



Dear Partners:

Thank you for expressing interest in the [Climate-Forward Efficiency](#) Initiative, ACEEE's effort to realign utility programs to scale energy efficiency programs and focus them on meeting the climate challenge. We are writing today with the first in a series of newsletter updates about the project. Read on for project news, updates from leaders active in this community, [ways you can engage](#), and some relevant resources.

Best,

The ACEEE Climate-Forward Efficiency Initiative Team

Defining Climate-Forward Efficiency

Utility energy efficiency programs have historically been designed to conserve energy and reduce utility and customer costs. Environmental protection, equity, and economic development registered as secondary objectives (if at all). However, those secondary objectives are now rising to the forefront. Growing numbers of state policymakers, utilities, and investors are recognizing the critical role of the electric sector in reducing GHG emissions. Climate change presents a growing threat to grid reliability, and endangers the health and safety of customers. Those risks are often borne by frontline communities least able to endure them, creating another layer of inequity.

At the same time, cost declines for renewables and storage have changed grid dynamics, putting a greater premium on demand flexibility, and unlocking building and vehicle electrification as core climate solutions. Some states and utilities committed themselves to delivering programs to mitigate these climate risks and increase adaptive capacity, but business-as-usual policies and practices for energy efficiency must evolve to meet these changing conditions.

To that end, ACEEE has been convening expert stakeholders for the last several months (more on this below) to define and advance strategies for climate-forward efficiency. We define climate-forward efficiency as utility (or statewide program administrator) offerings that:

- Value energy efficiency as a tool to mitigate the customer impacts of climate change by advancing equity, enhancing resilience, and improving health outcomes
- Prioritize energy efficiency investments based on their time, seasonal, and geographic benefits
- Enable prioritization of investments across fuels, systems, and sectors, particularly from electrification
- Scale to meet the magnitude of decarbonization goals in policy and utility corporate announcements

Roadmap Workshops Report-Out

In June and July, we conducted two virtual stakeholder workshops to develop the climate-forward efficiency framework and strategy roadmap. Participants were selected from around the country based on their expertise in the alignment of energy efficiency and greenhouse gas emissions. Many thanks to those of you able to attend those conversations! While we could not accommodate everyone who expressed interest in the workshops, we are looking forward to engaging you through this newsletter and future convenings.

Workshop participants offered feedback on the draft climate-forward efficiency framework, adding their insight into how energy efficiency needs to evolve to meet the goals identified above. They also provided comments on how they would personally use the framework in their roles. We generated this set of core strategies that will form the basis of a forthcoming climate-forward efficiency roadmap:

- Center equity and stakeholder-driven decision making
- Set climate commitments
- Update guidelines for resource eligibility and valuation
- Reform utility business models
- Unlock data access
- Prepare workforce
- Secure funding
- Design effective, scalable programs
- Administer integrated programs

Through facilitated discussions, participants fleshed out opportunities and barriers to progress in each strategy area. They identified examples of those strategies in action (if they existed) and recommended actions that need to be taken in both the near term (quick wins) and long term. Participants also reflected on their own unanswered questions and indicated what information we collectively will need to obtain to make progress.

Opportunities for Input on Climate-Forward Efficiency Strategies

We are interested in your perspectives on the strategies we developed to advance climate-forward efficiency. While the workshops were limited in number, we aim to create space throughout this process to get feedback from a wide variety of stakeholders, and we value your engagement as we seek to hear from voices representing all aspects of the clean energy industry.

If you would like to share your thoughts on these topics, please fill out [this survey](#) by **Wednesday, August 25**. Your survey response will guide our research and work to develop the roadmap, and we will share high-level, anonymized feedback on the survey responses in our next newsletter.

News Spotlight

- Massachusetts – The state is [updating goals](#) for its Mass Save energy efficiency initiative. Between 2022 and 2024, Mass Save will put greater emphasis on weatherization and electrification and phase out fossil fuels to meet the state's 2030 decarbonization targets.
- Minnesota – The state recently passed the [Energy Conservation and Optimization Act of 2021](#) (ECO Act). The ECO Act expands existing energy efficiency programs and enables utilities to invest in efficient fuel switching and load management programs. These new developments aim to help the state reduce its greenhouse gas (GHG) emissions and help businesses and residents save on energy bills.
- Colorado – The state legislature passed a [suite of climate-forward efficiency bills](#), including "clean heat" requirements for gas utilities to reduce GHG with 2025 and 2030 targets in a technology-neutral way, updates to expand gas demand-side management, and creation of requirements for utilities to fill plans to support all cost-effective electrification. They also passed a building performance standard based on GHG reductions and bills to expand funding for low-income and weatherization programs.
- Maine – Thanks to a [new bill](#), the Maine PUC must now consider climate change and equity in its decisions. The bill urges the PUC and other state agencies to prioritize equity in their decision making.

Opportunities to Engage




After our second CFE workshop, participants shared what they can offer to help advance climate-forward efficiency, and what they need from others to advance climate-forward efficiency. Below, we list some of the more universal requests—please reach out to Jasmine at jmah@aceee.org if you can help, and we'll connect you to the requester!

- SMUD (Sacramento Municipal Utility District) is seeking high-quality hourly, weather-matchable measure-level load shapes / savings shapes for different climate zones.
- Seattle City Light is seeking good examples of layering EE, DR, and building electrification incentives.
- A stakeholder is requesting examples of testimony or regulatory filings that address how to scale energy efficiency to meet climate goals. The preference is for examples that advocates or intervenors can use as models for their interventions in regulatory settings.
- SEPA (Smart Electric Power Alliance) is seeking one-on-one interviews with utilities, regulators, or other solutions providers who have encountered challenges with integrated EE + demand flexibility programs. Conversations will be used to support upcoming research.

Resource Spotlight

World Resources Institute recently published a new working paper titled "[The Economic Benefits of the New Climate Economy in Rural America.](#)" The paper assesses how federal investment in clean energy systems, infrastructure, and public land can create jobs in rural communities. Regarding energy efficiency, the paper acknowledges traditionally high energy burdens for rural residents and under-investment in rural efficiency programs. Potential policy solutions include extending and enhancing incentives for residential efficiency upgrades, directing more grant money to rural communities specifically, and expanding the Weatherization Assistance Program and the State Energy Program in rural areas.

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