Office of Energy Independence (OEI) was established in 2007 to coordinate the State of Iowa's activities concerning energy independence.

VISION: Leading Iowans to a vibrant future through economically viable and environmentally sound energy choices.

MISSION: To achieve a sustainable energy future by:

- Providing leadership through education, planning and investment
- Developing policies and resources to produce market transformation



Task-Iowa Power Fund

- \$100 million over 4 years
- Provides financial assistance to entities to increase Iowa's research, development, & use of sources of renewable energy; improve efficiency and reduce greenhouse gas emissions.
- \$2.5 million – Annually allocated to Iowa Community Colleges for energy education and workforce training

Two Kinds of Policies/Actions



- Those that directly affect utilities and how they operate
- Those EE policies/actions that don't directly affect utilities

Policies Directed at Utilities



- Energy efficiency portfolio standard
 - Regulators set annual energy saving targets for utilities
 - Can be coupled with “white tags” to allow for trading and flexibility

Policies Directed at Utilities



- Decoupling of rates
 - Traditional model: the more energy utility sells, the more profit the utility makes
 - Decoupling aims to break this connection and get rid of the disincentive to sell less energy
 - Goal: utility profits remain at the same level when it sells less energy due to EE

Policies Directed at Utilities



- Integrated resource planning
 - Utility resource planning system where EE is evaluated as one of the options for a utility to meet its resource needs in the future

Policies Directed at Utilities



- Make EE highest priority in utility resource planning
 - Regulators require that EE is the first resource to be considered in utility resource planning
 - EE must be pursued before new generation can be built

Policies Directed at Utilities



- Third party EE program administration
 - Program model that takes away EE program administration from utilities
 - Plus: Third party's only focus is on achieving EE (no conflict with the desire to sell more energy)
 - Minus: Disconnects EE programs and planning from utility resource planning

Policies Directed at Utilities



- Public benefits fund
 - Additional charge on utility bills that gets directed to a separate fund
 - Used to promote EE and/or renewable energy
 - Fund administration usually by a third party or government entity

Policies Directed at Utilities



- Allow & encourage advanced metering and different rate structures
 - Advanced metering enables extensive data collection regarding energy use and its timing
 - Time of use rates
 - Critical peak pricing
 - Flat and inclining block rates

Policies Directed at Utilities



- Utility system efficiency requirements
 - Requirements for utilities to upgrade transmission & distribution systems to reduce energy losses

Indirect/Non-Utility EE Policies



- Government leading by example
 - Government sector (all levels) is a very significant energy user
 - Government leadership can push market transformation, create demand for EE technologies
 - Important to show leadership when government asks utilities and other entities to step up their efforts

Indirect/Non-Utility EE Policies



- Green building standards, incentives, and/or requirements
 - Government can adopt green or sustainable building standards
 - Certain sectors can be required to meet chosen standards (i.e. public sector)
 - Various incentives for those who meet standards

Indirect/Non-Utility EE Policies



- Tax & other incentives for EE buildings & measures
 - Tax credits & other financial incentives for builders/building owners who adopt EE measures and/or reach certain efficiency standards

Indirect/Non-Utility EE Policies



- Allow & create financing options for EE improvements
 - Could take many forms, some examples:
 - Low or no-interest financing for public entities for pursuing EE
 - Target disaster recovery assistance to EE (Jumpstart program in Iowa)



- Building energy codes & enforcement
 - Adopt recent building energy codes
 - Makes sure standards apply to most buildings, areas of state
 - Enforcement of standards is often the most problematic area

Indirect/Non-Utility EE Policies



- Appliance standards
 - Federal government has set standards for many appliances
 - States can adopt additional standards

Indirect/Non-Utility EE Policies



- EE recognition programs
 - Participating organizations make pledges to implement EE measures and/or reach certain efficiency levels
 - Awards & public recognition

Indirect/Non-Utility EE Policies



- Education campaigns
 - Consumer/customer awareness is an important part of achieving EE results
 - Broad government/third-party campaigns can reach larger audiences and ensure uniform message
 - Complements utility EE program promotion and education efforts



Energy Efficiency “Easy”



- Home Performance with Energy Star
- Performance Contracting
- BeSmart

Contacts



Iowa Office of Energy Independence

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