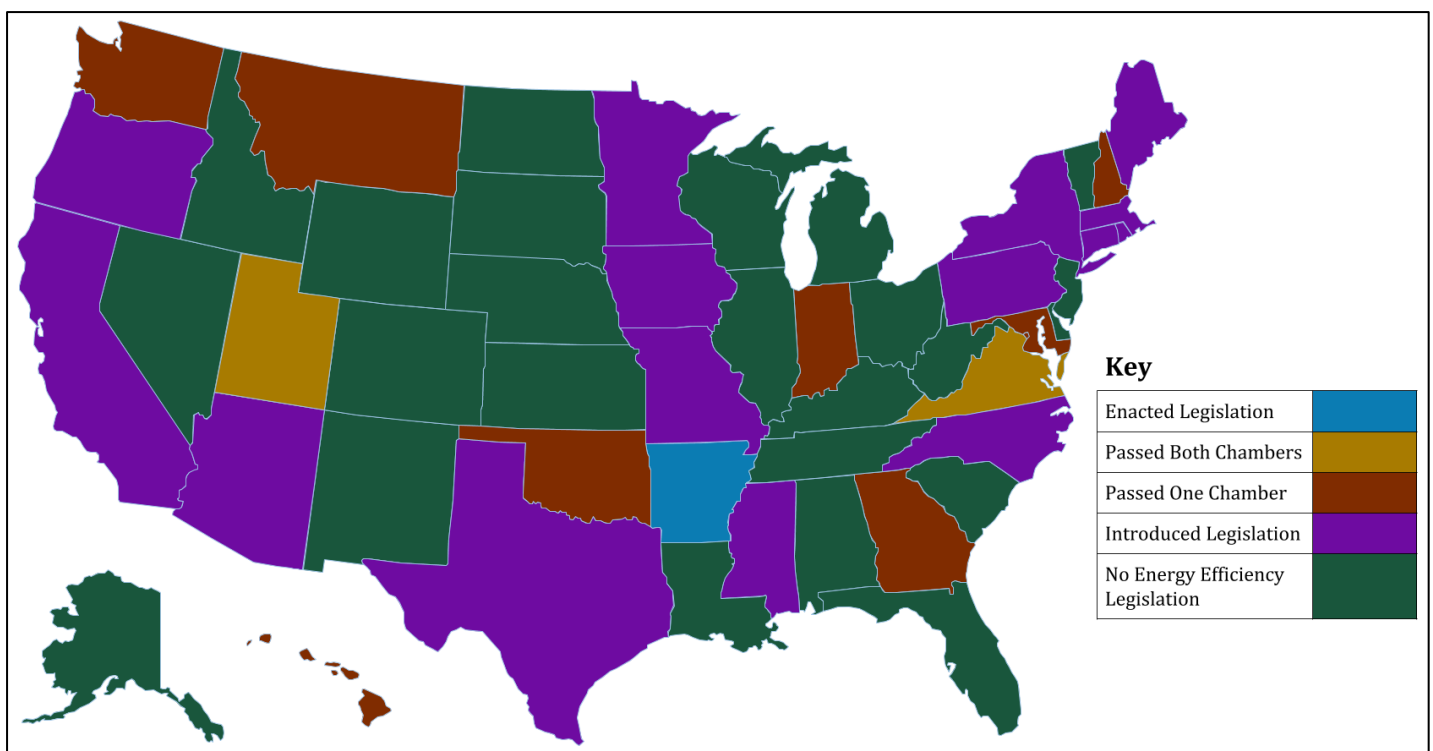


Policy Brief: State Energy Efficiency Legislation

March 2015

With energy efficiency expected to play an important role in achieving the carbon targets associated with the Obama administration’s [Clean Power Plan](#), we may expect legislation related to this policy area to increase in this and subsequent sessions. There has already been more activity in energy efficiency this session with 122 bills introduced¹ in 26 states (see Map).²

2015 Energy Efficiency Legislation as of March 2015



¹ Companion legislation, which in many cases are identical bills introduced in both chambers of a legislature, are counted as a single bill in all analyses by CNEE. Legislation data reflects Tracker data on March 17, 2015. A full listing of energy efficiency legislation may be accessed [here](#).

² In many cases, multiple energy efficiency bills have been introduced and are in different stages of the legislative process. For this map, a state is color coded to reflect whether at least one bill has been enacted, passed both chambers, passed one chamber, or was introduced.

Overview of 2015 Proposed Legislation

As was the case in [2013](#) and [2014](#), *Lead by Example* and *Building Standards* policies have been the most common this year. Most *Lead by Example* legislation is related to improving the efficiency of public buildings including a bill in Hawaii ([HB 1088](#)) that calls for the development of a plan to achieve net zero emissions in public facilities by 2040. In comparison, about a third of the building standard-related legislation allows more local control over implementation of building codes, such as Hawaii's [SB 1354](#).

EERS Policy in the 2015 Session

Legislation relating to Energy Efficiency Resource Standards (EERS) are the third most frequently proposed type of legislation, and states have proposed more efficiency standard-related policies in the 2015 session than either 2013 or 2014, with eight states (California, Indiana, Maryland, Michigan, Minnesota, Missouri, Pennsylvania, and Virginia) debating changes.

Legislation in [California](#), [Kentucky](#),³ [Michigan](#), and [Virginia](#) would increase EERS standards. A bill in Pennsylvania ([HB 129](#)) would develop a natural gas efficiency standard of 3% of forecasted 2016 – 2017 demand by 2020, while [SB 826](#) in

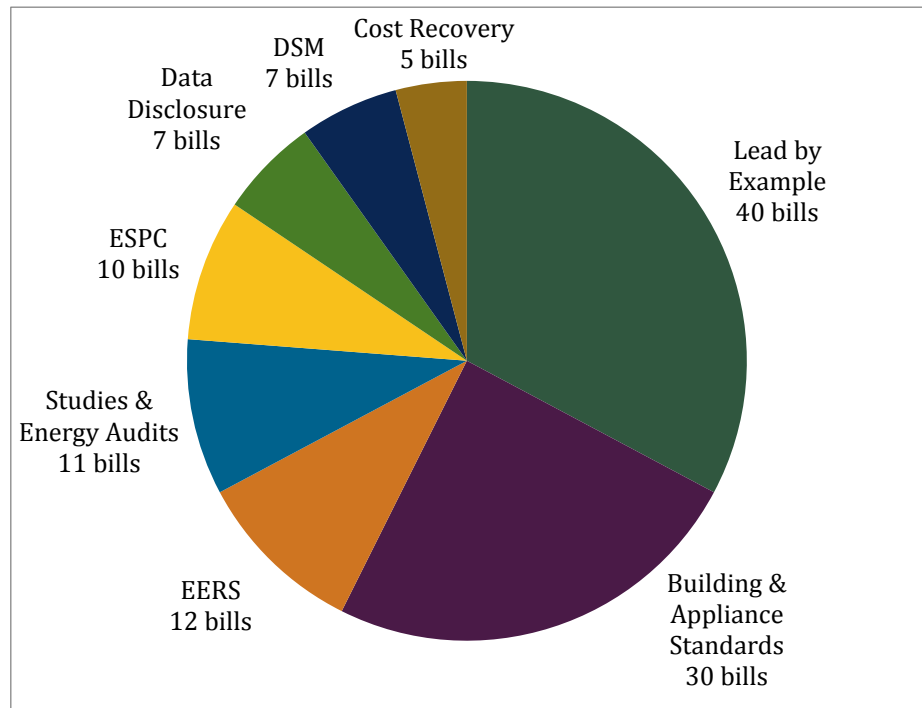
Maryland would require the Maryland Energy Administration to develop a program for small utilities, or those with fewer than 250,000 customers, to meet efficiency targets. While one bill proposed in [Indiana](#) would allow public agencies to impose energy efficiency mandates on utilities, a competing bill ([SB 412](#)) has been passed by the state senate to create a voluntary program for utilities to recover costs associated with third party audited, cost-effective energy efficiency programs.

Three bills in Minnesota would modify the eligible technologies and programs that qualify under the EERS including [energy storage](#), [cogeneration](#), and/or [supply side programs](#). Finally, a bill in Maryland ([HB 933](#)) would repeal that state's EERS altogether.

2015 Legislation in Play

At this stage in the 2015 session, Arkansas' [HB 1191](#) is the only energy efficiency-related bill that has been enacted. This bill limits the ability of customers to opt out of energy efficiency and demand side

2015 Energy Efficiency Bills by Policy Type



³ The bill in Kentucky, HB 229, would also create a new Renewable Portfolio Standard and is included in the electricity generation category.

management programs if they have accepted financial or other incentives related to the programs. To date, 19 other bills across ten states have passed at least one chamber.

Two bills have passed both chambers: Virginia, [SB 1331](#) adjusts methods for calculating the cost tests used for energy efficiency program decisions and Utah's [HB 410](#) allows for alternative fuel vehicles and infrastructure under their Energy Saving Performance Contract policy.

In comparison, seven bills across three states (Hawaii, Maryland, and Washington) relate to changes in building standards. For example, Maryland's [SB 262](#) would allow any municipality to update their building codes to match the latest version of the International Energy Conservation Code. Three other bills (Montana [SB 249](#) and Oklahoma [SB 92](#) and [SB 95](#)) update the language authorizing Energy Saving Performance Contracts, while a pair of bills in Washington ([HB 1896](#) and [HB 1278](#)) would address energy usage data disclosure policy. Of the remaining five bills that have passed one chamber, [HB 1509](#) in Hawaii would require the University of Hawaii to achieve net zero energy by 2035, [HB 255](#) in Georgia would promote the purchase of sustainable certified, in-state harvested wood products for state buildings, two in New Hampshire ([SB 60](#) and [HB 614](#)) largely relate to studying the value of decoupling for the state, and the aforementioned, [SB 412](#) in Indiana would develop a new voluntary EERS program.

Key Takeaways in 2015 Energy Efficiency Legislation

1. The total volume of energy efficiency policy proposed this session is higher than it was in 2014, and it may still exceed the 2013 total. Similar to previous sessions, the most common types of introduced policies have been related to *Lead by Example*, *Building and Appliance Standards*, and EERS policies.
2. Thus far in 2015, 20 bills have passed at least one chamber. Only Arkansas has enacted any changes though legislation in Virginia and Utah is headed to the Governor's desk for consideration.
3. Relative to 2013 and 2014, there has been an increase in EERS activity with six states actively considering increasing the scope or stringency of their standards including California, Indiana, Kentucky, Maryland, Michigan, and Pennsylvania.

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