

June 24, 2016

Governor Terry McAuliffe
Common Ground for Virginia
P.O. Box 1475
Richmond, VA 23218

Dear Governor McAuliffe,

The American Council for an Energy-Efficient Economy (ACEEE) would like to thank you for your proactive effort to advance energy efficiency in Virginia. Through our engagement with the Department of Mines, Minerals and Energy (DMME), Virginia Energy Efficiency Council (VAEEC), and the Southeast Energy Efficiency Alliance (SEEA), it is evident that the energy efficiency community in Virginia benefits greatly from your leadership. To continue this momentum and build upon prior success, you have many options within your authority as Governor of the Commonwealth. ACEEE would like to recommend several executive actions that will help you and your state expand energy savings and achieve emissions reductions. These efforts will not only save taxpayer dollars, but they will position the state well for compliance with pollution reduction requirements. With each action below we have included examples of states that have made similar efforts:

1. **Empower Virginia's agencies to work together.** Build upon ongoing efforts of DMME to understand existing and potential energy efficiency programs. Convene all state agencies to discuss progress toward the statewide energy savings targets; evaluation, measurement, and verification (EM&V) of energy savings; and opportunities for Clean Power Plan compliance. In addition to DMME, key agencies in this working group could include the Department of Environmental Quality and the State Corporation Commission.

South Carolina: The Office of Regulatory Staff (ORS) and the Public Service Commission (PSC) are convening stakeholders as part of their effort to develop a comprehensive state energy plan. To guide this process, ORS and the PSC have engaged the South Carolina Energy Coalition, which includes the state Department of Health and Environmental Quality (responsible for submitting a Clean Power Plan compliance plan), utilities, universities, corporations, and energy efficiency advocates.¹

2. **Clear the path for energy savings performance contracting (ESPC) in municipal and private buildings.** Build upon existing ESPC assistance efforts through the Virginia Energy Management Program and offer ESPC resources, templates, and best practices to local governments, businesses, manufacturing facilities, and other interested private entities. Task DMME's new performance contracting coordinator with identifying barriers to growing performance contracting in local government, commercial, and industrial facilities.

Maryland: The Maryland Energy Administration (MEA) runs an Energy Performance Contracting Assistance Program for local governments and public housing authorities. MEA also offers loans for energy efficiency projects to eligible non-profits, businesses, and local governments through the Jane E. Lawton Conservation Loan Program.²

3. **Identify opportunities to support low-income communities through energy efficiency.** Convene stakeholders representing low-income communities to identify opportunities for alleviating the higher energy burdens and disproportionate health impacts faced by these communities. Offer energy efficiency programs or incentives that can save energy, improve the

¹ energy.sc.gov/energyplan

² energy.maryland.gov/govt/Pages/epc.aspx; energy.maryland.gov/govt/Pages/EPCAP.aspx;
energy.maryland.gov/Govt/pages/janeelawton.aspx

conditions of affordable housing, and protect public health. Leverage incentives provided through the Environmental Protection Agency's Clean Energy Incentive Program.

Tennessee: The Tennessee Department of Environment and Conservation (TDEC), University of Tennessee, and Tennessee Valley Authority is hosting working sessions on low-income and multifamily energy efficiency opportunities and have signed up as a partner in the U.S. Department of Energy's Better Building Clean Energy for Low-Income Communities Accelerator. TDEC is also engaging these communities as part of its Clean Power Plan engagement process.³

4. **Help the residential and commercial sectors collect building energy data.** Develop a voluntary building energy benchmarking system for the residential and commercial sectors. Support legislation to allow localities to require building energy benchmarking and disclosure.

Missouri: In 2015 Governor Nixon launched the voluntary Missouri Home Energy Certification (MEHC) program to recognize energy-efficient new and existing single-family homes. The Division of Energy worked with the Midwest Energy Efficiency Alliance to convene a stakeholder group and design a home energy rating and certification system.⁴

5. **Continue efforts to to reduce energy consumption in public buildings.** Renew Virginia's goal of reducing energy consumption in public buildings 15% by 2017. Continue working to collect robust energy data from public facilities.

North Carolina: Through the Utility Savings Initiative, the Department of Environmental Quality offers technical assistance and ESPC oversight to state agencies, public universities, community colleges, public schools, and local governments. In 2015 the state achieved a 32% reduction in energy use intensity from a 2002-03 baseline.⁵

6. **Consider policies and programs to enable investments in combined heat and power (CHP).** Require highly-efficient CHP technology to be considered in public buildings and critical facilities during times of upgrade or new construction. Support and expand the consideration of CHP in state and community resiliency planning for critical infrastructure.

Kentucky: In 2014 Governor Beshear launched a CHP outreach effort in partnership with the Kentucky Association of Manufacturers (KAM), Kentucky Pollution Prevention Center (KPPC), and the Southeast CHP Technical Assistance Partnership (TAP) to offer technical assistance, education activities and feasibility studies to assess the potential for CHP in public buildings and at other sites in Kentucky.⁶

These recommendations are all steps that your administration may take now. While they are based on successful efforts in other states, they can be tailored to fit the unique needs of Virginians. ACEEE stands ready to help Virginia continue on its path toward a cleaner, healthier, more efficient energy future. We look forward to continuing to act as a resource for you and your office, and we thank you again for your work.

Sincerely,



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Executive Director, ACEEE



Mary Shoemaker
Research Assistant, ACEEE

³ tnenergy.org/tdec-ut-and-tva-host-forum-on-energy-efficiency-conservation-and-low-income-households/; tn.gov/environment/topic/policy-clean-power-plan

⁴ energy.mo.gov/energy/mhec

⁵ deq.nc.gov/conservation/energy-efficiency-resources/utility-savings-initiative

⁶ energy.ky.gov/Programs/Documents/Kentucky%20CHP%20Action%20Plan%202015-8-2015.pdf