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Regulator's involvement in energy efficiency issues

Dan Beck

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Regulator's involvement into energy efficiency issues

- Actions taken by national regulatory authorities to improve energy efficiency and to mitigate climate change (e.g. public consultation, possible regulatory tools)

Note: Federal legislation rarely if every addresses one issue like climate change. Instead, legislation typically addresses several related issues in a single piece of legislation. However, there is often a single issue that moves the legislation forward.



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Federal Legislation Regarding Energy

- Energy Policy Act of 1975
- National Appliance Energy Conservation Act of 1987
- Energy Policy Act of 1992
- Energy Policy Act of 2005
- Energy Independence and Security Act of 2007
- American Recovery and Reinvestment Act of 2009



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What moved the legislation forward?

- Energy Policy Act of 1975 – **The 1973 Oil Crisis**
- National Appliance Energy Conservation Act of 1987 – **Manufacturers wanted uniform federal standards as opposed to individual state standards**
- Energy Policy Act of 1992 – **President George H.W. Bush**
- Energy Policy Act of 2005 – **President George W. Bush**
- Energy Independence and Security Act of 2007
- American Recovery and Reinvestment Act of 2009 – **Recession**



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Brief Summary of Legislation

- Energy Policy Act of 1975 – Although the shortage of petroleum was the primary concern, this act also established energy efficiency standards for major appliances.
- National Appliance Energy Conservation Act of 1987 – This legislation was enacted to address a problem that appliance manufacturers were facing: individual states were developing their own appliance standards. No manufacturer wanted to have 50 different models to match 50 state standards. This not only addressed traditional appliances like washers, dryers, and ovens but also included lighting and water heaters.



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Brief Summary of Legislation (continued)

- Energy Policy Act of 1992 – Comprehensive energy policy covering energy efficiency, natural gas, alternative fuels, renewable energy, electric vehicles and even low-flow toilets. Energy efficiency addressed may topics including building codes, utility resource planning, equipment standards (heating, air-conditioning, motors and lamps)
- Energy Policy Act of 2005 – Comprehensive energy policy covering biofuels, renewable energy subsidies, net metering, oil drilling, nuclear power and energy efficiency. Energy efficiency included phasing out mercury-vapor lamps, tax deductions for energy efficient commercial buildings, and tax breaks for home energy conservation.



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Brief Summary of Legislation (continued)

- Independence and Security Act of 2007 – stated purpose is “to move the United States toward greater energy independence and security, to increase the production of clean renewable fuels, to protect consumers, to increase the efficiency of products, buildings and vehicles, to promote research on and deploy greenhouse gas capture and storage options, and to improve the energy performance of the Federal Government, and for other purposes”. Energy efficiency includes improved standards for appliances and lighting, energy efficiency for buildings and industry. For example, most incandescent bulbs would be phased out by 2014 and a second tier of restrictions will become effective by 2020.



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Brief Summary of Legislation (continued)

- American Recovery and Reinvestment Act of 2009 – Energy accounts for less than 10% of the costs of this bill but \$21.5 billion was assigned to energy infrastructure and \$27.2 billion was assigned to energy efficiency.



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Federal Energy Regulatory Authorities

Several federal agencies have authority over energy related matters including:

- Federal Energy Regulatory Commission (FERC) – jurisdiction over interstate electricity sales, wholesale electric rates, hydroelectric licensing, natural gas pricing, and oil pipeline rates.
- Department of Energy (DOE) - mission is to ensure America's security and prosperity by addressing its energy, environmental and nuclear challenges through transformative science and technology solutions.
- Environmental Protection Agency (EPA) - mission is to protect human health and the environment.



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Energy efficiency programs carried out by federal agencies

- While the FERC is general described as the regulator of wholesale electricity, the DOE is the primary federal agency that is directly involved in energy efficiency programs.
- DOE programs include information that is accessible by the public and overseeing federally funded programs (low-income weatherization, ARRA funded projects). These federally funded programs are often overseen by state agencies for the portion of the program that is in that state. For example, the Missouri Department of Natural Resources oversees the federally funded low-income weatherization programs in the state of Missouri.
- The value of an independent agency providing information on energy efficiency cannot be overstated.



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Climate Change

- To this speaker's knowledge, there has been no federal legislation that was solely enacted to mitigate climate change.
- Although not everyone in United States agrees on the causes, impact, or even the existence of climate change, climate change (and/or global warming) have influenced public policy in the United States for several decades