ACEEE American Council for an Energy-Efficient Economy
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Energy Efficiency Policies for Local Communities

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For 30 years, ACEEE's energy efficiency experts have helped to shape our nation's energy efficiency research and policy agenda. We achieve our success through…

- conducting in-depth technical & policy analyses
- advising policymakers, energy professionals & utilities
- working collaboratively with businesses & other organizations
- organizing conferences
- publishing conference proceedings and reports
- educating consumers & businesses

Collaboration is key to ACEEE's success. We work with organizations around the globe including federal, state, and local government agencies, utilities, research institutions, businesses, and public interest groups. Our focus is on 6 primary program areas:

- Energy Policy
- Economic Analysis
- Buildings, Appliances, & Equipment
- Utilities
- Industry & Agriculture
- Transportation

ACEEE is leading the development of technology and policy solutions that ensure the security of our energy systems. As energy leaders, we promote the vibrancy of the American economy and the sustainability of the environment world-wide.

ACEEE Priorities

Congress should…

- Provide a stable investment environment for energy efficiency through sustainable funding and financing resources –
  - Support appropriate legislation and regulation that encourages simple repayment mechanisms for energy efficiency investments such as Property Assessed Clean Energy (PACE) and on-bill repayment.
  - Continue to adequately fund the Energy Efficiency and Conservation Block Grant (EECBG) beyond allocations in the American Recovery and Reinvestment Act (ARRA)
  - Continue to adequately fund bond financing options for energy efficiency – including Qualified Energy Conservation Bonds (QECBs) and Building America Bonds (BABs)
- Support market transformation in the area of comprehensive residential energy efficiency services – supporting and expanding upon the Better Buildings program funded as a part of EECBG in ARRA
- Support local energy code implementation and enforcement through funding to state and local governments.
- Establish goals and performance metrics for integrated planning by local governments – encourage local governments to collaborate regionally and apply their available authority (transportation planning, building codes, zoning, etc) toward energy efficiency goals.
- Continue to fund local and regional planning for energy efficiency – the EECBG requirement of an Energy Efficiency and Conservation Strategy, as well as competitive programs such as the HUD Sustainable Communities Planning Grants and DOE Local Energy Assurance Planning (LEAP) Initiative allow communities to integrate energy efficiency into their regular operations.
- Continue to adequately fund established local efficiency programs such as DOE Weatherization Assistance Program and the State Energy Program.
- Authorize and continue to adequately fund the Sustainable Communities Partnership – this partnership between HUD, DOT and EPA provides an opportunity to better integrate systems efficiency into local planning and decision-making.
- Continue to support technical assistance programs such as ENERGY STAR and the EPA Local Climate and Energy Program.

State legislatures and regulators should…

- Encourage cooperation between local governments and energy utilities
  - Program planning and implementation – integrate local capacity for finance, marketing, and outreach into existing programs
  - Establish standard procedures for utility data sharing with local governments while preserving adequate protection for individual privacy
- Encourage state programs which enable local actions on energy efficiency, such as threshold-based competitive grant programs and regional target setting.
- Encourage policies that allow for the expedited permitting and siting of energy-efficient distributed generation such as combined heat and power.
- Encourage integrated planning of water and energy resources – an issue that is particularly important for municipal water and wastewater utilities.

THE ISSUE

Energy efficiency is implemented in communities. Demand for energy efficiency is driven substantially at the local level—often through word of mouth and social norms. Likewise the business infrastructure to provide energy efficiency services and products—available finance, experienced contractors, and a trained workforce—must be established at a local scale. In short, transforming the market for energy efficiency services requires creating both supply and demand resources at the local level. New approaches to finance, business models, marketing, and workforce development need to be implemented in communities to create self-sustaining local markets for energy efficiency.

Many communities are already innovating where state and federal government action is absent. Through action on energy efficiency at the local scale, communities are finding ways to meet their particular needs and interests. Leadership on energy efficiency at the local level—including in many communities not focused on green or sustainability issues, but rather economic development or energy security goals—is providing tangible and desirable examples to leaders at the state and national levels, laying the foundation for further policy and program development.

Urban areas, defined as all cities and towns, account for the vast majority of energy use in the United States. The International Energy Agency projects that energy consumption in U.S. urban areas will increase at 0.7% annually from 2006 to 2030, nearly double the 0.4% growth rate nationally. This greater share of energy use corresponds with projected urban population increases, from 81% of total U.S. population currently to 87% by 2030.[1] Beyond these general trends, U.S. urban areas vary greatly in their energy use based on climate, size, population density, building design, per-capita income, and state and local policies. Local governments alone often spend up to ten percent of their own budget on energy costs, including up to a third of it going to drinking water and wastewater treatment[2] Reducing these costs can save cities money, retain and create jobs, improve municipal services, and reduce local taxes. Energy efficiency has similar positive economic impacts for local households and businesses.

Urban areas are already more energy efficient than the United States as a whole. These savings come in part from the transportation sector. Each urban resident consumes 11% less transportation energy than the average U.S. resident.[3] However, transportation is only one example of the system efficiencies that can be gained from the compact, mixed land uses of urban areas. They also exist and can be greatly improved in the building and industrial sectors through, for example, more compact development of buildings leading to lower space conditioning needs and district energy systems providing combined heat and power.

SUMMARY

Federal and state support for the adoption of aggressive energy efficiency policies and programs at the local level can significantly improve on existing energy use trends in local communities.

Energy efficiency can help to meet the needs of a great variety of communities. Similarly, local actions on energy efficiency are driven by a variety of motivations: economic development and recovery, energy security, energy affordability and climate change. In all of these cases a focus on efficiency ultimately acts as a community development strategy—aiming to provide savings, sustainability, security, and resilience.

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[1] International Energy Agency, *World Energy Outlook 2008*, Chapter 8 - Energy Use in Cities, 187. http://www.worldenergyoutlook.org/2008.asp

[2] EPA 2010, ENERGY STAR for Wastewater Plants and Drinking Water Systems http://www.energystar.gov/index.cfm?c=water.wastewater_drinking_water

[3] IEA 2008, 185.