

SEEA Policy Highlights

July 2016



State, Local and Utility Policy

SEEA Releases New Report on Low-Income Energy Efficiency Programs

South Carolina Launches State Energy Plan Public Engagement Process

Efforts are currently underway in South Carolina to develop a comprehensive, statewide energy plan. Led by the Office of Regulatory Staff (ORS), this plan will evaluate how South Carolina currently utilizes energy resources, and provide a path forward outlining how South Carolina may choose to leverage its energy resources to meet future energy needs during the ensuing five- and ten-year intervals.

Stakeholder engagement and input continue to play a central role in the planning process, and throughout the summer, ORS will host a series of public engagement sessions in Charleston (July 7), Greenville (July 26), Florence (August 4) and Beaufort (August 9).

For more information on South Carolina's state energy plan, visit <http://goo.gl/AJ2sMv>.

Tennessee Convenes Working Groups to Explore Low-Income and Multifamily Program Opportunities

Within the past quarter, Tennessee has held two convenings to address low-income energy efficiency programs. In April, the Tennessee Valley Authority (TVA) held the first meeting of its Energy Efficiency information Exchange (EEIX) since the approval of its 2015 Integrated Resource Plan. Stakeholders from throughout the TVA service territory gathered to identify key issues in serving this customer segment and discuss opportunities to collaborate to create meaningful solutions.

In May, the Tennessee Department of Environment and Conservation (TDEC) hosted a working session on low-income and multifamily energy efficiency opportunities in the state. Partners shared their role and resources associated with supporting energy efficiency in low-income and multifamily housing. TDEC has pledged itself a partner in the U.S. Department of Energy's Better Buildings Clean Energy for Low-Income Communities Accelerator. The group is expected to reconvene in October, in conjunction with the Governor's Housing Conference.

SEEA and ACEEE Present at Mississippi Public Service Commission Energy Efficiency Workshop

In May, staff from SEEA and the American Council for an Energy-Efficient Economy (ACEEE) delivered a presentation at a monthly Mississippi Public Service Commission working session, providing a general overview of energy efficiency, a history of activity in Mississippi and the timeline and key factors for consideration for the Comprehensive Portfolio phase of the Rule 29 programs. The session was attended by a number of in-state

utilities, state agencies and NGOs with an interest in energy efficiency programming. Key topics of interest included both industrial energy efficiency opportunities and low-income programming.

Also in May, Mississippi utilities participating in the Quick Start phase filed annual reports on their second year of programming.

Slides from this presentation are available at <http://goo.gl/8Q2Q8K>.

Virginia and Louisiana Continue Preparing for the Clean Power Plan

Both Virginia and Louisiana continue to gather information and make preparations to meet anticipated milestones should the stay of the Clean Power Plan be lifted. SEEA continues to monitor developments in both states and respond to requests for information or assistance as needed. A memo developed by Harvard Law School, available at <http://goo.gl/iKarGK>, indicates that should the stay be lifted and the plan proceed in its current form, states will have at most 210 days from that date to meet the first set of milestones required by EPA.

SEEA Contributes to Comments on Virginia's Assessment of Evaluation, Measurement and Verification Practices

Following the adoption of legislation this past session, the Virginia State Corporation Commission (SCC_ requested input from a variety of stakeholders concerning best practice in evaluation, measurement and verification of utility-delivered energy efficiency programs. As part of its technical support role to the Virginia Department of Mines, Minerals and Energy under a U.S. Department of Energy (DOE) award, SEEA provided input to comments submitted by the American Council for an Energy-Efficient Economy that were submitted in May. The SCC will review all comments and is required to submit a report to the legislature by the end of the year.

All comments regarding this matter are filed in SCC Docket No. PUE-2016-00022.

Georgia Power IRP Hearing Process Concludes

In January, Georgia Power filed a twenty-year integrated resource plan (IRP) in Georgia Public Service Commission Dockets 40161 and 40162. By and large, the IRP maintains a steady state investment in energy efficiency. The filing also reflects ongoing learning and fine-tuning of programs with no major changes to the overall portfolio.

Hearings were completed in early June, and an order is expected later in June.

Arkansas Utilities File Plans for Next Three-Year Cycle

On or before June 1, Arkansas's seven investor-owned utilities filed plans for the next three-year cycle of that state's energy efficiency resource standard. Earlier in the year, the Public Service Commission had approved energy efficiency savings targets for the cycle that reach one percent for electric utilities and 0.5% for gas utilities by 2019. With incentives provided under the resource standard, some utilities have already exceeded the one percent mark during the current phase of the standard.

In related news, Ouachita Electric Cooperative Corporation, a small cooperative utility in central Arkansas, continues to advance energy efficiency through the recently approved Pay-As-You-Save tariff, a mechanism that allows customers to repay energy efficiency investments that the utility makes in the customer's home, via a special electric rate. Several other cooperatives in Arkansas are actively exploring this option for their own service territories.

EPA Releases Additional Information on Clean Energy Incentive Program

On June 16, EPA released a re-proposal of certain program design details for the optional Clean Energy Incentive Program, an early-action incentive within EPA's Clean Power Plan. This program provides credit energy efficiency projects in low-income communities, as well as various types of renewable projects.

Key details regarding these energy efficiency projects include the following:

- Size of credit reserve: EPA has further defined the EPA matching credit pool as follows:
 - For mass-based programs, EPA is proposing that the matching pool is 300 million allowances.
 - For rate-based programs, EPA is proposing that the matching pool is 375 million ERCs.EPA is proposing a 50/50 split between the credit reserve available for projects serving low-income communities, and renewable projects.
- Project eligibility: EPA has expanded project eligibility within the low-income reserve to include solar projects. Within the renewable reserve, EPA has expanded eligibility to include both geothermal and hydropower projects.
- Definition of "low-income community": EPA is proposing to allow states and tribes to use one or more existing definitions for "low-income community," including local, state or federal definitions from programs that target low-income households and populations. These definitions may be applied either at a household level or a geographic level, as appropriate.

EPA has also established a comment process for this action; comments must be received no later than 60 days after publication in the Federal Register. Additionally, EPA will hold a public hearing on August 3, 2016 in Chicago. Details about the hearing and registration are available at <https://goo.gl/f0Zo8o>.

SEEA does not take a position on whether EPA has the authority to or should regulate greenhouse gas emissions from existing sources through the Clean Power Plan. If this regulation moves forward, SEEA is focused on working with states, utilities and other key stakeholders to support energy efficiency as a least-cost, multi-pollutant resource and compliance pathway—where appropriate and cost-effective—to build a stronger, more vibrant Southeast.

Built Environment

National Energy Code Development Process Moves Forward



The U.S. Department of Energy (DOE) participates in the public process that produces the International Energy Conservation Code (IECC). The DOE is a participant in this process and develops proposals for considerations, and stakeholders are invited to submit comments on DOE's

draft proposals and to testify at public hearings.

The process for developing the 2018 IECC is currently underway. The first public hearing was held in Louisville, Kentucky in April, where there were numerous proposals that would roll back or trade off energy efficiency. SEEA is communicating with the other regional energy efficiency organizations, as well as national groups such as the Responsible Energy Codes Alliance (RECA), National Association of State Energy Officials (NASEO), Building Codes Assistance Project (BCAP), Energy Efficient Codes Coalition (EECC), and others to stay informed throughout the process. Public comments on the code proposals will be accepted through July 22, with a public hearing to follow in October to discuss the proposals and comments received.

Energy Code Adoption Continues in Southeastern States

In the Southeast, many states are progressing in their adoption of newer more energy efficient codes.

- The Alabama Energy and Residential Codes Board has adopted the 2015 Alabama Residential Energy Code, based on the 2015 IECC with state-specific amendments and ASHRAE 90.1-2013 as the 2015 Alabama Commercial Energy Code. The new residential code is scheduled to go into effect on October 1st, while the commercial code went into effect on January 1st.
- The Florida Building Code Council adopted the Florida Building Code, 5th Edition (2014) Energy Conservation code for both commercial and residential construction, based on the 2012 IECC with state-specific amendments. The new code, which took effect on June 30, 2015, included several rollbacks on residential energy efficiency, including performance testing requirements being delayed for one year until June 30, 2016. Florida is on a three-year code cycle, and meetings and hearing are already underway for the next version of their statewide code, anticipated to be developed and adopted based on the 2015 IECC in 2017.
- North Carolina is currently underway in developing the next version of the North Carolina Energy Conservation Code. Committee meetings are ongoing and will determine the state-specific amendments from the 2015 IECC, on which they are modeling their residential state code, as well as the requirements for a stretch code. It is anticipated that the code will be adopted in 2018.
- Virginia is also currently in the code adoption process, and the Virginia Department of Housing and Community Development has held working group meetings to convert the 2012 Virginia statewide code (2012 USBC) to a 2015 Virginia statewide code (2015 USBC) by comparing the language in the 2012 USBC to the 2015 editions of the International Codes and standards which have amendments in the USBC. The new code is not intended to create substantive changes to the 2012 USBC.

- The Georgia Department of Community Affairs has expressed interest in adopting a new energy code. It is anticipated that new code will be adopted in 2018 and based on the 2015 IECC, with possible state-specific amendments.

More information on these developments is available on the SEEA website at <http://goo.gl/Q3Rw6g>.

SEEA Completes Residential Field Study Data Collection

SEEA's Residential Energy Code Field Study continues to progress. The project team has completed the DOE-required samples in Arkansas and Georgia, and SEEA has received the preliminary baseline results for typical energy use in new construction single-family homes in both states. SEEA is still working to collect the last remaining data points for the Georgia Power utility service area sampling plan.

For updates on the field study, visit <http://goo.gl/kRDw5U>.

North Carolina Energy Codes Working Group Created

A North Carolina Energy Codes Working Group is being developed to aid in the adoption of the 2019 North Carolina Energy Conservation Code, a new statewide energy code based on the 2015 International Energy Conservation Codes (IECC). The working group will be representative of the construction and rating industry, and will assist with providing technical assistance and on-the-ground perspective to help the North Carolina Building Code Council develop the most effective code for the state.

Florida Tackles Solar Integration

The Energy Rating Index (ERI) Pathway, a new compliance pathway in the 2015 IECC, is creating confusion among the construction industry in adopting states. Some parts of the industry see this pathway as allowing the use of solar to help meet energy code requirements. Others do not agree, as solar and other forms of on-site generation are not explicitly allowed. Florida is the first state in SEEA's territory grappling with this issue. Currently, the Florida Building Commission is forming a working group, in which SEEA will be participating, to research, discuss and suggest solutions to address this issue.

SEEA Welcomes Intern Helen Peterson to the Energy Codes Team

SEEA is pleased to announce Helen Petersen has joined the codes team as a Building Research and Data Analysis Intern for the summer semester. Helen is a rising senior at Georgia Institute of Technology majoring in Public Policy, with a concentration in Environment and Energy. During her internship, she will be helping SEEA to provide the construction industry with data-based analyses to support ongoing efforts to promote efficiency within the region's building stock.

Thank you for your interest in SEEA!

For more information on SEEA's policy initiatives, contact Policy Manager Abby Fox at afox@seealliance.org or 404-602-9665.