

Regional Issues with National Energy and Climate Policy

NAESCO

Boston, MA

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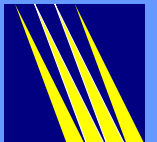
Agenda

- Background on state policies
- A national look at energy efficiency
- Clear regional patterns
- Politics of national policy

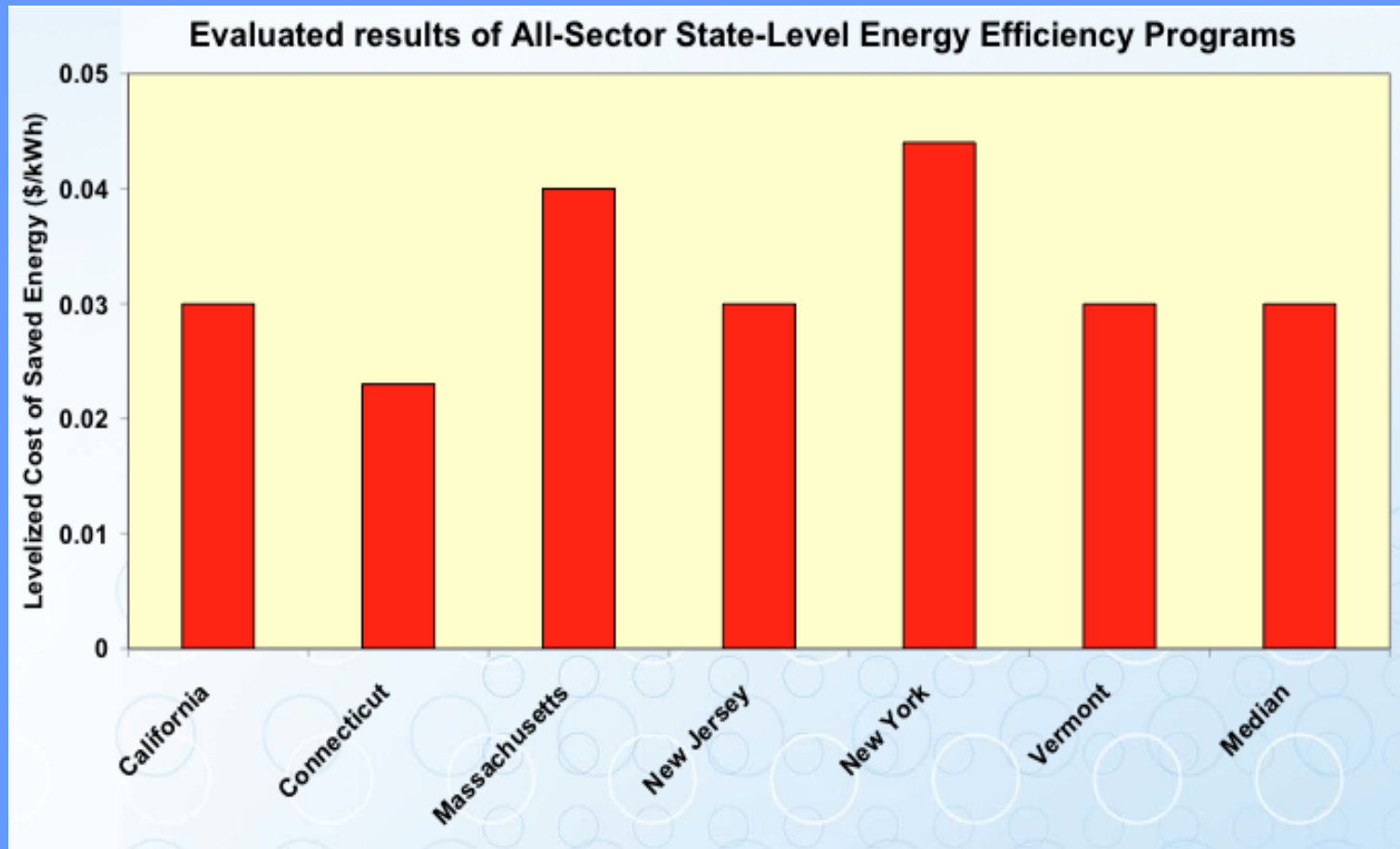


Background on State Policies

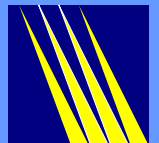
- Late 1970s -- Federal mandates for utility EE
- 1980s -- State programs implemented federal mandates
- Early 1990s -- Some states continued their programs
- Late 1990s -- States responded differently to deregulation
- Late 1990s and 2000s -- States implemented RES and EERS
- 2007 to present -- Many more states now implementing EE programs due to costs of alternate resources



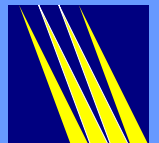
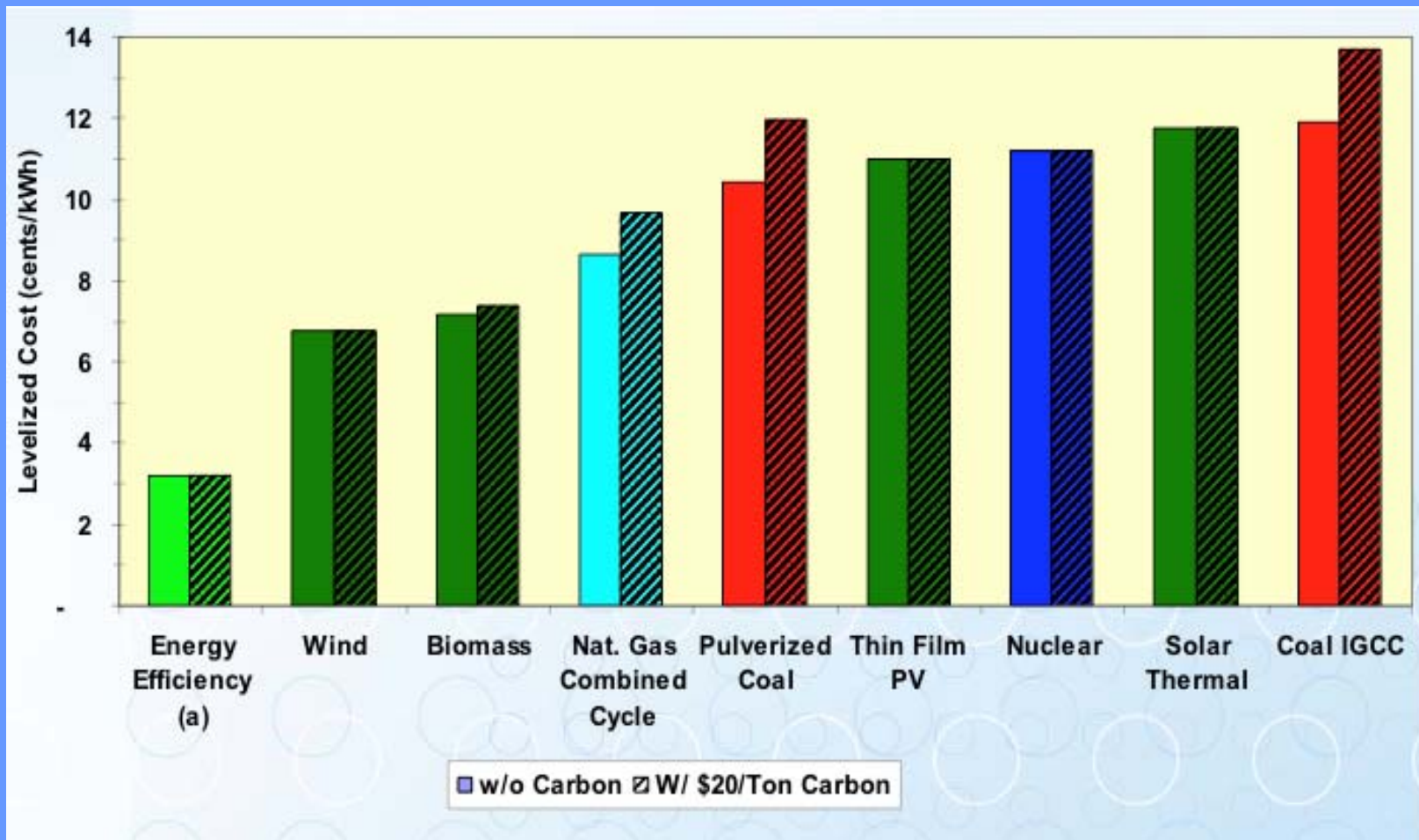
Historical Cost of Energy Efficiency



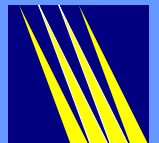
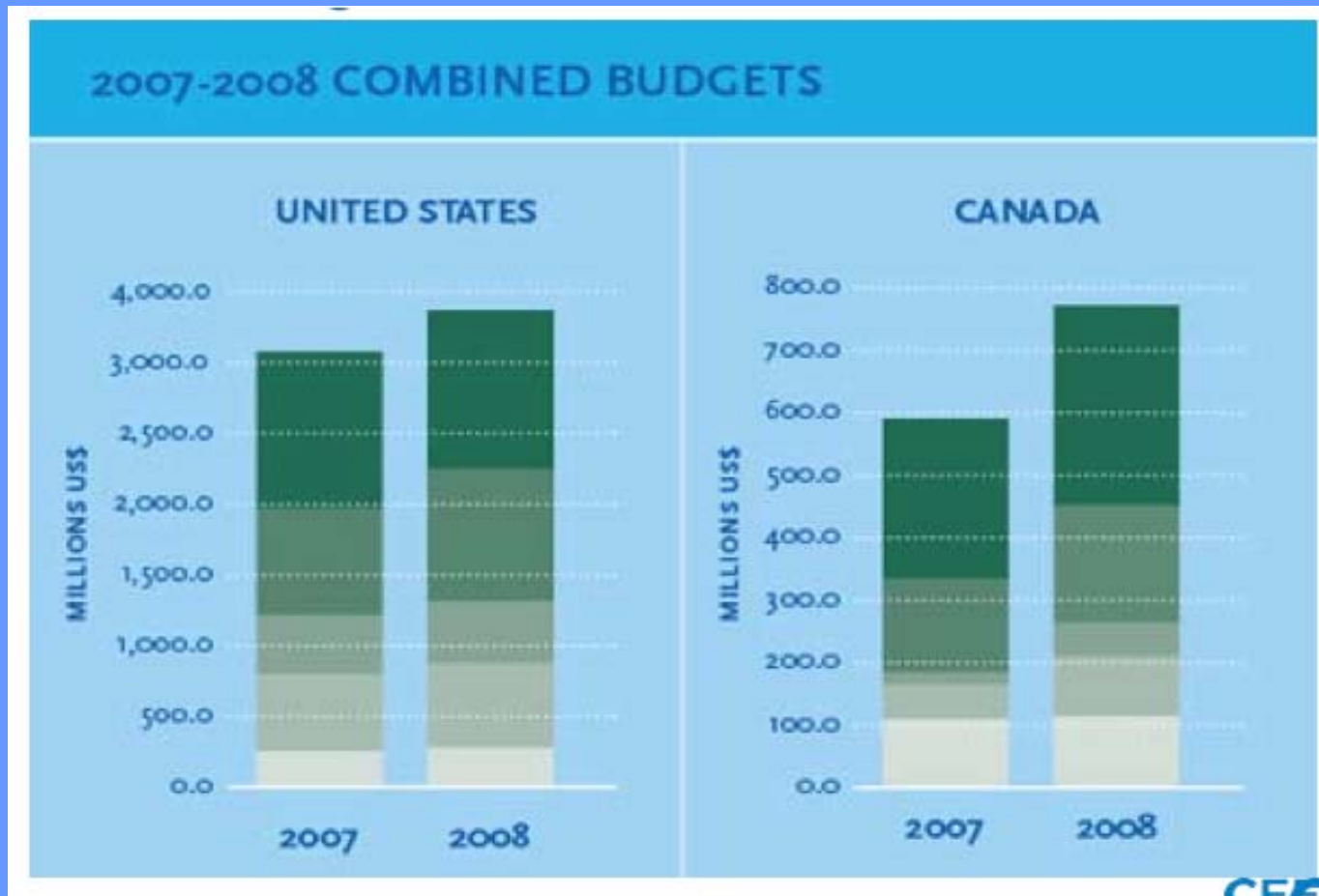
Source: ACEEE



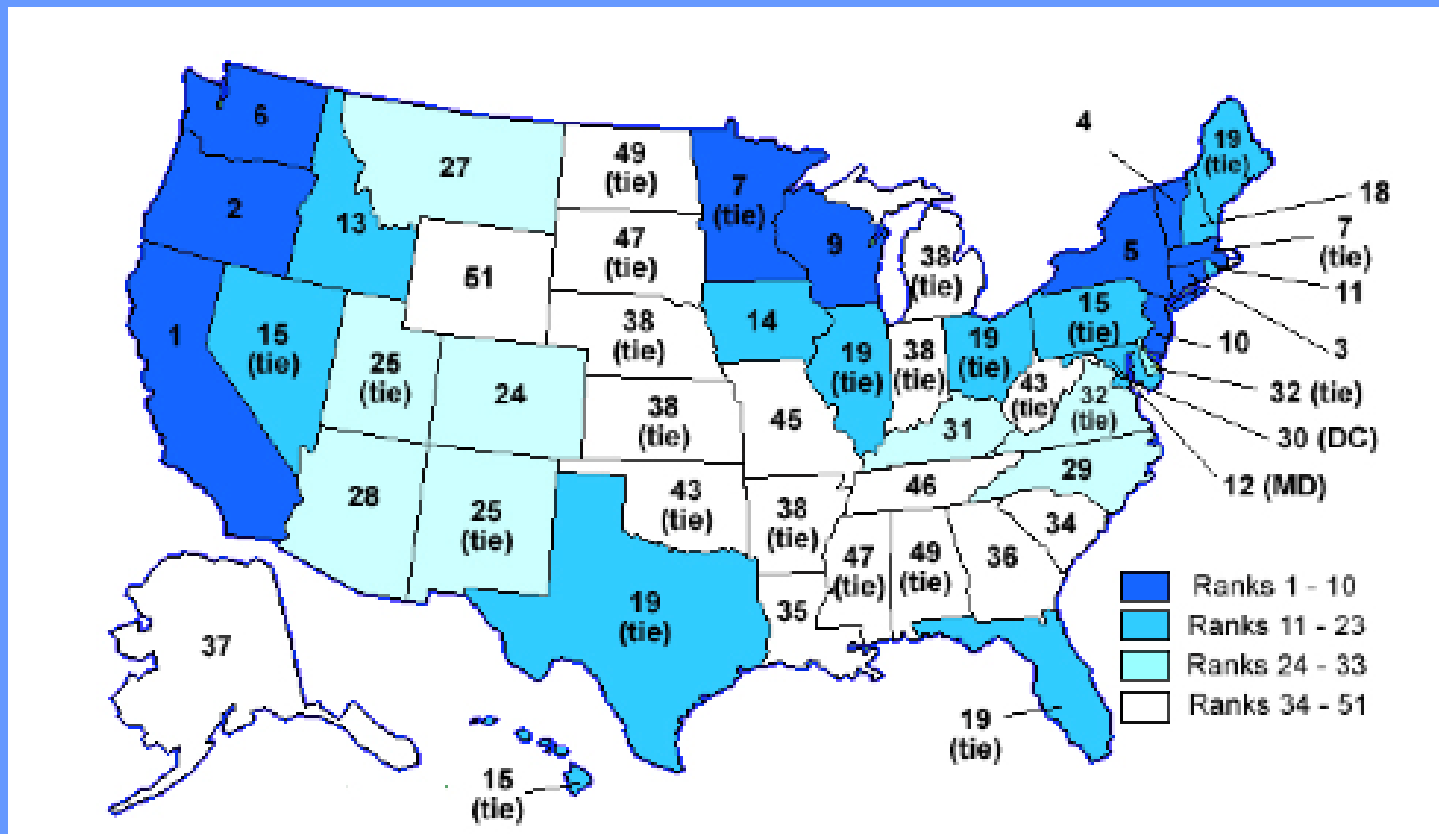
Energy Efficiency = Least Expensive



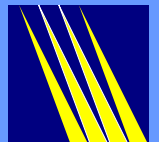
State EE Expenditures Growing



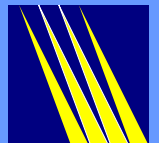
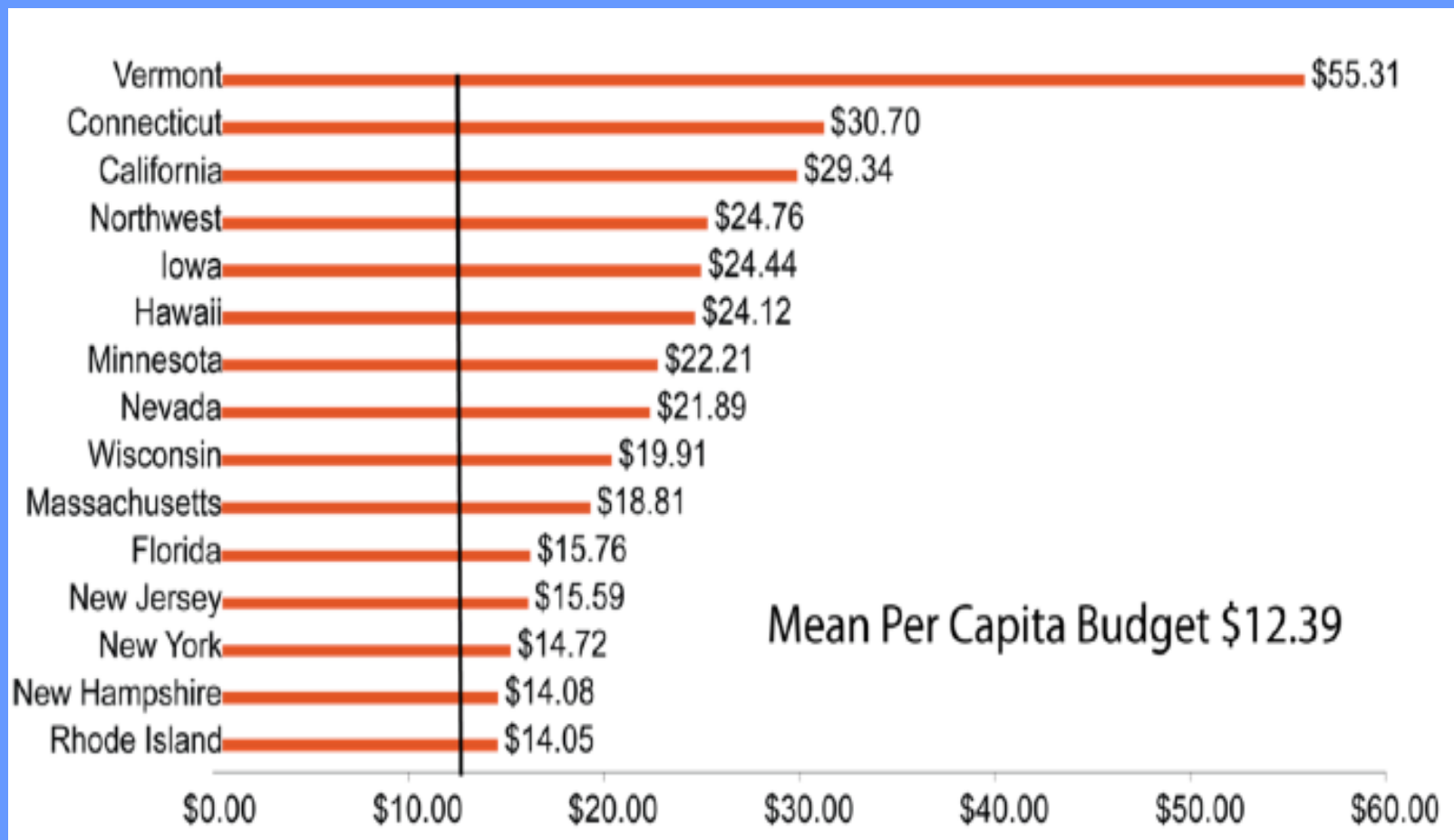
State Energy Efficiency Rankings



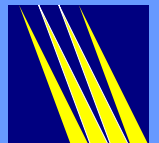
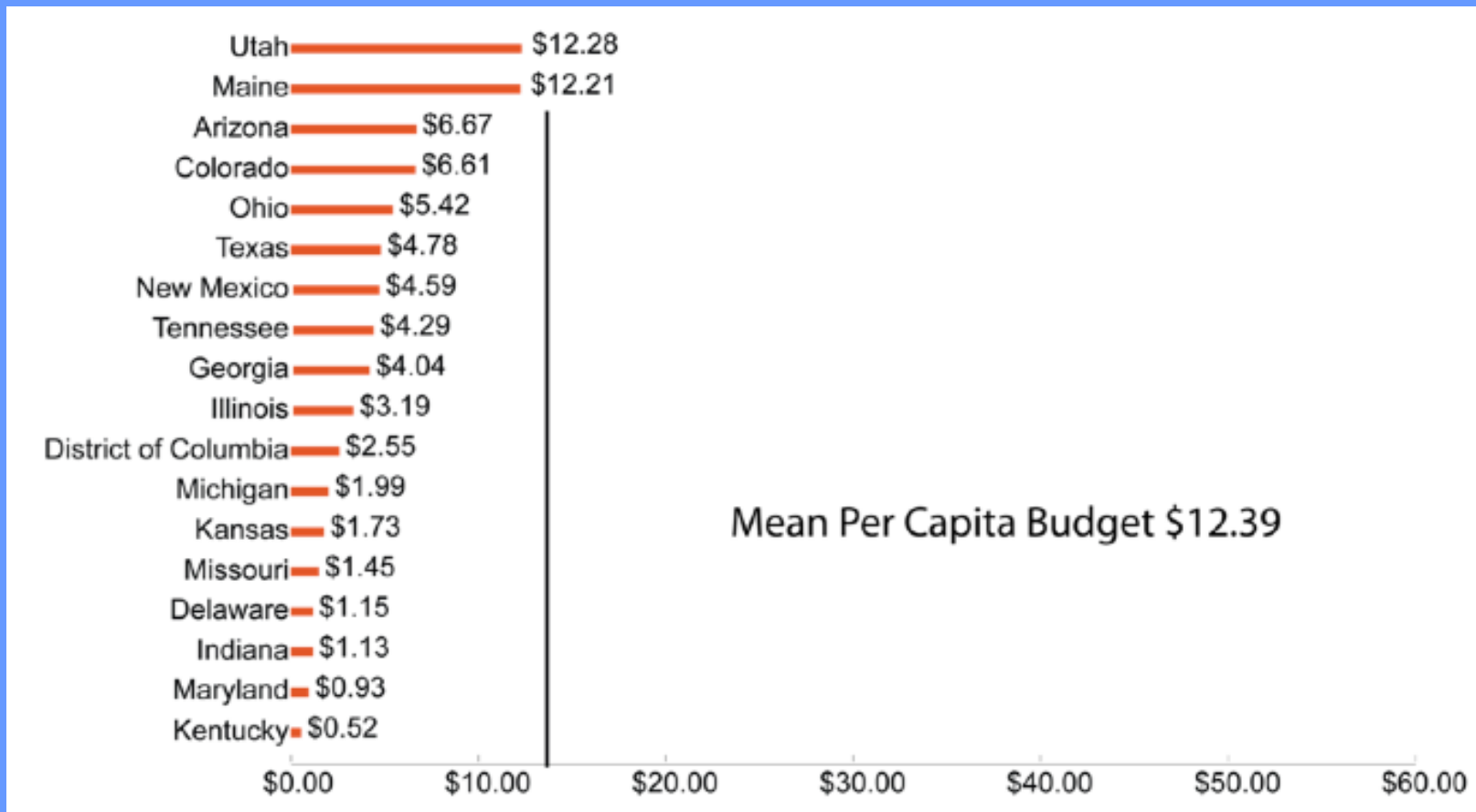
Source: ACEEE



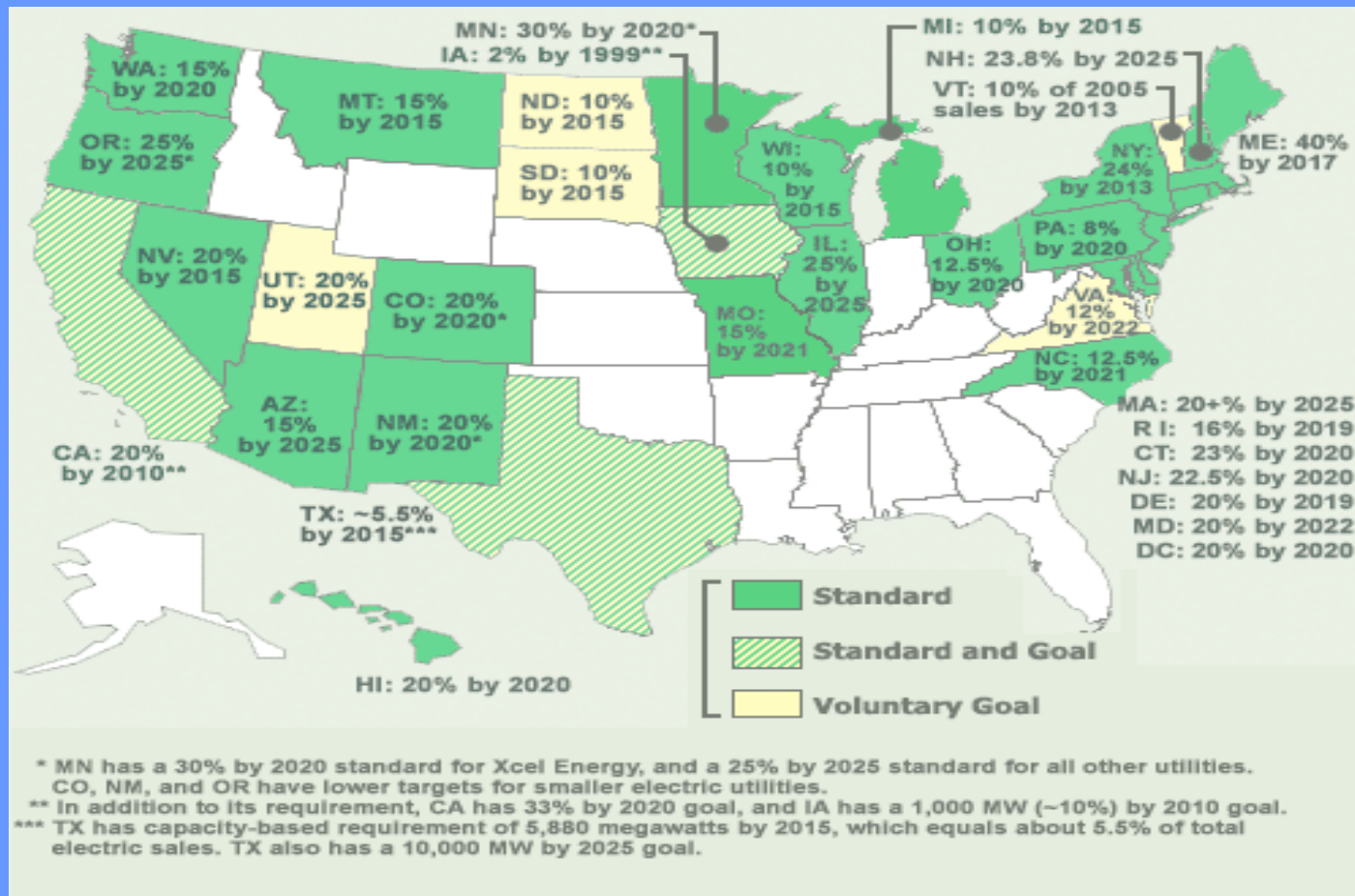
Per Capita Expenditures by State



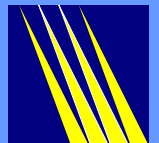
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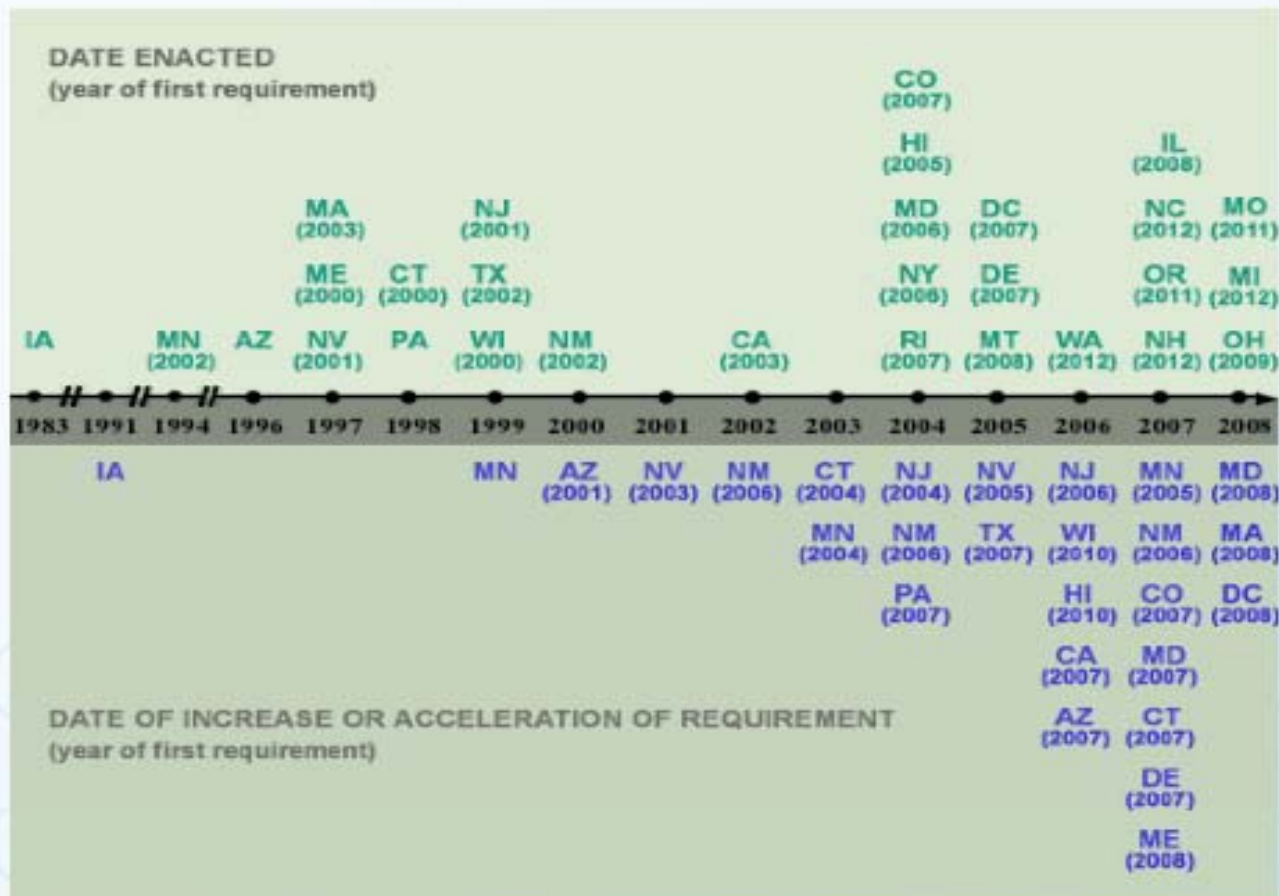
Renewable Electricity Standards



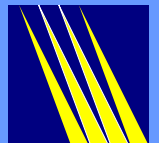
Source: Union of Concerned Scientists



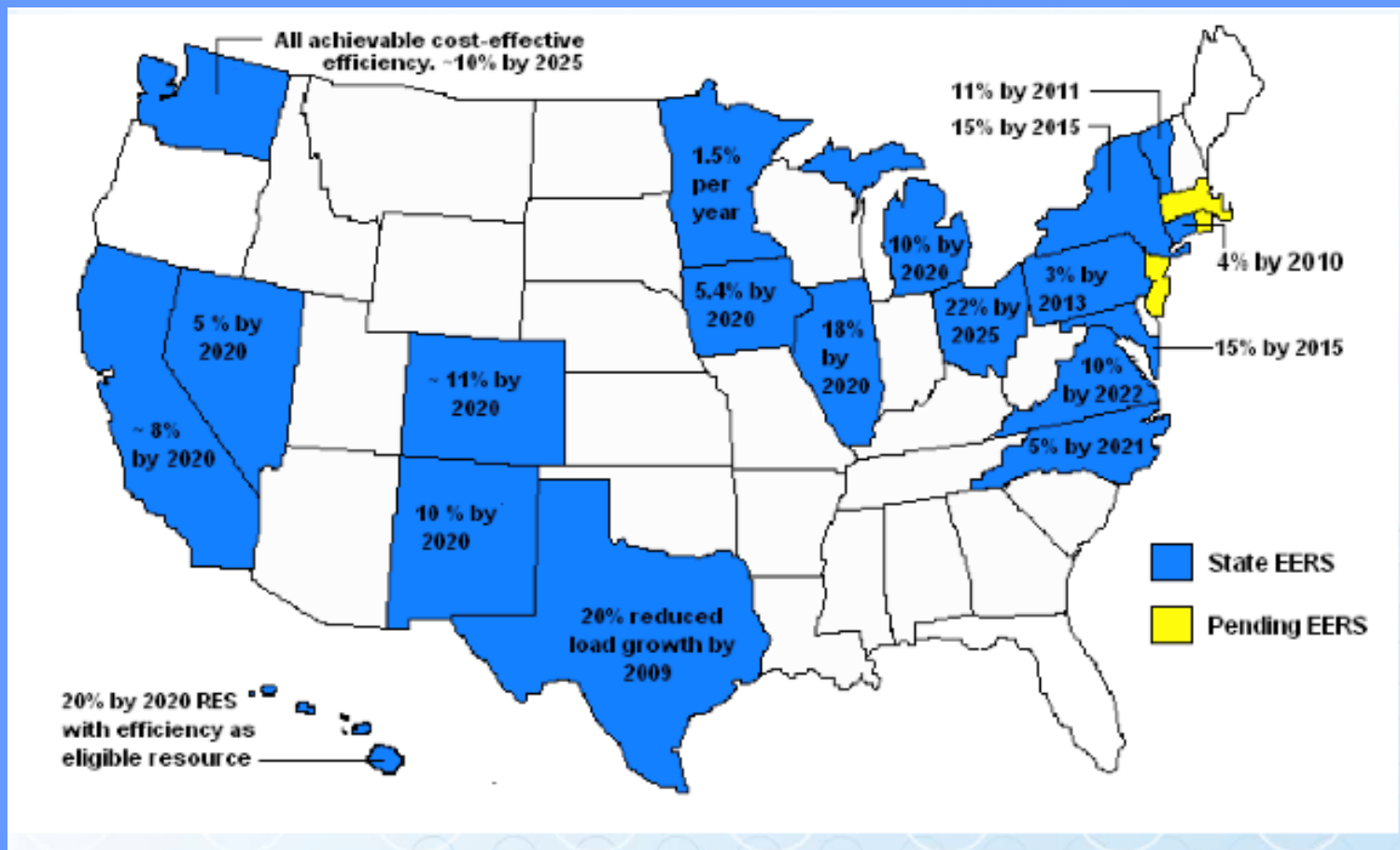
State RES Timeline



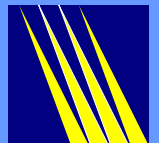
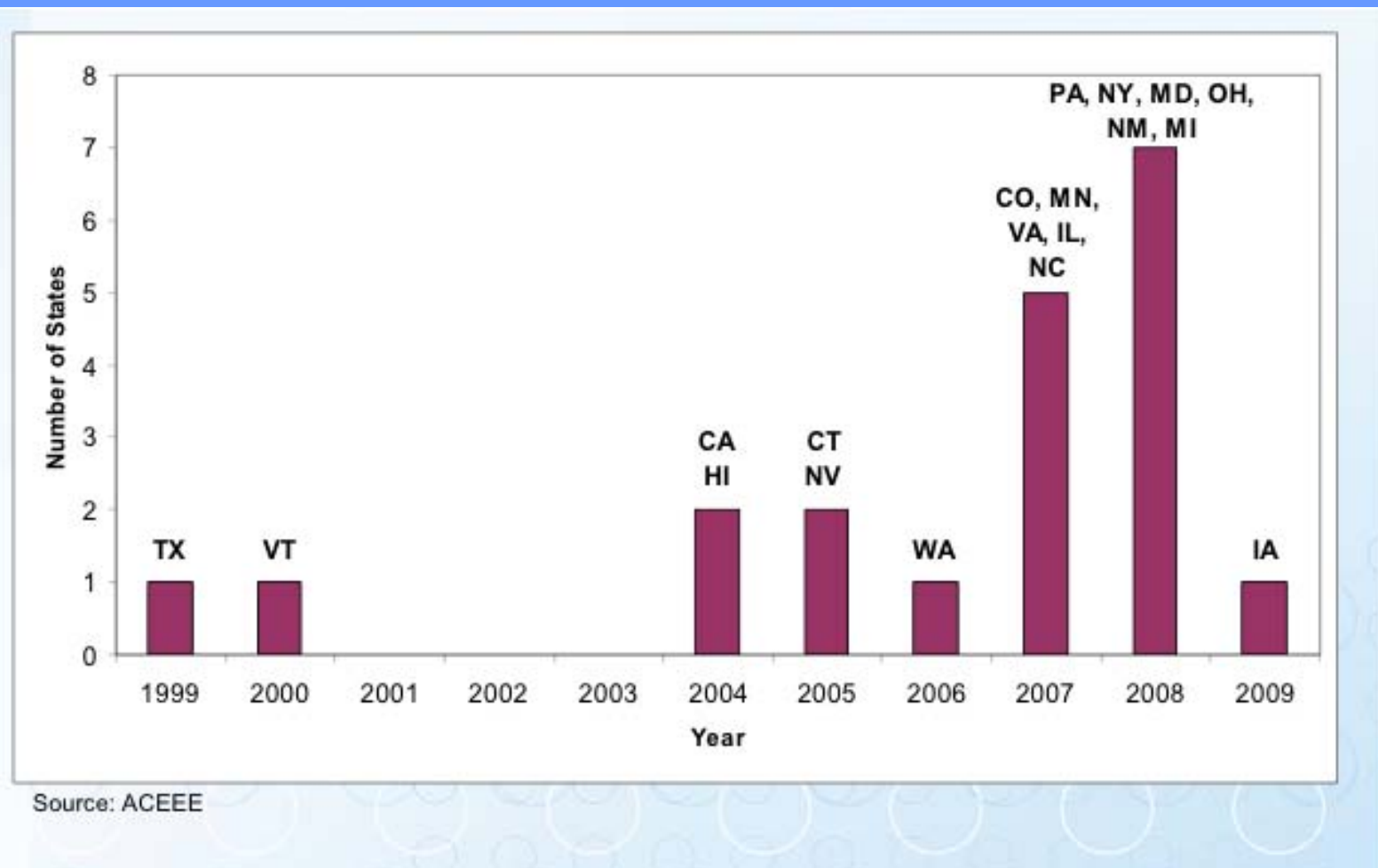
Source: Union of Concerned Scientists, Renewable Electricity Standards Toolkit. 2009.



Energy Efficiency Resource Standards



State EERS Timeline

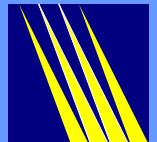
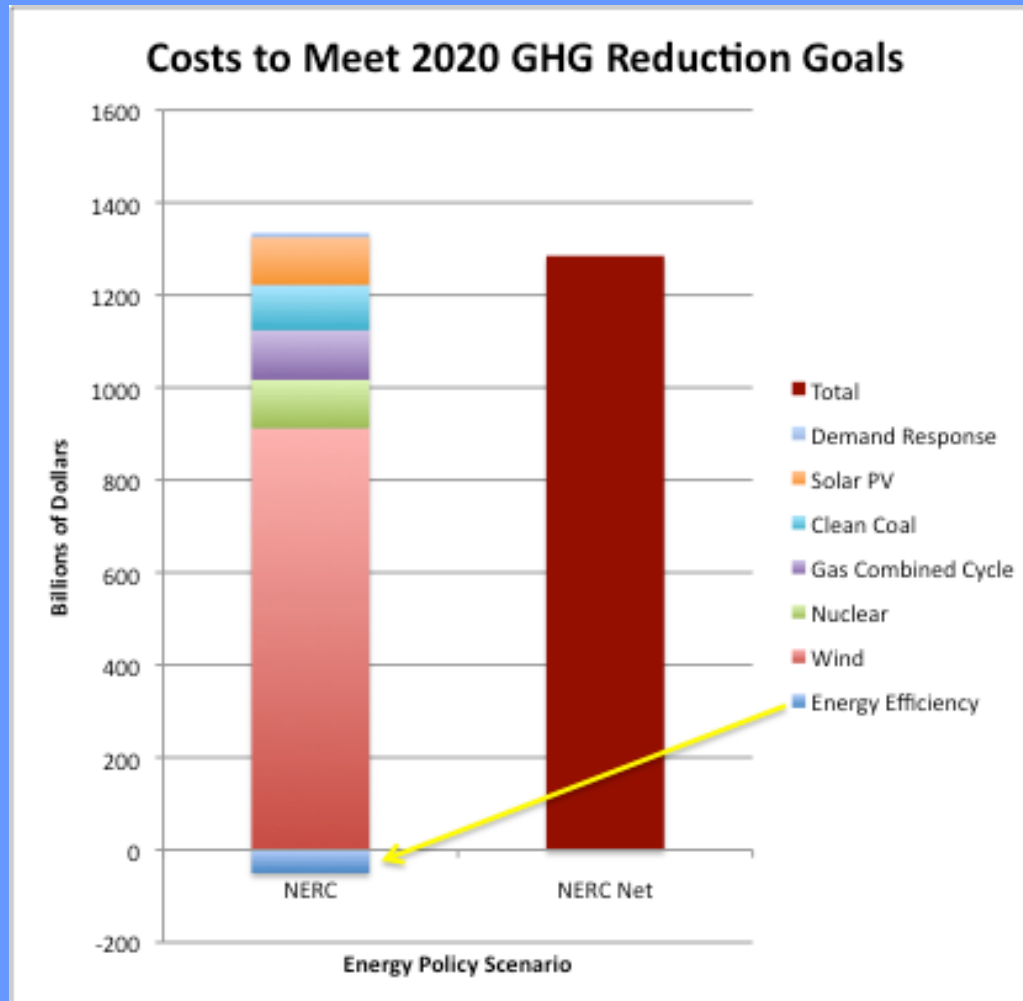


Regional Issues

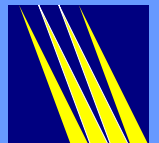
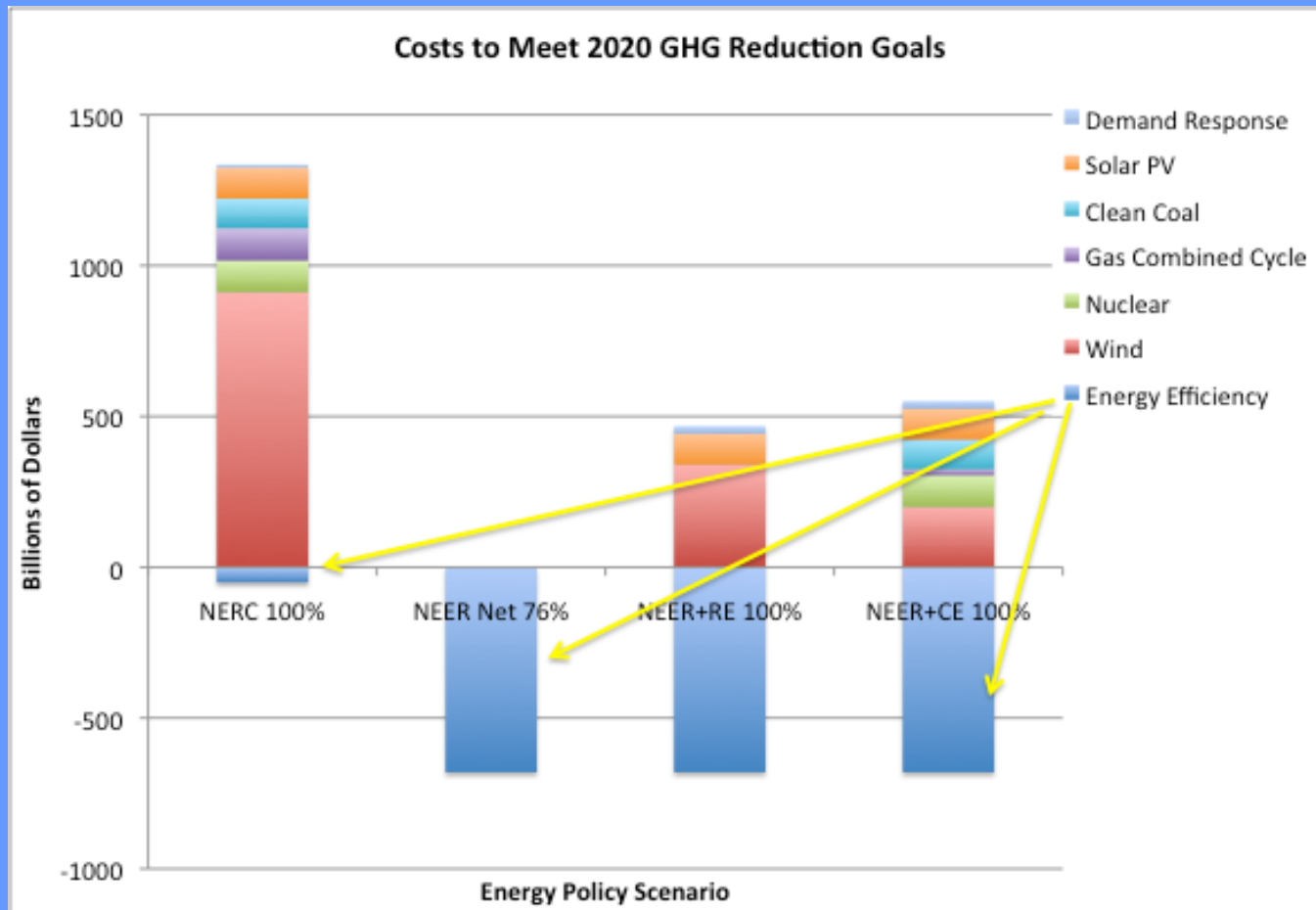
- Why should one regional provide incentives or subsidies for other regions?
 - Energy efficiency
 - Renewables
 - Nuclear plant loan guarantees
 - Clean coal



Economics of National Policy



Economics of National Policy



Sample Political Questions

- Why should a TVA customer subsidize the Cape Wind project?
 - \$.04/kWh vs. \$.21/kWh
- Why should NE ratepayer subsidize nuclear plants in the Southeast or clean coal in the Midwest?
 - \$.03/kwh vs. \$.14/kWh



Conclusions

- The “obvious” course for national energy policy may not be so obvious to everyone
- Politics does not drive Congress to the optimal economic solution
- Now comes the horse trading



Thank You

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