

Resolution on Increasing the Role of Energy Efficiency in Achieving Cost-Effective Energy Supply and Decarbonization

Whereas the NARUC Committee on Energy Resources and the Environment focuses on energy efficiency, environmental protection, renewable and distributed resources, consumer protection, low-income weatherization and assistance, and public interest research and development;

Whereas Utilities and State Utility Commissions maintain responsibility for supplying energy adequate to meet customer requirements at the lowest reasonable cost;

Whereas investing in the lowest reasonable cost, most cost-effective energy supply first can reduce the cost to ratepayers of meeting energy requirements;

Whereas energy efficiency programs that incent ratepayers to reduce energy consumption through technology adoption and behavior change (“energy efficiency”), are examples of the lowest-cost options available to meet customers’ energy requirements (See studies from Lawrence Berkeley National Laboratory; American Council for an Energy Efficient Economy; State and Local Energy Efficiency Action Network);

Whereas energy efficiency can allow participating customers to experience immediate benefits from reduced energy bills, while simultaneously serving as a low-cost resource to utilities;

Whereas all states have significant potential to achieve cost-effective savings from energy efficiency, frequently in excess of savings levels achieved through current programs (See EPRI study);

Whereas 232 individual utilities are preparing to meet state 100 percent carbon-reduction requirements, 38 individual utilities have adopted a voluntary carbon-reduction target, and 29 individual utilities have adopted a voluntary 100 percent carbon-reduction target (SEPA Utility Carbon Reduction Tracker, Retrieved October 2021);

Whereas numerous studies have identified the pursuit of increased energy efficiency as a core component of the most cost-effective paths to achieving future carbon reductions, by serving as a low-cost means to reduce the amount of required supply-side investment (See studies from the International Energy Agency; The National Academies of Science, Engineering, and Medicine; Princeton University);

Whereas, in addition to its role as a low-cost energy supply option, energy efficiency is also a large and low-cost carbon reduction resource, and if tapped in substantial quantities, can contribute to achieving carbon reductions at the least cost to utility ratepayers;

Whereas numerous federal government and state programs and standards already exist and can be leveraged to support and accelerate energy efficiency; *now, therefore be it*

Resolved that the National Association of Regulatory Utility Commissioners (“NARUC”), convened at its 2021 Annual Meeting in Louisville, Kentucky, recommends NARUC member States consider the following principles:

[1] Utilities and States should take action to maximize the impacts of energy efficiency programs for controlling energy costs and rates, and, where applicable, cost-effectively achieving decarbonization;

[2] States should leverage utilities' relationships with their customers to help effectively implement energy efficiency programs and achieve maximum impacts;

[3] Planning frameworks and modeling tools should be designed to reflect research findings on energy efficiency costs and decarbonization impacts and ensure energy efficiency opportunities are accurately and appropriately considered in utility and commission decisions related to resource planning; and

[4] Utilities should explore options to provide customers with real-time consumption data, which can help encourage behavior-based savings and encourage deeper participation in energy efficiency offerings.

Sponsored by the Committee on Energy Resources and the Environment.

Adopted by the NARUC Board of Directors on November 9, 2021