

ENERGY EFFICIENCY IS A SMART INVESTMENT FOR VIRGINIA

Energy efficiency is a **\$1.5 billion industry** in Virginia that supports more than 75,000 jobs. However, its benefits often go unnoticed or overlooked. During his time in office, Governor McAuliffe prioritized energy efficiency as an important component of his vision for the **new Virginia economy** and established the Governor's Executive Committee on Energy Efficiency (GEC). The GEC was created to track the Commonwealth's progress towards meeting its voluntary energy efficiency goal to reduce energy consumption 10% by 2020. We respectfully ask Governor-Elect Northam to **continue prioritizing energy efficiency** and continue the work of the GEC. In addition, we are making the following recommendations which build upon the work of the GEC and supplement the recommendations in our latest report, "Why Energy Efficiency is a Smart Investment for Virginia." These concrete steps can hasten the advancement of energy efficiency in the Commonwealth.



ENERGY EFFICIENCY ACCOUNTS FOR 75,000 JOBS IN VIRGINIA

1. UTILITY PROGRAMS

Utility energy efficiency programs are an integral part of the energy efficiency landscape in Virginia. In the 2016 Virginia Energy Plan update, 98% of the programs measured toward the voluntary 10% energy reduction goal were utility sponsored, highlighting the critically important role they play in Virginia energy policy. The Northam administration should consider:

1. Supporting efforts during the 2018 General Assembly session to allocate utility over-earnings towards energy efficiency programs that would benefit consumers
2. Working with the General Assembly to appoint a new Commissioner to the State Corporation Commission who understands the value and importance of energy efficiency programs to consumers
3. Providing funding to the State Energy Office (DMME) to engage in proceedings at the SCC in order to effectively communicate the administration's policy positions



PACE financing provides an important tool to reduce energy consumption and upgrade commercial properties. It can also drive an increase in clean energy jobs that are critical to building a new Virginia economy.
-Hayes Framme,
Former Deputy Secretary
of Commerce and Trade



2. COMMERCIAL PACE

Commercial Property Assessed Clean Energy, or C-PACE, financing provides building owners 100% funding for energy efficiency, renewable energy, and water conservation projects for new and existing commercial, multifamily, and nonprofit buildings. We recommend that Governor-Elect Northam continue funding a staff position at DMME to promote C-PACE financing by working with local governments to implement commercial C-PACE programs throughout the Commonwealth.



3. BUILDING CODES

We respectfully ask Governor-Elect Northam to publish the final Uniform Statewide Building Code (USBC) in the Virginia Register. The final regulation is the culmination of two years-worth of work, which the VAEEC and our members actively participated in. The final regulation includes strong energy efficiency measures, which play an important role in helping the Commonwealth meet its voluntary energy reduction energy goal. The next step in the regulatory process is to publish the final regulation in order for the USBC to take full effect by July 1, 2018. Further delay means new homeowners will not have the opportunity to reap the energy saving benefits in the new USBC.

4. DATA ACCESS

Research has shown that when customers become more aware of their energy usage, they seek ways to reduce their consumption. Measuring a building's energy use can lead to significant reductions in energy consumption. One of the most popular and effective measurement tools is benchmarking, designed to measure the energy performance of a building over time, compared to itself, a norm or similar buildings. We recommend the following actions by the Northam administration to increase data access for utility consumers across the Commonwealth:

1. Continue funding DMME's efforts to benchmark the 200 highest energy-consuming state facilities in Dominion's service territory
2. Support legislation that enables localities to enact mandatory benchmarking programs for commercial buildings
3. Require consumer access to data as part of grid-modernization conversations with investor-owned utilities



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5. PERFORMANCE CONTRACTING

Energy performance contracts guarantee savings and lower the tax burden for Virginians. During his administration, Governor McAuliffe signed Executive Order 31, which required state agencies and institutions of higher education to proactively pursue energy efficiency measures with an emphasis on the use of Energy Performance Contracting. Governor-Elect Northam should continue this policy and update the goal set forth in the original Order.



The guaranteed savings of an EPC is a great way to fund facility improvements, especially when budgets are tight. In many cases, it's the only way these kinds of projects can get done.

***-Whit Blake,
Johnson Controls***

