


Presentation to Energy Efficiency Plans & Programs Legislative Study Committee

Nathaniel Baer
Iowa Environmental Council
Nov. 13, 2008



Consumer Perspective on EE

"Consumer Focus" - Senate File 2386:


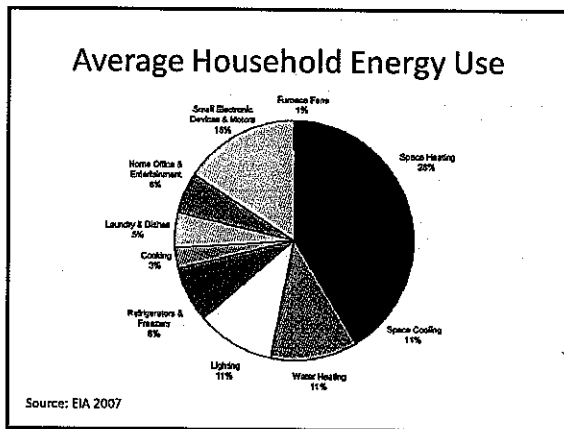
"examine the existence and effectiveness of energy efficiency plans and programs ... with an emphasis on results achieved by current plans and programs from the demand, or customer perspective"

Consumer Perspective on EE

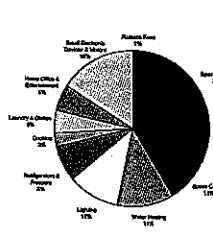
- Access to effective, comprehensive energy efficiency information, analysis, programs (rebates, financial assistance)
- Energy use & savings opportunities
- Barriers to EE
- Existing policy responses
- Existing gaps, shortcomings (e.g., access)
- Next steps for Iowa

Why EE?

- Save money
- Improve quality of life
- Increase property value
- Improve environment
- Create direct jobs
- Retain more money in local economy

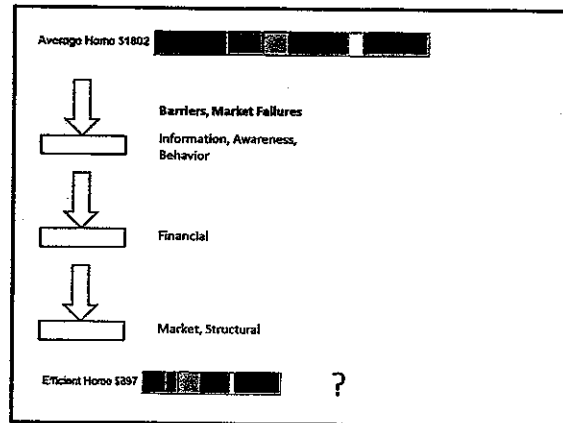
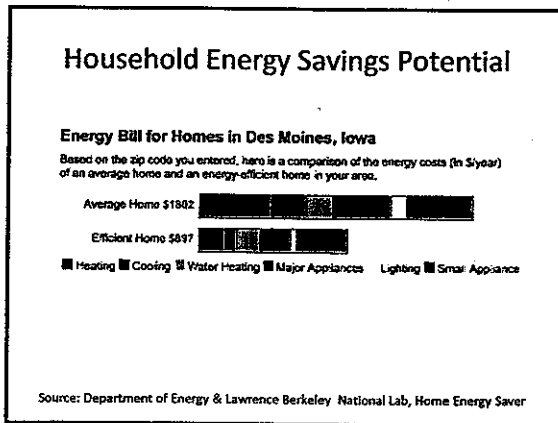



Savings Measures: Whole House



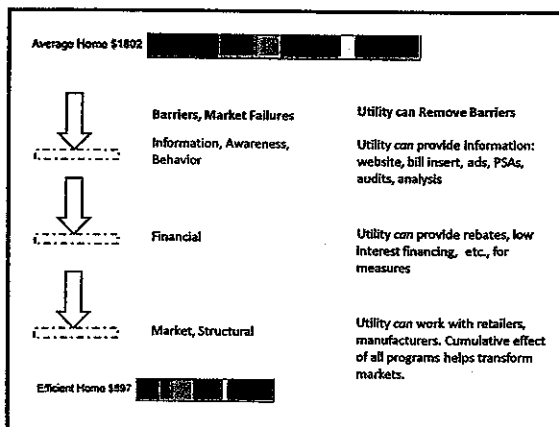
- Space heating, cooling:**
 - Insulation, windows/doors, sealing, equipment (furnace, air conditioner, heat pump), ceiling fans, program thermostat
- Water heating:**
 - Equipment, insulation, aerators/water use
- Lighting:**
 - Efficient bulbs (CFLs), sensors, passive/daylighting
- Kitchen/Laundry: Equipment, use**
- Office/Entertainment:**
 - Equipment, phantom load/use
- Small electronic devices: Equipment, use**

**Comprehensive information, analysis, audits



- ### Barriers and Market Failures
- Information, human/behavioral
 - Lack of information
 - Want to keep status quo, don't want to try something new
 - Financial
 - No money for initial capital cost
 - Ex: 50% of 2007 energy survey respondents identified cost as a "significant obstacle" to EE
 - Market
 - Products not available
 - Products not at economy of scale
 - Policy response appropriate to overcome these barriers

- ### Policy Response: Utility-Based Model
- Can Address:
- Information, behavioral barriers
 - Utilities *can* provide information – websites, bill inserts, public service announcements, direct help (audits), etc.
 - Financial/resource barriers
 - Utilities *can* provide rebates, product discounts, upstream retailer/manufacture incentives
 - Free stuff makes a big difference
 - Structural market barriers
 - Rebates = consumer demand = market improvement
 - "Upstream" incentives to manufacturer and/or retailer



Example: REC

Measure	Altamonte Clayton	Guthrie Co	Osceola
Comprehensive on-site free audit	N	N (only for heat pump)	N
Audit + free installs	N	N	N
CFL (install or rebate)	N	Y?	N
Insulation rebates	N	N	N
Clothes washer	Y, \$50	Y, \$50	N
Refrigerator	Y, \$25	Y, \$25	N
Dishwasher	N	Y, \$25	N
Program thermostat	N	N	N
Windows/Doors	N	N	N
Heat Pump	Y	Y	Y
Air conditioner	Y	Y	Y

Source: NOI-07-2 filings & IUB, OCA reports; utility websites.

Examples: Municipal

Measure	Cedar Falls	Hartley	Spencer
Comprehensive on-site free audit	N (\$35 fee)	N	N
Audit + free installs	N	N	N
CFL (install or rebate)	N	N	Y. \$2/bulb
Insulation rebates	Y. 60% of cost	N	N
Clothes washer	N	N	Y. \$50+
Refrigerator	Y. \$75	N	Y. \$25
Dishwasher	N	N	Y. \$25
Program thermostat	N	N	Y. \$25
Windows/Doors	N	N	N
Heat pump	Y	N	Y
Air Conditioning	Y	N	Y

Source: NOI-07-2 filings & IUB, OCA reports; utility websites.

Example: IOU

Measure	MidAmerican	Alliant
Comprehensive on-site free audit	Y	Y
Audit + free installs	Y	Y
CFLs (install or rebate)	Y	Y
Insulation rebates	Y	Y
Clothes washer	Y	Y
Refrigerator	N	Y
Dishwasher	N	N
Program thermostat	Y	Y
Windows/Doors	Y	Y
Heat pump	Y	Y
Air Conditioning	Y	Y

Source: Based on proposed plans in EEP-08 filings; utility websites; NOI-07-2 filings

Utility Model Shortcomings

Lack of essential program availability

- Consumers lack access to basic programs, such as free on-site audit, rebates/assistance for range of measures including lighting, appliances, insulation, weatherization.

Lack of results

- REC and municipal programs largely discretionary
- Performance limited by real or perceived conflicts of interest. Such as:
 - Single service utility (e.g., electric only)
 - Load building, fuel switching (measures not truly EE)
- All utilities should be prioritizing energy efficiency first

Next Steps re: Policy

Address lack of access:

1. Set minimum standards for all utility EE programs: comprehensive audit, minimum rebate categories for lighting, appliances, insulation weatherization. If utility can't/won't fill gaps, find a provider who will.

Address lack of results:

2. Set energy savings goals: 1.5% short term, 2% longer term. Explore linking to utility incentives/removal of conflicts if necessary.
3. Give IUB needed authority to ensure results from coops and munis (similar to IOUs).