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Southern Alliance for  
Clean Energy



**The Growing EE Resource in the SE  
*Rankings, Successes and New Financial  
Incentives***

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***Presented at the 2013 ACEEE  
National Conference on Energy  
Efficiency as a Resource***

# About Us

*For more than 25 years the Southern Alliance for Clean Energy has worked to promote responsible energy choices that create global warming solutions and ensure clean, safe and healthy communities throughout the Southeast.*



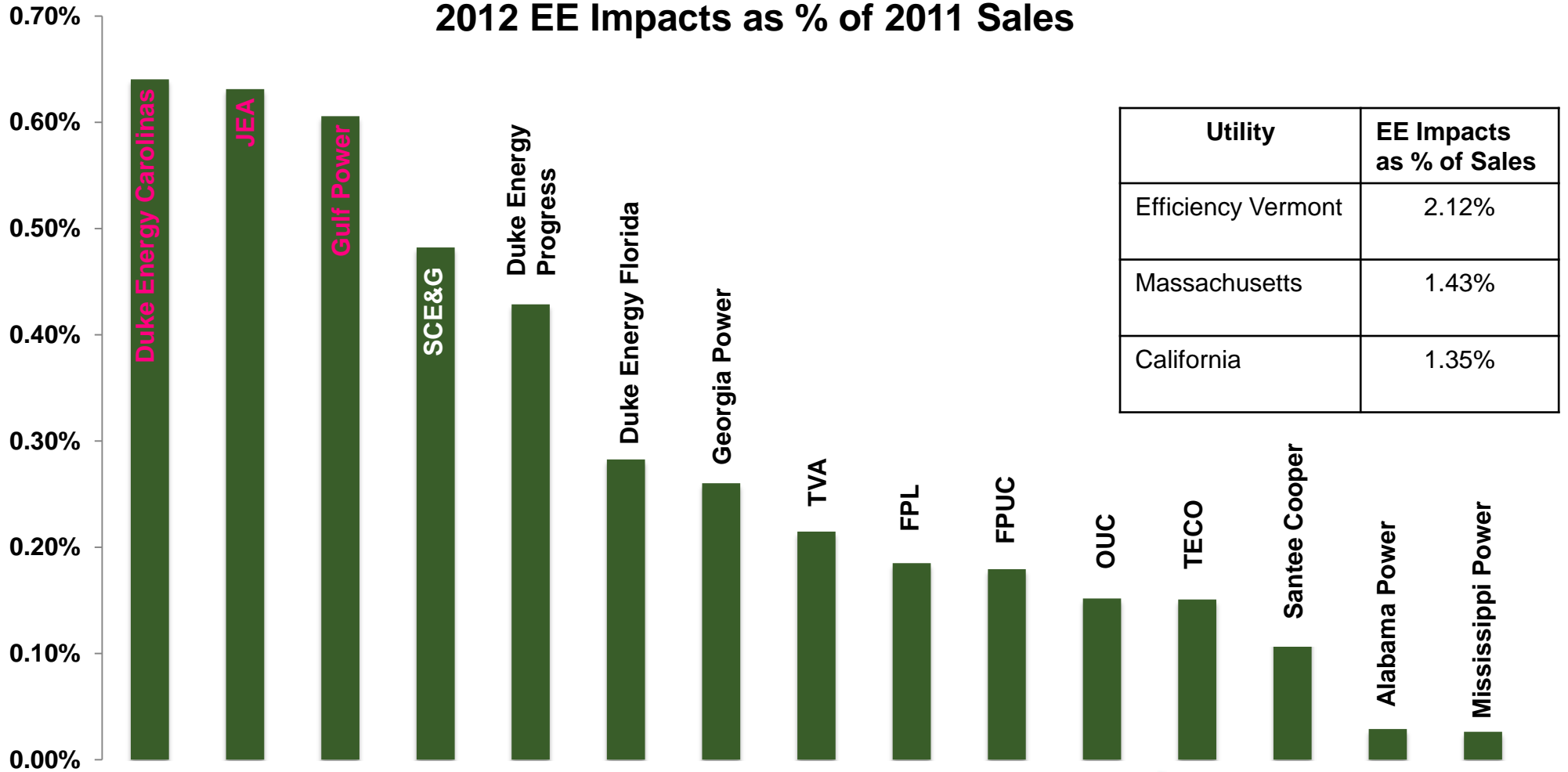
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# Energy Efficiency in the Southeast

- Overview of energy efficiency impacts in the Southeast, focused on 15 utilities in Tennessee, Georgia, North and South Carolina, Florida, Mississippi and Alabama
- Discuss successes and lessons learned
- Update on energy efficiency financing mechanisms that changed in 2013: Georgia Power, Duke Energy Carolinas, and SCE&G
- Will the Southeast get to 1%?

# Southeast EE Leaders: Duke, JEA and Gulf all above 0.6%

2012 EE Impacts as % of 2011 Sales



| Utility            | EE Impacts as % of Sales |
|--------------------|--------------------------|
| Efficiency Vermont | 2.12%                    |
| Massachusetts      | 1.43%                    |
| California         | 1.35%                    |

# What contributed to utility EE success in 2012?

- **Duke: Strong corporate leadership, Effective financial incentive, and Lighting.**
- **Gulf: Full year of program implementation, HVAC commissioning (26%) and behavioral (17%) programs, and lucrative incentives.**
- **JEA: Residential and non-residential EE products drive savings**

DEC Lighting Impacts as % of Total Portfolio Impacts

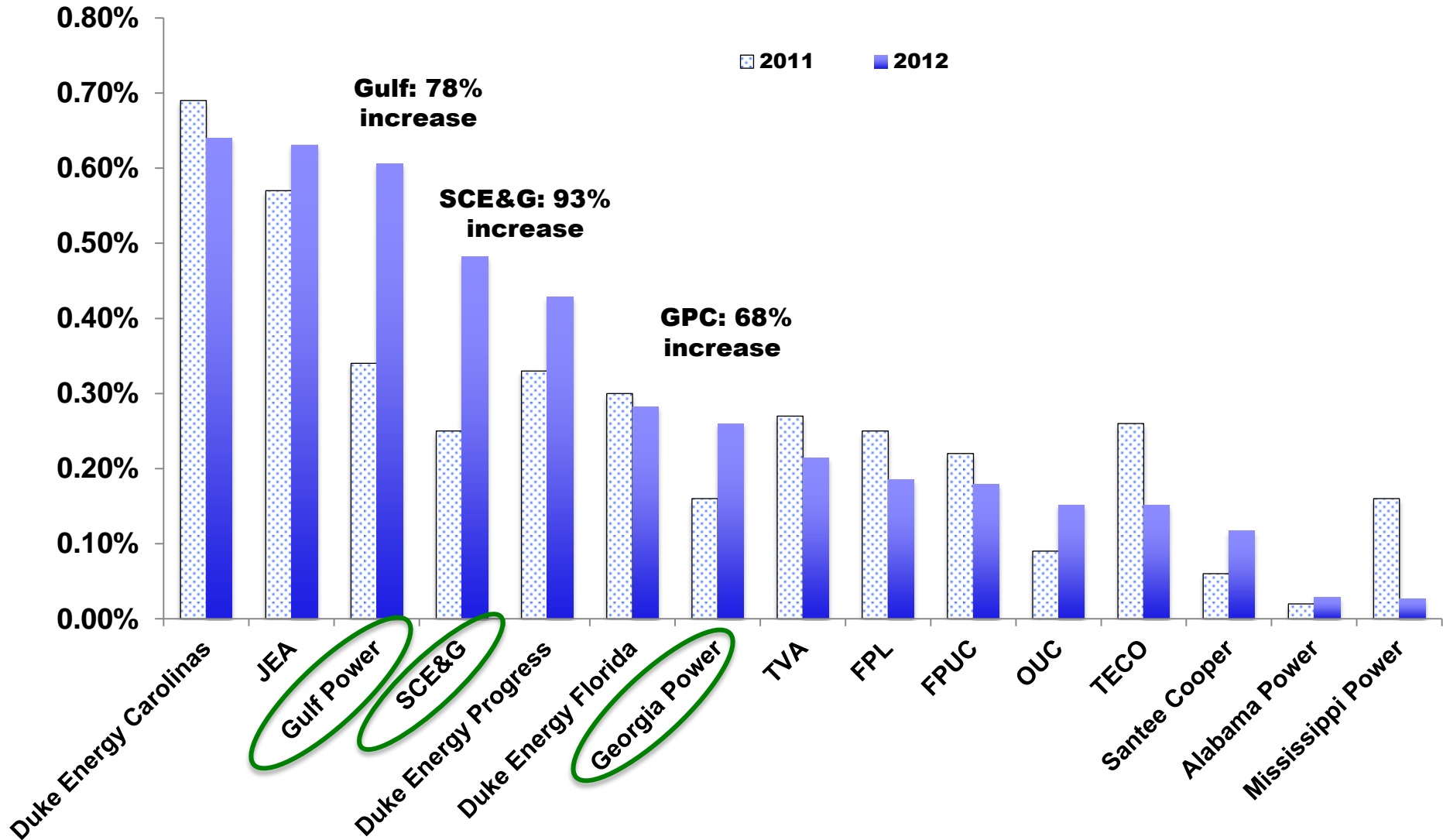
|      |     |
|------|-----|
| 2010 | 90% |
| 2011 | 83% |
| 2012 | 60% |

# The EE impact rankings shifted around some, but our top three leaders remained the same.

|                       | SE Ranking |      |
|-----------------------|------------|------|
|                       | 2011       | 2012 |
| Duke Energy Carolinas | 1          | 1    |
| JEA                   | 2          | 2    |
| Gulf Power            | 3          | 3    |
| SCE&G                 | 8          | 4    |
| Duke Energy Progress  | 4          | 5    |
| Duke Energy Florida   | 5          | 6    |
| Georgia Power         | 12         | 7    |
| TVA                   | 7          | 8    |

|                   | SE Ranking |      |
|-------------------|------------|------|
|                   | 2011       | 2012 |
| FPL               | 9          | 9    |
| FPUC              | 10         | 10   |
| OUC               | 13         | 11   |
| TECO              | 6          | 12   |
| Santee Cooper     | 14         | 13   |
| Alabama Power     | 15         | 14   |
| Mississippi Power | 11         | 15   |

# Good news: Gulf, SCE&G and Georgia Power all almost doubled their EE impacts

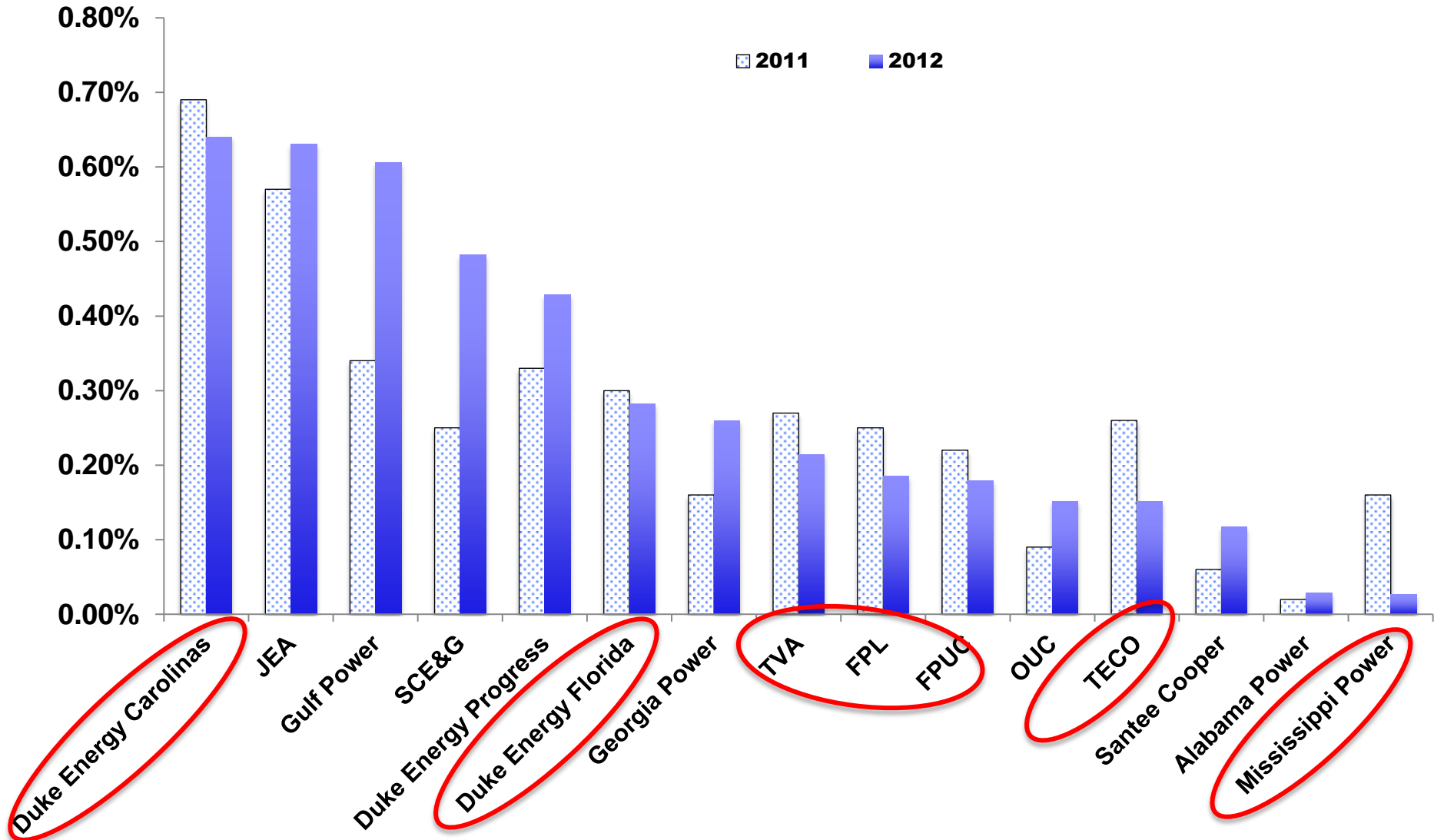


# Regulatory goals drove the increase

- **All three of these utilities, Gulf, Georgia and SCE&G are relatively new to energy efficiency program implementation.**
- **Georgia Power ramped up as required from its program year 1 (104 GWh) to program year 2 (203 GWh)**
- **Similarly, SCE&G ramped up program savings per its regulatory requirements**
- **2012 was the first full year of program implementation for Gulf Power.**



# Bad news: More than half the SE utilities saved less energy in 2012 than in 2011



## **Low participation resulted in reduced EE impacts in MPC and TECO**

- **Mississippi Power experienced a steep drop off due to reduced investment by the Company. In 2011, the Company performed audits and facilitated application process for customers and captured higher savings.**
- **TECO experienced a decline in savings due to reduced large commercial customer participation.**

# Will they continue to decline?

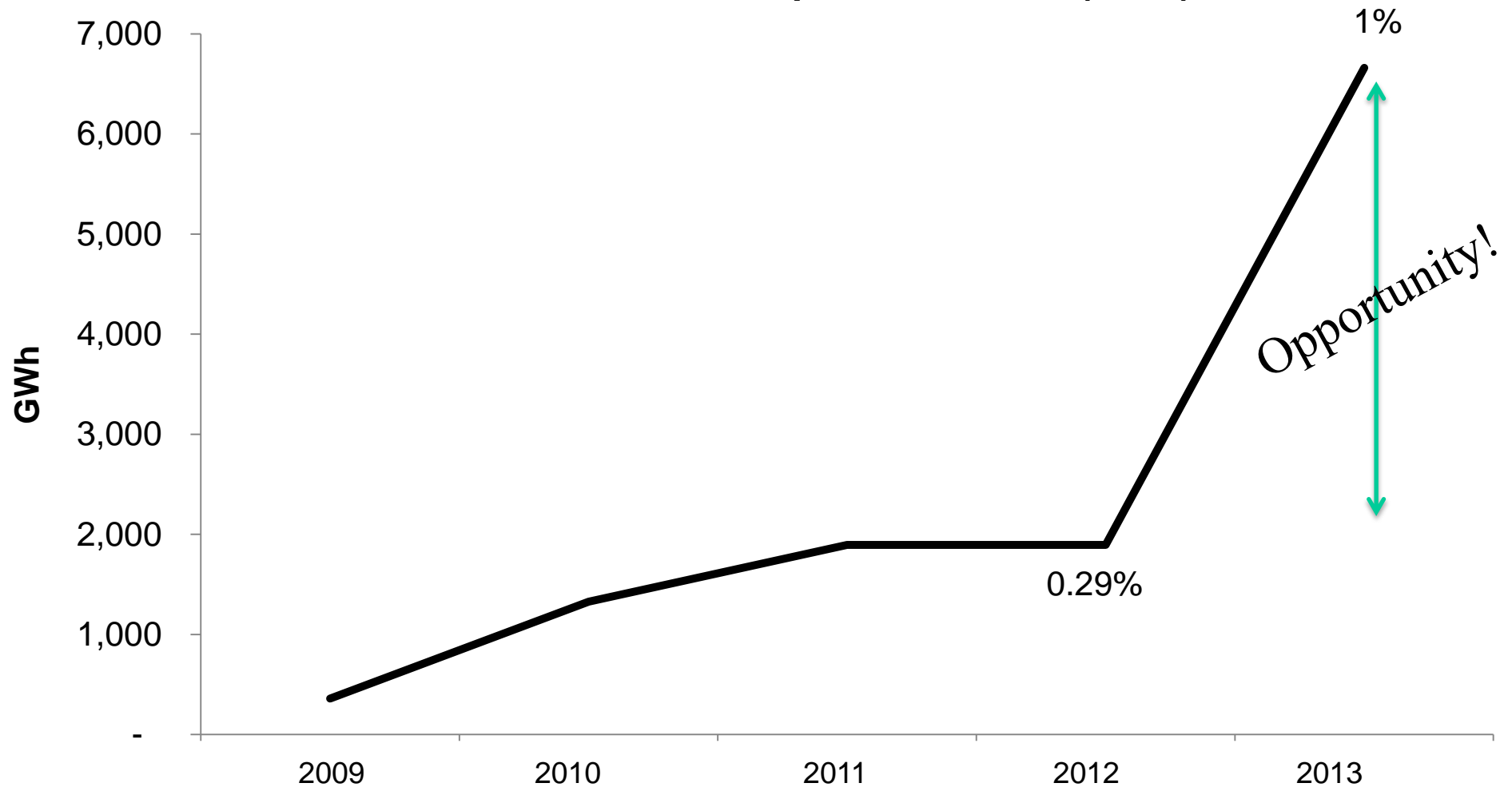
- **Mississippi Power will be increasing given the Mississippi Public Service Commission's approval of an EE rule!**
- **TECO met its 2012 energy efficiency goal set by the Commission, but those goals are up for review next year, so they *could* increase (as well as FPUC, FPL, and DEF)**
- **DEC has increasing ability to meet NC REPS law with efficiency ~1.4% in 2015**

# New Financial Incentives

- **Duke Energy Carolinas moved from the modified Save-a-Watt to a shared savings incentive**
- **Georgia Power's "additional sum" was decreased from 10% to 8.5%**
- **SCE&G proposed to keep the same 6% shared savings incentive**
- **Duke Energy Progress will review in June 2014**

# What does 1% look like in the Southeast?

Annual Incremental EE Impacts in the SE (GWh)



# Opportunities to get to 1%

- **Declining demand, increasing rates, and need to reduce customer bills may change utility attitudes.**
- **TVA IRP modeling energy efficiency as a resource**
- **FEECA planning underway**
- **Duke Energy REPS**
- **Mississippi EE rules**
- **Gulf Power encourage savings at Georgia and Alabama Power?**

## How can we encourage all the utilities to continue to grow?

- **Facilitating the development of the energy efficiency industry**
- **Identifying new partners to support energy efficiency**
- **Establishing stronger relationships between Commissioners and efficiency businesses**
- **Stronger regulatory support for energy efficiency in all of our SE states**

# Contact Us

**Thank you! Please send any further questions to:**

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