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22 States have Energy Efficiency Resource Standards (EERS)
9 have Efficiency Goals

WA: all cost-effective conservation (~10%) by 2025

OR: 1% annual savings, 2013-14

CA: save 1,500 MW, 7,000 GWh; reduce peak 1,537 MW: 2010-12

NV: 0.6% annual savings (~ 5%) to 2015; EE to 25% of RPS

CO: save 3,984 GWh, 2012 – 20; reduce peak 5% by 2018

AZ: 22% cumulative savings by 2020; peak credits

NM: 10% electric savings by 2020

OK: EE to 25% of renewable goal

TX: reduce 30% annual growth; 0.4% winter and summer peaks beginning 2013

HI: 4,300 GWh electricity reduction (~40% of 2007 sales) by 2030

IA: 1.5% annual, 5.4% cumulative savings by 2020

IL: 2% energy reduction by 2015; 1.1% from 2008 peak by 2018

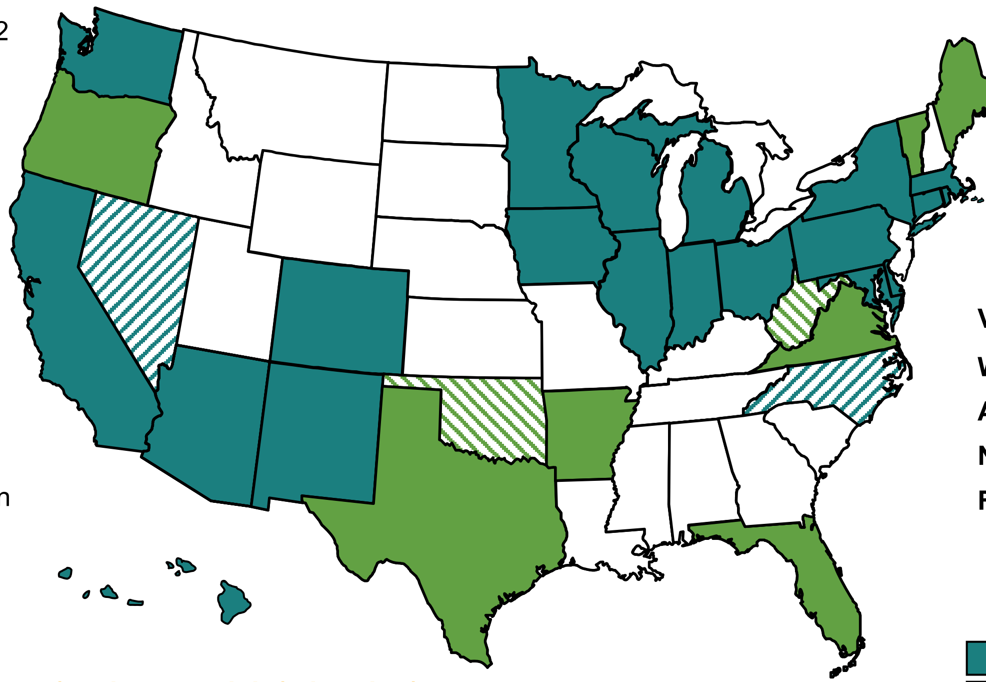
IN: 2% annual electricity savings by 2019

MI: 1% annual savings by 2012

MN: 1.5% annual savings to 2015

OH: 22% energy savings by 2025; 7% peak reduction by 2018

WI: 1.5% electric savings and peak reduction by 2014



ME: 30% electric sales reduction and 100 MW peak by 2013

VT: ~6.75% cumulative savings, 2009-11; summer and winter peak reduction targets

MA: 2.4% annual electric savings by 2012

NY: 15% reduction from projected electric use by 2015

CT: 1.5% annual savings, 2008-11

RI: cut consumption 10% by 2022

DE: cut electricity use and peak 15% from 2007 by 2015

PA: 3% cut from projected electric use and 4.5% peak by 2013

MD: 15% per capita energy reduction and peak demand by 2015

VA: reduce electric use 10% by 2022

WV: EE & DR earn credits in A&RES

AR: 0.75% electric savings by 2013

NC: EE up to 25% of RPS to 2011

FL: 3.5% energy savings; summer and winter peak reductions by 2019

- EERS by regulation or law (stand-alone)
- Hybrid EERS-RPS
- Energy efficiency in voluntary goal
- Hybrid efficiency - renewable goal

Updates at: http://www.ferc.gov/market-oversight/othr-mkts/renew.asp

Abbreviations: A&RES – Alternative & Renewable Energy Standard; DR - demand response; EE – Energy Efficiency; RPS – Renewable Portfolio Standard
Sources: American Council for an Energy Efficient Economy, database of State Incentives for Renewables & Efficiency (dSIRE), Institute for Electric Efficiency, State regulatory and legislative sites, and state efficiency agency reports

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Energy Efficiency Resource Standards (EERS)

- An Energy Efficiency Resource (or Portfolio) Standard (**EERS**) aims to reduce or flatten electric and gas load growth using energy efficiency (EE). It *requires* distribution utilities to achieve annual savings levels. An EERS may specify reductions for energy use (MWh or therms), peak demand (MW), or both.
- **Energy Efficiency** uses less fuel to produce the same or greater amount of *usable* energy from a given energy source. Reductions normally create multi-year effects over an investment's useful life. Alternatively, conservation can be temporary reductions in energy *use*.
- States have adopted fixed cost-recovery structures to promote the use of energy efficiency programs by utilities. The most common are decoupling or lost revenue recovery mechanisms.

Energy Efficiency Policy and Incentive Summary by State
18 states with standards (EERS): AZ, CA, CO, CT, DE, HI, IA, IN, MA, MD, MI, MN, NC, NM, NY, PA, RI, VT, WA
10 states with non-binding efficiency goals: AK, AR, FL, ME, OK, OR, TX, VA, VT, WV
15 states and one power authority have peak reduction targets in a standard or goal or award extra RECs for peak reductions
20 States established or expanded an EERS or EE goal since 2008
34 states with an EERS, pending regulations, or an EE goal

Incentives or Rewards for Electric Utility Efficiency Reductions
13 states approved decoupling mechanisms
9 states approved lost-revenue recovery mechanisms
11 states have pending cost-recovery mechanisms
3 states allow a 'virtual power plant' model as an avoided cost charge
21 states use incentives or reward utilities that meet savings targets

STATE ENERGY EFFICIENCY ACTIVITIES:

- **Texas** increased its targets for state IOUs from 20% of projected load growth, based on an average of the prior 5 years, to 30% in 2013 and beyond. (May 2011)
- **Colorado** increased its savings target to 130% of its 2008 goal. Its new goal is 3,984 GWh saved from 2012 to 2020. (May 2011)
- **Arkansas** established an energy savings goal with a target of 0.75% electric savings by 2013. (Dec 2010)
- **Wisconsin** established an EERS when its PSC approved targets of 1.5% of electricity consumption and 1.5% peak demand savings by 2014 and thereafter. Reduction targets are based on the prior three year's sales times a 1% growth rate. (Nov 2010)
- **Maine** law targets 30% energy savings and 100 MW peak electric reduction by 2020. The PUC approved the triennial plan of Efficiency Maine Trust. (June 2010)
- **Oklahoma** enacted a renewable energy goal of 15% by 2015. EE savings are eligible to meet 25% of the target. (May 2010)
- **Oregon** set a goal for 2010 to 2014. It targeted 256 average MW saved between 2010-14, or 2,243 GWh, at a levelized cost of less than $0.035/kWh. (Dec 2009)
- **Florida**'s PUC established a 3.5% energy savings goal for the state's 7 IOUS from 2010 – 2019. It set peak reduction targets of 1,937 MW in winter and 2,024 MW in summer. (Dec 2009)
- At least **five** states employ a state-wide "energy efficiency utility" model, where an independent agency supports or establishes savings targets and runs the state's efficiency and educational programs, including Delaware, Hawaii, Maine, Oregon, and Vermont.

Abbreviations: PSC / PUC – Public Service / Utility Commission; RECs – renewable energy credits; RPS – Renewable Portfolio Standard

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