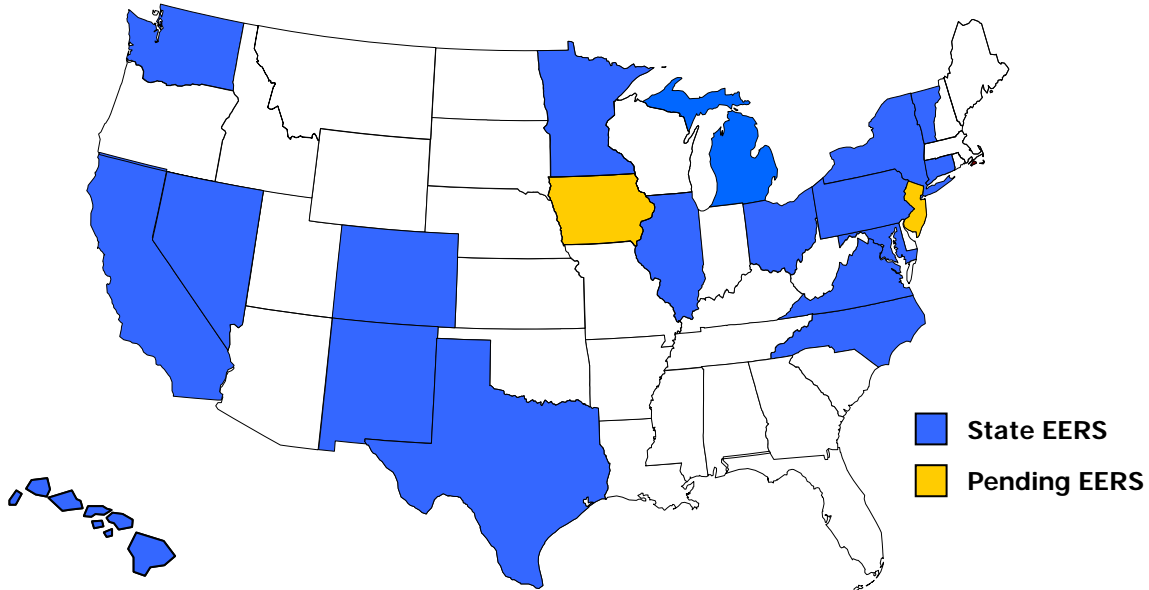


State Energy Efficiency Resource Standard (EERS) Activity November 2008



Eighteen states have enacted energy savings goals, or Energy Efficiency Resource Standards (EERS), through legislation and two states have a pending EERS

State EERS descriptions are listed below chronologically from when the state adopted an EERS.

State	EERS Policy
Texas 1999 and 2007	Texas became the first state to establish an EERS in 1999, requiring electric utilities to offset 10% of load growth through end-use energy efficiency. After several years of meeting this goal at low costs, in 2007 the legislature increased the standard to 15% of load growth by 2009, 20% of load growth by 2010 and directed that higher targets be investigated.
Vermont 2000	Efficiency Vermont, an independent “efficiency utility” that delivers efficiency programs for the state, is contractually required to achieve energy and demand goals. EV cumulatively met over 7% of Vermont’s electricity requirements by the end of 2007. EV’s 2007 programs alone met 1.7% of the state’s electricity needs.
California 2004	The state set energy savings goals for investor-owned utilities for 2004 through 2013, which are expected to save more than 1% of total forecast electricity sales per year. In 2013, the savings goals are 23,183 GWh and 4,885 MW peak. In the early years, savings were less than 1% per year, but in 2007, measures installed that year met 1.5% of the state’s electricity needs.
Hawaii 2004	Under the state's RPS requirements, energy efficiency is allowed to qualify as an eligible resource. Utilities must meet 20% of electricity sales with eligible resources; however, energy efficiency minimums or maximums are not specified.

State	EERS Policy
Pennsylvania 2004 and 2008	Energy efficiency is an eligible resource in Tier II of Pennsylvania's Alternative Energy Portfolio standard, which was established in 2004 as a two-tiered renewable energy standard; however, there was no minimum efficiency target. In 2008, legislation was passed requiring electric distribution companies to meet 1% electricity savings in 2011 and a total of 3% by 2013, as a percent of 2009-2010 electricity sales.
Connecticut 2005	In June 2005, the Connecticut legislature modified its Renewable Portfolio Standard to include efficiency. Starting in 2007, the state's utilities must procure a minimum 1% of electricity sales from "Class III" resources such as energy efficiency and CHP, with an additional 1% required in 2008, 2009, and 2010. In 2007, the Connecticut legislature added a requirement for utilities to acquire "all cost-effective efficiency." In response, the state's utilities filed a plan with savings averaging about 1.5%/year over the 2009-2018 period.
Nevada 2005	The state's RPS was expanded in 2005 from 15% to 20% of electricity sales, and was amended to allow energy efficiency to meet up to 25% of the total portfolio standard.
Washington 2006	In 2006, ballot initiative I-937 was approved by the state's voters, requiring utilities to acquire all cost-effective energy efficiency. The Northwest Power and Conservation Plan is expected to be the basis for setting efficiency targets. The most recent NWPPC plan identifies 2700 average MW of conservation savings as being cost-effective and achievable by 2025, amounting to 10.6% of projected needs in that year if additional conservation is not pursued. By 2010, each qualifying utility shall identify its achievable cost-effective energy efficiency potential through 2019.
Colorado 2007	In April 2007, the Colorado legislature adopted a bill that called on the Colorado Public Utilities Commission (CPUC) to establish energy savings goals and provide financial incentives for utilities. In June 2008, the CPUC established an energy savings goal of about 11.5% by 2020 for Xcel Energy's DSM programs, or about 1% annually.
Minnesota 2007	In December 2006, Governor Pawlenty announced his Next Generation Energy Initiative, calling for 1.5% annual energy savings of electric and natural gas sales, at least 1% of which must come from energy efficiency. This plan was enacted in legislation in 2007 and requires utilities to meet the annual targets by 2010.
Virginia 2007	Governor Kaine inserted an enactment clause into the March 2007 electricity restructuring legislation stating that the Commonwealth shall have a goal of reducing electricity consumption by 10% (of 2006 consumption) by 2022 and directed the State Corporation Commission to conduct a proceeding to evaluate the stated goal. Details are currently being worked out.
Illinois 2007	In July 2007, the Illinois legislature set energy efficiency and demand response program requirements for utilities. With help from the Illinois Department of Commerce and Economic Opportunity (IDCEO), utilities are to meet annual savings goals of: 0.2% of energy delivered in 2008, 0.4% in 2009, and so on, rising to 2.0% annually for 2015 and subsequent years.
North Carolina 2007	In August 2007, the North Carolina legislature enacted a law requiring public electric utilities in the state to obtain renewable energy power and energy efficiency savings of 3% of prior-year electricity sales in 2012, 6% in 2015, 10% in 2018, and 12.5% in 2021 and thereafter. Energy efficiency is capped at 25% of the 2012-2018 targets, and at 40% of the 2021 target.
New York 2008	In June 2008, the New York State Public Service Commission approved the Energy Efficiency Portfolio Standard (EEPS), which sets a goal to reduce electricity usage 15% by 2015, a goal initially announced by Governor Spitzer in 2007. The Commission currently has an open proceeding working with utilities and NYSERDA to expand existing programs and develop new ones.

State	EERS Policy
New Mexico 2008	In February, Governor Richardson signed House Bill 305 into law, which requires electric and gas utilities to acquire all cost-effective and achievable energy efficiency resources. Electric utilities must achieve 5% energy savings from 2005 electricity sales by 2014 and 10% by 2020.
Maryland 2008	In 2008, legislation was enacted that requires the state's electric utilities to reduce per-capita electricity consumption 15% by 2015, relative to 2007 per capita consumption. Utilities must meet 2/3 rd s of the goal and the state must administer programs to reach 1/3 rd of the goal.
Ohio 2008	In 2008, legislation was passed that requires a gradual ramp-up to a 22% reduction in electricity use by 2025. Starting in 2009, electric distribution utilities must achieve 0.3% savings, which amps up to 1%/year by 2014, then jumps to 2%/year in 2019 through 2025.
Michigan 2008	In October 2008, Governor Granholm signed legislation passed by the Michigan legislature that sets mandatory energy savings goals for the state's electric and gas utilities. The goals start at 0.3% of electricity sales in 2009 and ramp up to an annual electricity savings requirement of 1% of total sales by 2012, and continue at that level each year thereafter (0.75% for natural gas utilities).
Iowa Pending	In 2008, the Iowa Utilities Board (IUB) issued an order asking investor-owned utilities (IOUs) to submit plans including a scenario to achieve a 1.5% annual electricity and natural gas savings goal. Final utility plans are pending, though one major utility submitted plans that would meet the electricity goal and another utility's plan meets 1.3% annual electricity savings, though neither plan would meet the natural gas target. Although not required by legislation, once the board approves the utility plan, the goals are binding. Also in 2008 the legislature passed a new framework for municipal and cooperative utility efficiency programs requiring these utilities to set energy savings goals, create plans to achieve those goals, and report to the IUB on progress.
New Jersey pending	New Jersey's utility efficiency goals, which are still under development, contain two main elements: (1) setting energy and demand goals for the administrator of the Clean Energy Program, at 257 million kWh and 452 billion Btu's natural gas in 2007; and (2) requiring each electricity supplier/provider to meet efficiency goals. The Board of Public Utilities (BPU) is authorized to adopt an electric and a gas energy efficiency portfolio standard, with goals as high as 20% savings by 2020 relative to predicted consumption in 2020.

Note: Massachusetts, Connecticut and Rhode Island have legislative requirements for electric and gas utilities to acquire all cost-effective energy efficiency that costs less than new energy supply as the first priority resource. Though these requirements do not directly establish energy savings targets, they do require energy efficiency to be first in a utility's resource "loading order" and therefore greatly increases the role of energy efficiency in utility long-term planning.



For further information, please visit <http://www.aceee.org/energy/state/policies/utpolicy.htm>
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