



May 24, 2016

Mr. Joe H. Peck  
Clerk, State Corporation Commission  
c/o Document Control Center  
P.O. Box 2118  
Richmond, Virginia 23218

**RE: State Corporation Commission Scheduling Order Case No PUE-2016-00022**

Dear Commissioners:

The Business Council for Sustainable Energy (BCSE) appreciates the opportunity to submit the following comments regarding the upcoming Virginia State Corporation Commission's (SCC) pending review of the establishment of protocols and methodologies aimed at measuring the impact of utility-scale energy efficiency measures. (Case No. PUE-20106-00022)

BCSE is a coalition of companies and trade associations from the energy efficiency, natural gas, propane, and renewable energy sectors, and also includes independent electric power producers, investor-owned utilities, public power, commercial end-users, and environmental and energy market service providers.

Founded in 1992, the Council advocates for policies at the state, national, and international levels that increase the use of commercially-available clean energy technologies, products, and services. The coalition's broad-based business membership is united around the revitalization of the economy and the creation of a secure and sustainable energy future for America.

Over the last few decades, energy efficiency products and services have led to ongoing improvements in the nation's energy productivity. As a result, the US has seen a decoupling between growth in GDP and growth in energy consumption, with GDP up 83 percent over the last 25 years, while energy consumption grew only 17 percent.<sup>1</sup>

These gains are due in part to state policies and programs that encourage energy efficiency within the electricity sector. Nationwide, utility spending on energy efficiency grew 25 percent per year from 2006 to 2011, and continues to grow, with budgeted spending for utility scale electricity efficiency activities at a record \$6.2 billion in 2014. These dollars have been put to good use. From 2010 to 2015, as spending increased, consumers actually saw *reductions* in their electricity use and bills. The average U.S. residential customer used 6.2 percent less electricity, despite owning more gadgets, and paid about \$80 less in real dollars on their electricity bills annually.<sup>2</sup>

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<sup>1</sup> See 2016 Sustainable Energy in America Factbook, [http://www.bcse.org/wp-content/uploads/BCSE-2016-Factbook-Launch\\_DC-Event\\_resized.pdf](http://www.bcse.org/wp-content/uploads/BCSE-2016-Factbook-Launch_DC-Event_resized.pdf) p.5.

<sup>2</sup> U.S. Energy Information Administration, Electricity Data Browser. Real dollars calculated using GDP Deflator.

Energy efficiency is generally a least-cost option for meeting electricity needs. Because of its untapped energy efficiency resource potential, Virginia is particularly well-positioned to take advantage of this large and growing resource. According to the American Council for an Energy Efficient Economy (ACEEE), the Commonwealth dedicates only 0.01 percent of its state-wide electricity revenues to efficiency programs, placing it well below the national average of 1.52 percent, and last in the region.<sup>3</sup>

BCSE is encouraged to see the SCC begin to study protocols for evaluating, measuring, verifying (EM&V) the impacts of energy efficiency programs. It is a wise first step in strengthening the role that efficiency can play within the Commonwealth's electricity sector. A uniform EM&V protocol among utilities would contribute greatly to the level of confidence among both regulators and consumers that future investments in efficiency programs will benefit Virginia ratepayers and the overall economy.

Fortunately, EM&V is a well-developed field of analysis consisting of many firms, private companies, and thousands of practitioners, and is well documented through the National Association of Regulatory Utility Commissioners.<sup>4</sup> Utilities and regulators have been operating efficiency programs subject to EM&V since the mid-1980s. While clearly there are circumstances unique to the Commonwealth, BCSE encourages the SCC to consider these resources as it seeks to develop its own EM&V protocols.

For example, the US Department of Energy's Uniform Methods Project (UMP) is an excellent resource, providing a variety of technologies for EM&V measures. The UMP protocols are based on best practices in use today, and are aligned with other governmental efforts that require accurate EM&V, such as the EPA's Clean Power Plan. The protocols are well-understood by industry and professionals alike, and could be adopted for a Virginia-specific market.

A second tool, coined "EM&V 2.0" by the State Energy Efficiency Network in 2014, is a suite of information and communications technological innovations that are designed to automate certain EM&V methods. The purpose of EM&V 2.0 is to allow for utilities, regulators, and others to review the performance of efficiency programs on an ongoing basis. A recent report by ACEEE provides an excellent overview of EM&V 2.0.<sup>5</sup>

These examples represent just two of the numerous proven EM&V protocols for utility scale energy efficiency programs area readily available and can readily be applied to the unique circumstances within the Commonwealth.

BCSE looks forward to working with the SCC, local utilities, and others in the coming year to develop this important first step in building a more advanced efficiency program in Virginia. Please do not hesitate to contact me if you have any questions.

Sincerely,



Lisa Jacobson  
President, Business Council for Sustainable Energy

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<sup>3</sup> See <http://database.aceee.org/sites/default/files/docs/spending-savings-tables.pdf>. States in the region include NJ, MD, IA, IL, PA, OH, MI, DC, IN, TN, KY, NC, WV, DE, and VA.

<sup>4</sup> Search "EM&V" under the NARUC Resource Library, at <http://pubs.naruc.org/resources/library/index.cfm?event=getAdvancedSearch&mode=advancedSearch>.

<sup>5</sup> See <http://aceee.org/research-report/ie1503>.