



MEEEA
Midwest Energy Efficiency Alliance

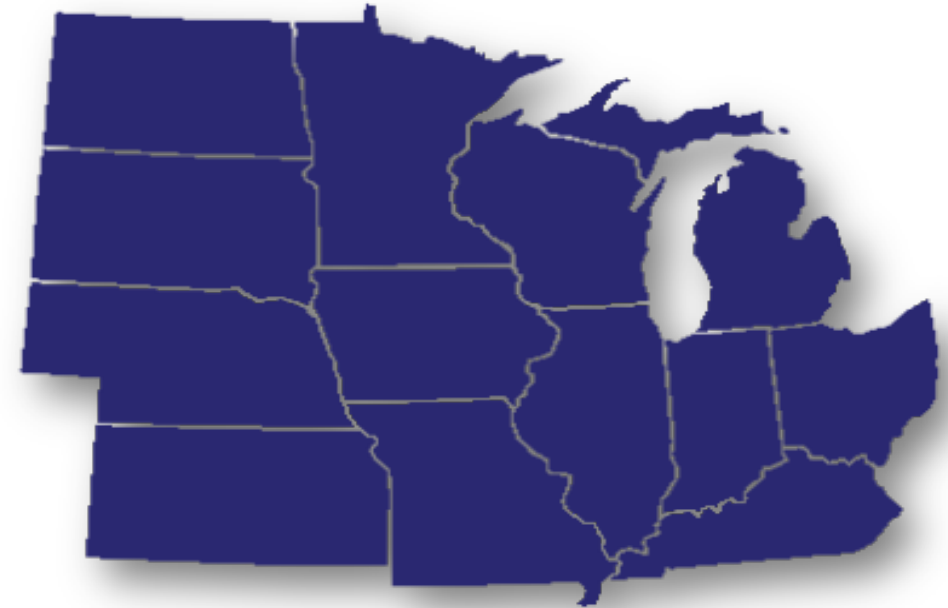
**MIDWEST STATE CPP COMPLIANCE ACTIVITY:
PRE- AND POST-STAY**

Advancing Renewables
April 11, 2016

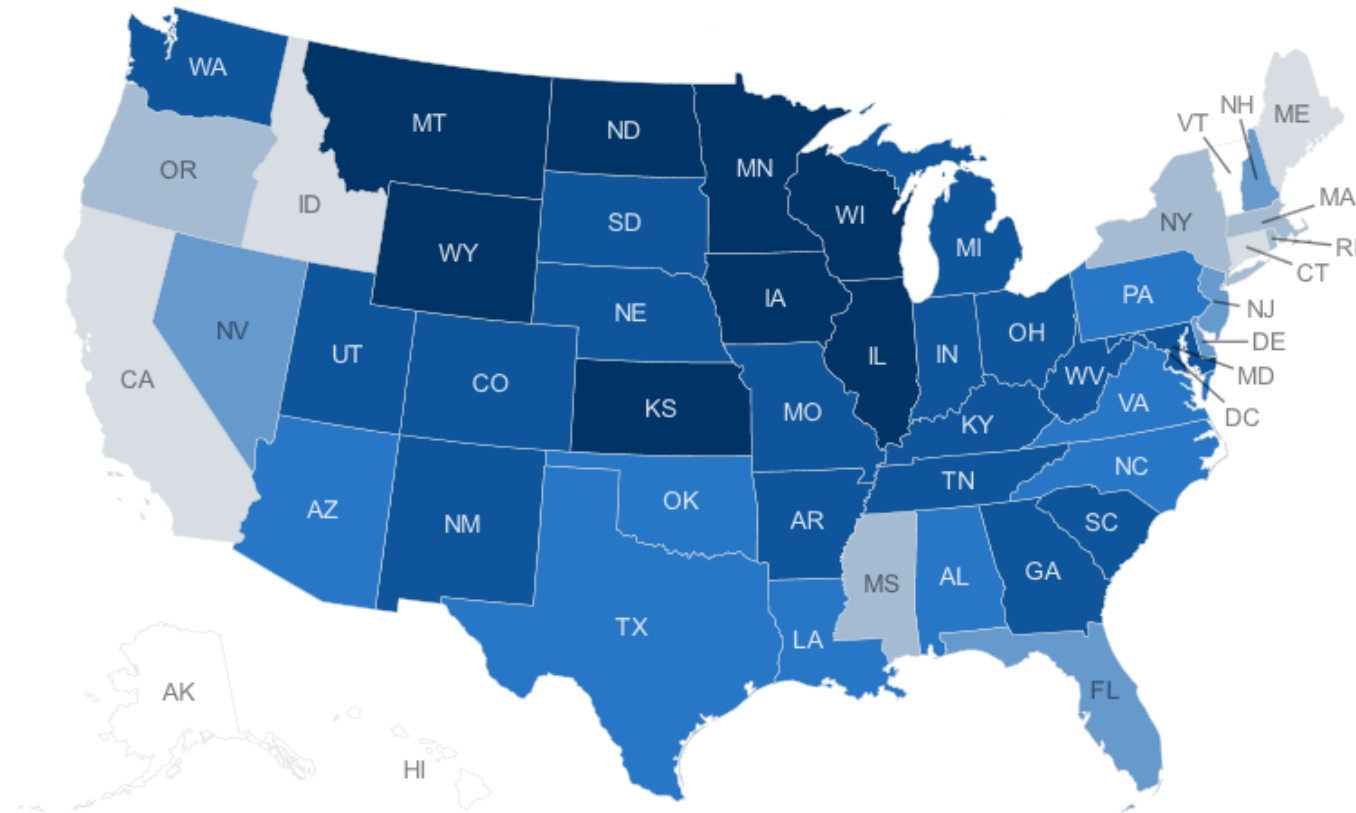
The Source on Energy Efficiency

Midwest Energy Efficiency Alliance (MEEA)

- ❖ **MEEA is a nonprofit membership organization with 150+ members, including:**
 - Electric and Gas Utilities
 - State and local governments
 - Manufacturers and retailers
 - Academic and research institutions
 - Energy service companies and contractors
- ❖ **Since 2000, MEEA has been the leading source for raising awareness and advancing sound energy efficiency policies and programs in the Midwest**
- ❖ **MEEA balances the diverse interests of its members and network** across the public and private sectors, creating a common ground to affect positive change for energy efficiency in the Midwest.



The Final Rule: Emission Rate Reduction (%)

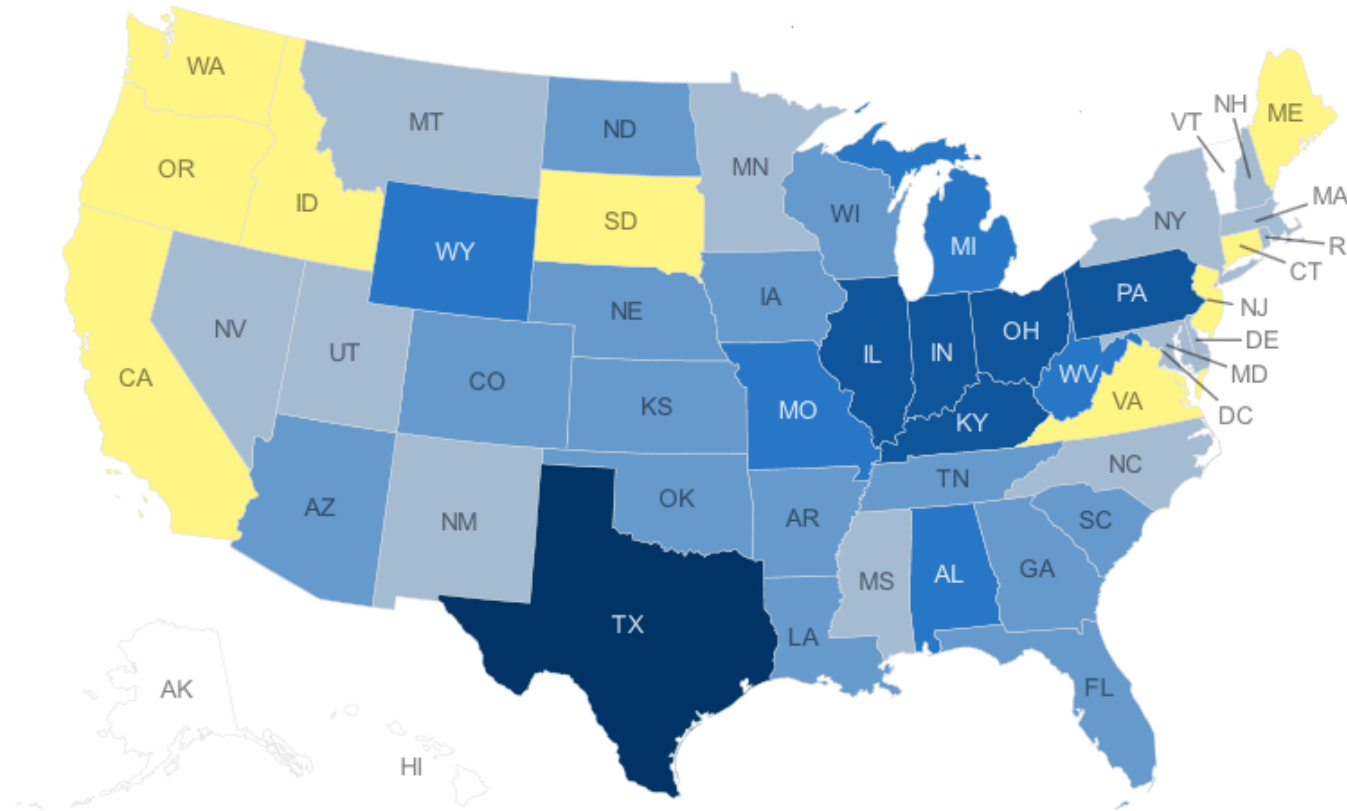


Final Rule Emissions Rate Reduction %

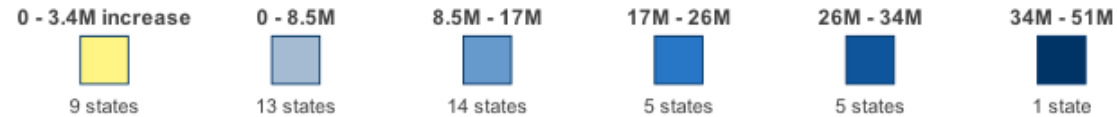


Supreme Court Stay Response | Legal Challenges | **Rate Reduction %** | Mass Reduction

The Final Rule: Mass Reduction



Final Rule Mass Reduction (short tons CO2)



Supreme Court Stay Response | Legal Challenges | Rate Reduction % | **Mass Reduction**

The Final Rule: Generally Things Got Harder for the Midwest

Stringency of State Emissions Targets in the Final Rule Relative to the Draft Rule		
State	Stringency of the Final Goal	Stringency of the Interim Goal
Illinois	More	Less
Indiana	More	More
Iowa	More	Less
Kansas	More	More
Kentucky	More	More
Michigan	Less	Less
Minnesota	Less	Less
Missouri	More	More
Nebraska	More	More
North Dakota	More	More
Ohio	More	More
South Dakota	Less	Less
Wisconsin	More	Less

The Before: State Activity Roundup

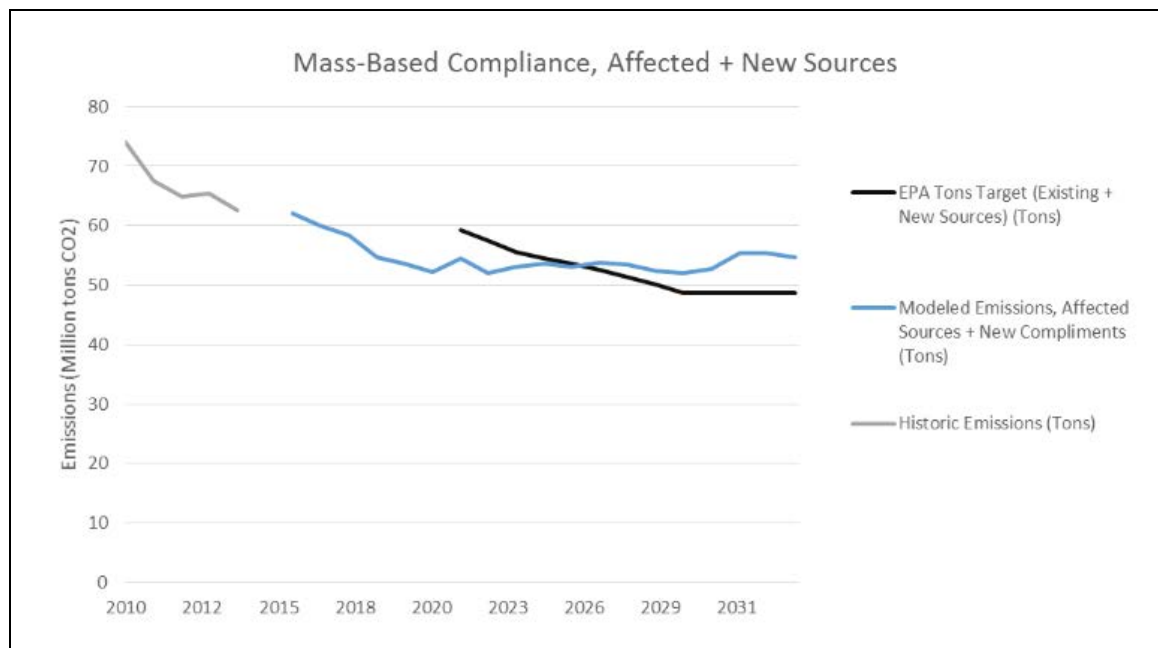
- Stakeholder Meetings: IA, MN, MO, ND, OH
 - Focus on informing the states' comments on the Federal Plan, Model Trading Rules, and Clean Energy Incentive Program
 - Address reliability concerns as well as barriers to including energy efficiency and renewable energy
- Modeling: MI, KS
 - Kansas Corporation Commission: opened a docket to explore redispatch modeling
 - Michigan Agency for Energy: developed baseline modeling to inform compliance scenario modeling, assembled technical advisory committee to provide input on scenarios

The Before: Michigan's Modeling

Emissions Gap:

2022	2023	2024	2025	2026	2027	2028
(4.7)	(5.4)	(2.4)	(0.9)	(0.5)	1.2	
2029	2030	2031	2032	2033	2034	
2.4	3.4	4.2	6.7	6.8	6.1	

~6.5 million tons of annual emission reductions required.



- EE Assumptions:
 - Load Growth: 1.2% per year. This accounts for non-utility EE.
 - Utility EE: 1.4% in 2015 and falling to 1% in 2020, then constant to 2034
- Natural Gas Assumption:
 - Natural Gas Prices: \$3.00 per MMBtu in 2016, rising to \$4.13 in 2034

<http://www.michigan.gov/carbonrule>

The Before: Opportunities in North Dakota

- Legislative EE opportunities
- Non-legislative EE opportunities
- MEEA submitted comments covering:
 - EERS
 - Building Energy Codes
 - Energy Savings Performance Contracting
 - Financing (On-bill, PACE)



The Before: Regional and National Efforts

- Joint Comments from Energy Efficiency Groups on:
 - EM&V Guidance
 - Inclusion of energy efficiency in a rate-based Federal Plan
 - Options for allocation of allowances in a mass-based Model Trading Rule and Federal Plan
- Multistate effort to develop a National Energy Efficiency Registry
- ‘3N’ (NARUC, NASEO, and NACAA) Meetings to facilitate intra- and inter-state collaboration
- MISO: Midcontinent State Environmental and Energy Regulators and the Midwestern Power Sector Collaborative initiatives

The Before: Lawsuits

- 27 states and several industry groups filed a combined 39 lawsuits from a total of 157 petitioners asking the D.C. Circuit to review the rule after its final publication.
- **West Virginia and Texas** led a coalition of 24 states in one case.
- **Oklahoma, North Dakota and Mississippi** each filed individual lawsuits.
- 18 states led by **New York and California**, a county, several cities and environmental groups, are supporting the EPA.
- 5 states are not involved with the litigation.

The Before: Sampling of CPP State Legislation

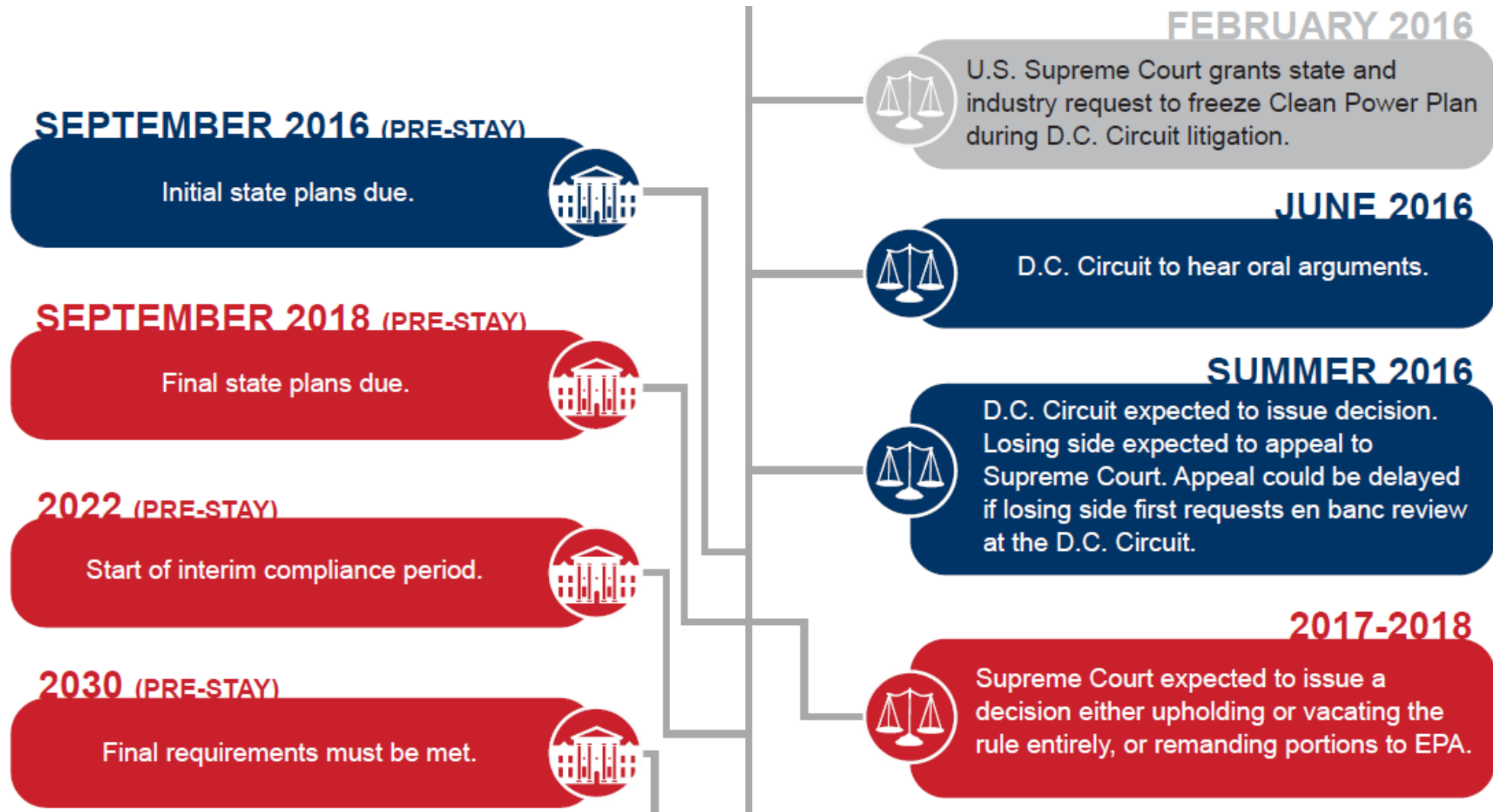
- Laws requiring legislative approvals of state plans to comply with federal regulation of emissions from existing power plants and/or reporting requirements of the lead agency:
 - Michigan: Senate Bill 465 (reassigned to new committee)
 - South Dakota: House Bill 1203 (did not pass)
 - Nebraska: Legislature Bill 469 (passed)
 - Minnesota: House Bill 333 (did not pass)
 - Missouri: Senate Bill 858 and House Bill 2543 (pending)
- Limit Compliance Option to Inside the Fence:
 - Kentucky: House Bill 388 (passed)

February 9, 2016

- Petitioners request for a stay of the CPP was denied in the D.C. Circuit, but **granted by the Supreme Court on February 9, 2016.**
- Merits of the case being reviewed by the D.C. Circuit. Opening briefs have been filed, and EPA and supporters submitted reply briefs.
- Oral arguments scheduled for June 2. Ruling expected in 3-4 months following oral argument.
- D.C. Circuit decision expected to be appealed to Supreme Court (regardless of outcome).
- EPA cannot enforce requirements of the CPP while stay is in place.



The Before and After: Timeline



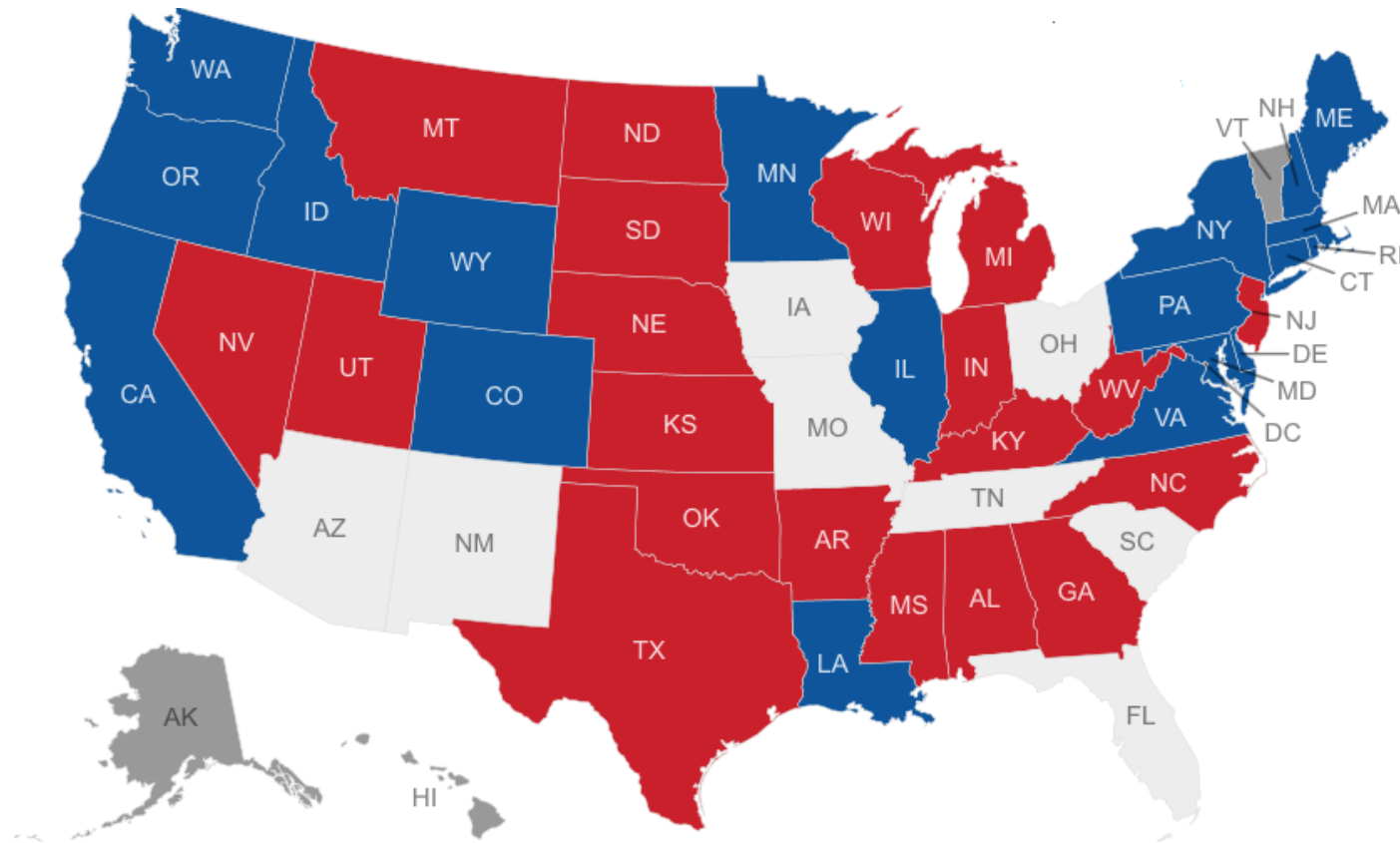
E&E Publishing, LLC http://www.eenews.net/interactive/clean_power_plan/fact_sheets/legal

The After: The Two Sides¹

Supporting the Final Rule	Opposing the Final Rule
States: CA, CT, DE, HI, IL, IA, ME, MD, MN, NH, NM, NY, OR, RI, VT, WA, MA, and VA	States: AL, AZ, AR, CO, FL, GA, IN, KS, KY, LA, MI, MS, MO, MT, NE, NJ, NC, ND, NV, OH, OK, SC, SD, TX, UT, WV, WI, and WY
Cities & Counties & Mayors: Austin, Seattle, DC, Boulder, NYC, Chicago, Philadelphia, Grand Rapids, Houston, Salt Lake City, Baltimore, National League of Cities, + others	Utilities, Public Power, and Co-ops: APPA, NRECA, Alabama Power, Georgia Power, Westar Energy, Entergy Corp, LGE/KU, Minnesota Power, + others
Advocacy Groups: Sierra Club, NRDC, Ohio Environmental Council, EDF, American Lung Association, + others	Labor: AFL-CIO, United Mine Workers of America, International Brotherhood of Boilermakers, + others
Industry Groups: AWEA, SEIA, National Grid, NY Power Authority, PG&E, SMUD, So Cal Edison, + others	Congress: 205 members (34 senators and 171 representatives; all but one Republican)
Others: Amazon, Apple, Google, Microsoft, SEIU, Union of Concerned Scientists, +others	Other: National Association of Home Builders, U.S. Chamber of Commerce, National Association of Manufacturers, American Chemistry Council, +others

1. This is not an exhaustive list of the two sides. Source: E&E Publishing.

After: State Activity Roundup



Supreme Court Stay Response

Continuing Planning
19 states

Assessing Planning
8 states

Suspending Planning
20 states

Exempt
4 states

- IL never committed to compliance, planning efforts are very minimal
- IA did hold a stakeholder meeting following the stay
- Governors' Accord for a New Energy Future:
 - Signed February 16, 2016 by governors of 17 states including MI, MN, and IA
 - <http://www.governorsnewenergyfuture.org/the-accord/>

Image Source: E&E Publishing, LLC
http://www.eenews.net/interactive/clean_power_plan/fact_sheets/legal

The After: Minnesota

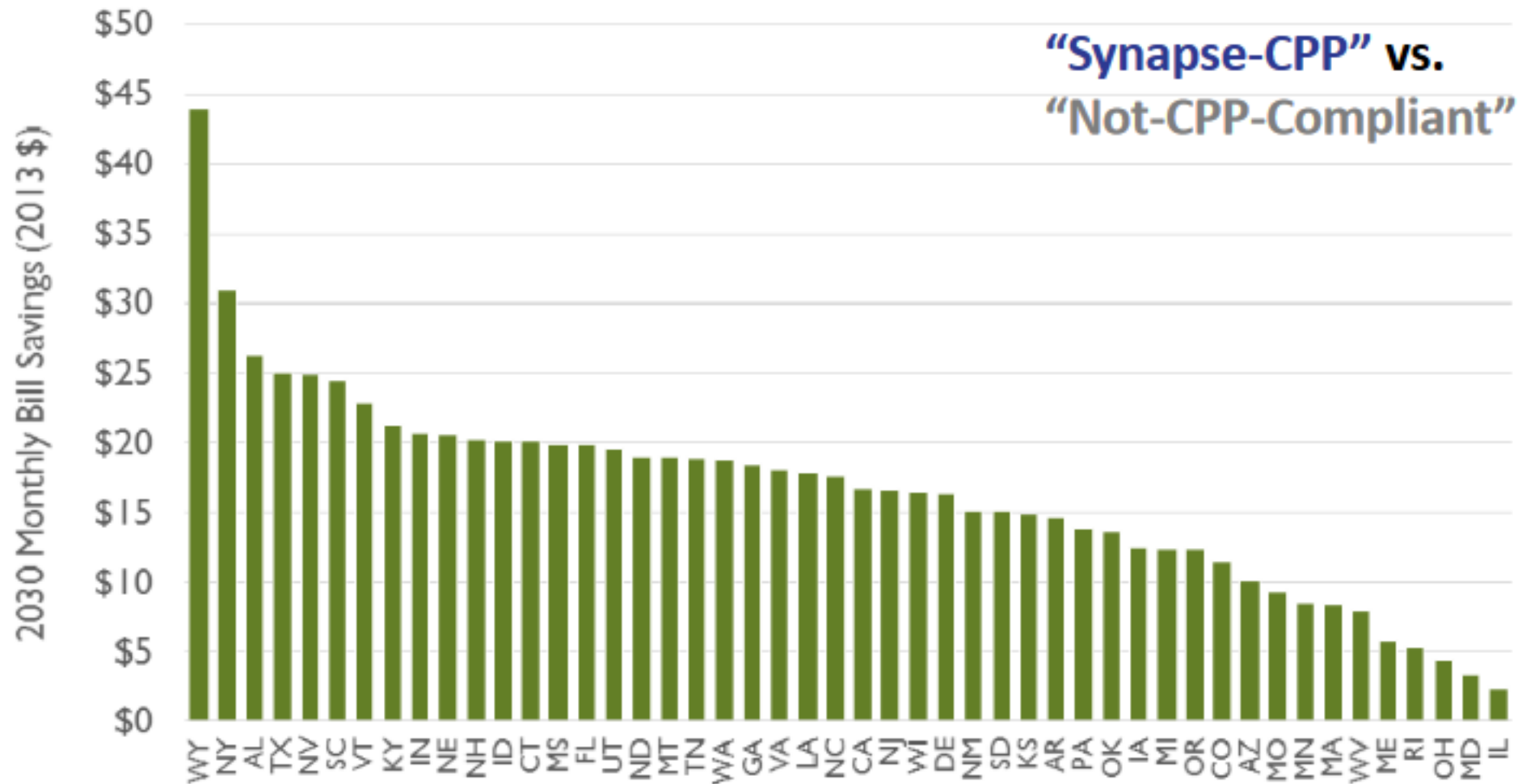
“While the Court’s temporary stay is disappointing, it does nothing to diminish our resolve in Minnesota to keep moving forward on clean energy initiatives, including the development of our state’s Clean Power Plan.”

- Governor Mark Dayton

State Progress Toward Clean Power Plan Targets		
	2022	2030
Mass-based	>200%	165%
Rate-based	169%	136%

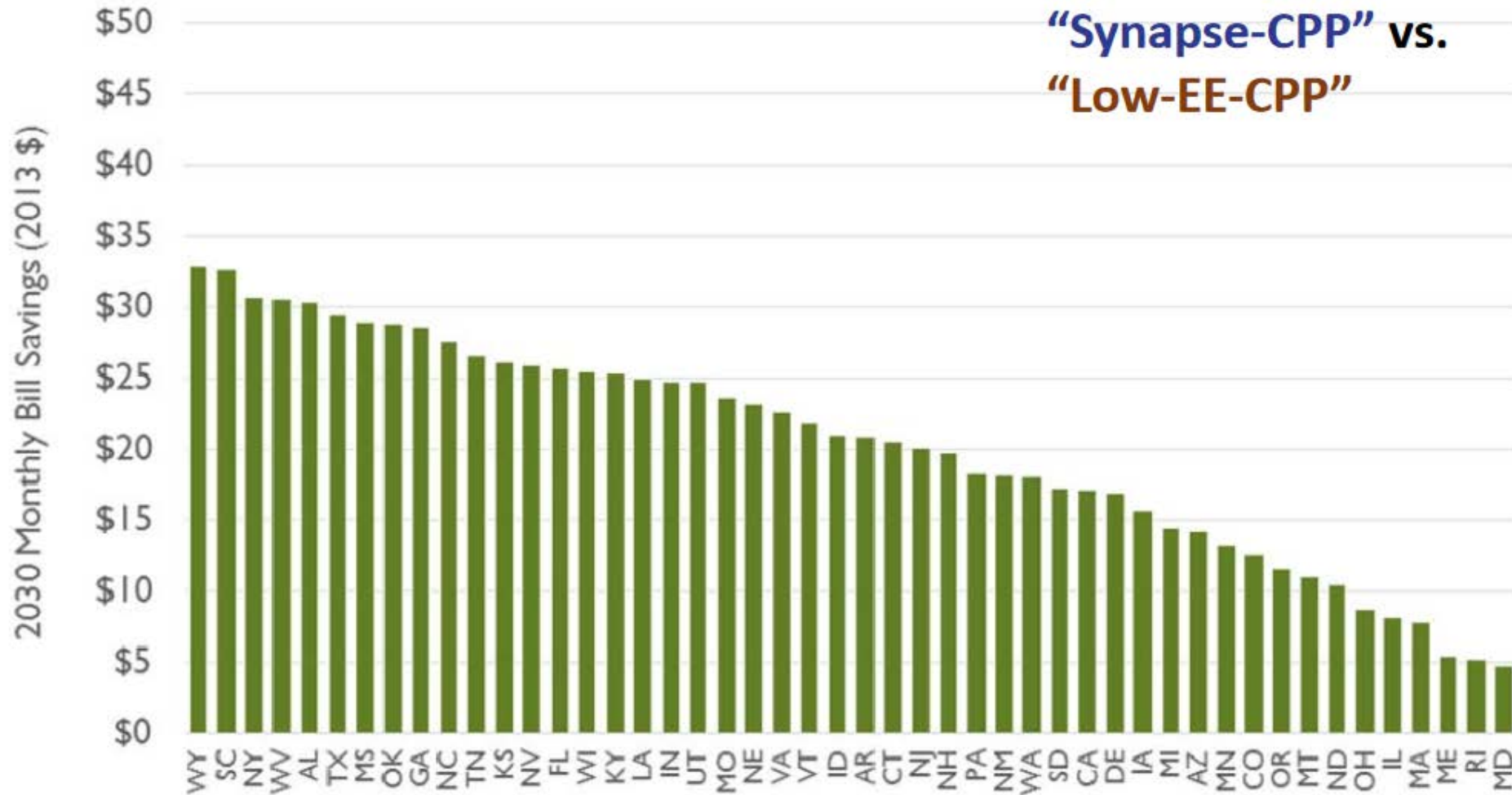
Source: Union of Concerned Scientists. August 2015.

The After: A Great Time to Think About EE



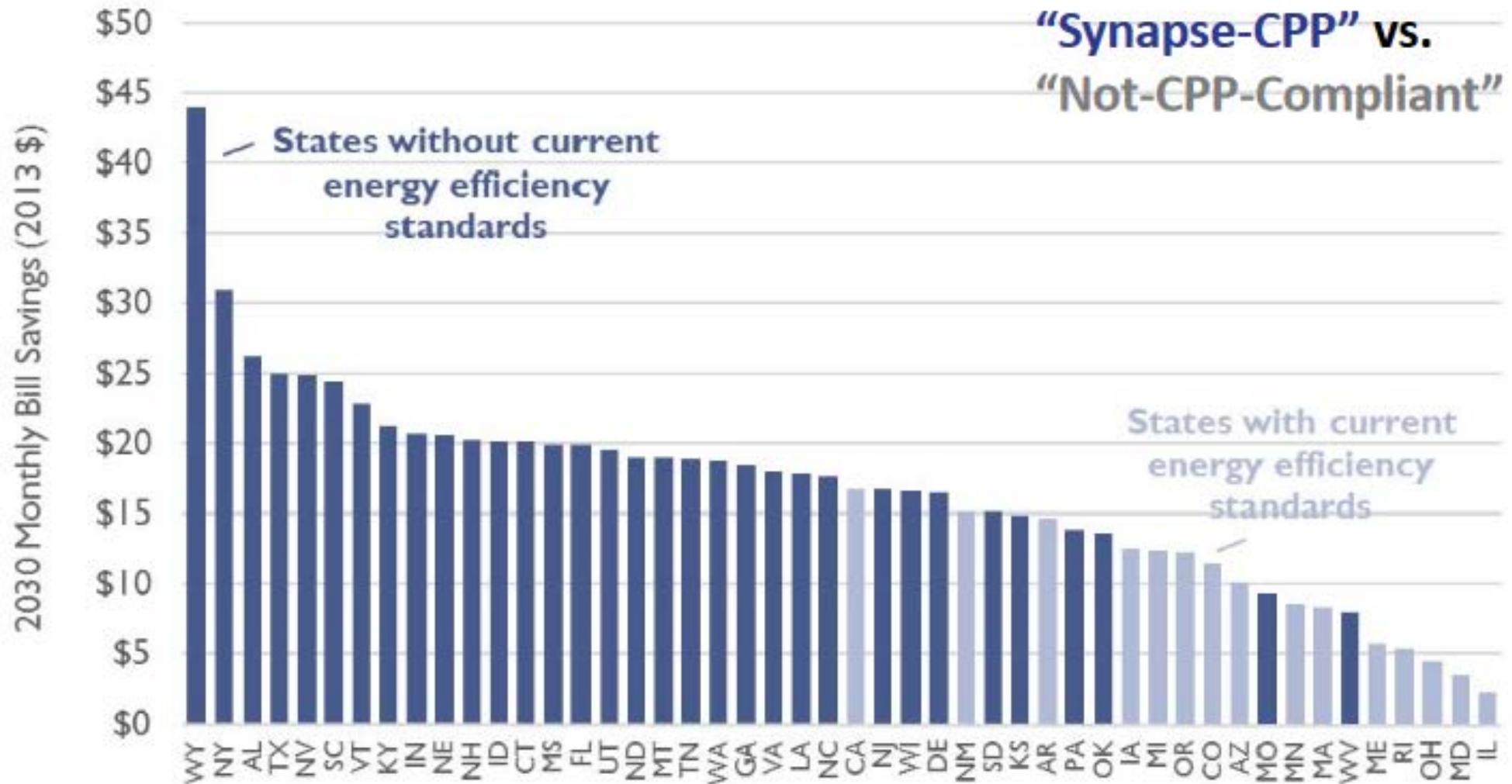
Source: <http://www.synapse-energy.com/sites/default/files/Cutting-Electric-Bills-Presentation.pdf>

The After: A Great Time to Think About EE



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Analysis of CPP Impacts and Compliance Pathways

- *States of Progress*. Union of Concerned Scientists. August 2015.
<http://www.ucsusa.org/global-warming/reduce-emissions/clean-power-plan-states-of-progress#.VumPzuZO0zl>
- *Summary of IPM Modeling Results*. M.J. Bradley & Associates. January 2016.
http://www.mjbradley.com/sites/default/files/MJBA_CPP_IPM_Summary.pdf
- *Cutting Electric Bills with the Clean Power Plan*. Synapse Energy Economics. January 2016.
<http://www.synapse-energy.com/sites/default/files/Cutting-Electric-Bills-Presentation.pdf>

MEEA EE Advocacy Toolkit

Online resource for MEEA members and advocates in communicating the value of energy efficiency to policymakers, the public, and other stakeholders.

- State Information including: updated fact sheets for IL, MI and OH; testimony submitted in MI and OH; state contacts; legislative and regulatory links, etc.
- [Resource Guide for Policymakers](#): a comprehensive report on energy efficiency policies and programs in the Midwest.
- [EE Messaging](#): supporting energy efficiency and refuting common opposition argument
- [PPT slides](#) tracking regional investment in energy efficiency, state by state investments, state regulations, etc.
- Sample letters to the [governor](#) and [editor](#) supporting energy efficiency

Toolkit available at: www.mwalliance.org/advocacy

Questions and Contact Information

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