



Incentives Drive Ratings, but What Incentive Structures Drive Savings?

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CEE MISSION

As the Consortium for Energy Efficiency, United States and Canadian efficiency program administrators develop cutting-edge strategies to accelerate commercialization of energy efficient solutions to benefit gas and electric customers, utility systems, and the environment.

- ▶ CEE was formed to bring new super efficient products and services to the market through strategic market based initiatives.
- ▶ 28 years in, time and location of efficiency has greatly enhanced opportunity for unprecedented financial, customer and system benefit

Definition of Market Transformation

Strategic interventions that attempt to cause lasting changes in the structure or function of a market, or the behavior of market participants, resulting in an increase in the adoption of energy efficient products, services, or practices. Characteristics include:

- ▶ Strategic interventions in the market
- ▶ Long-term objectives
- ▶ Tactical short-term objectives
- ▶ Approaches will vary due to differences in markets
- ▶ Need to recognize product life cycles

Examples of National MT Programs

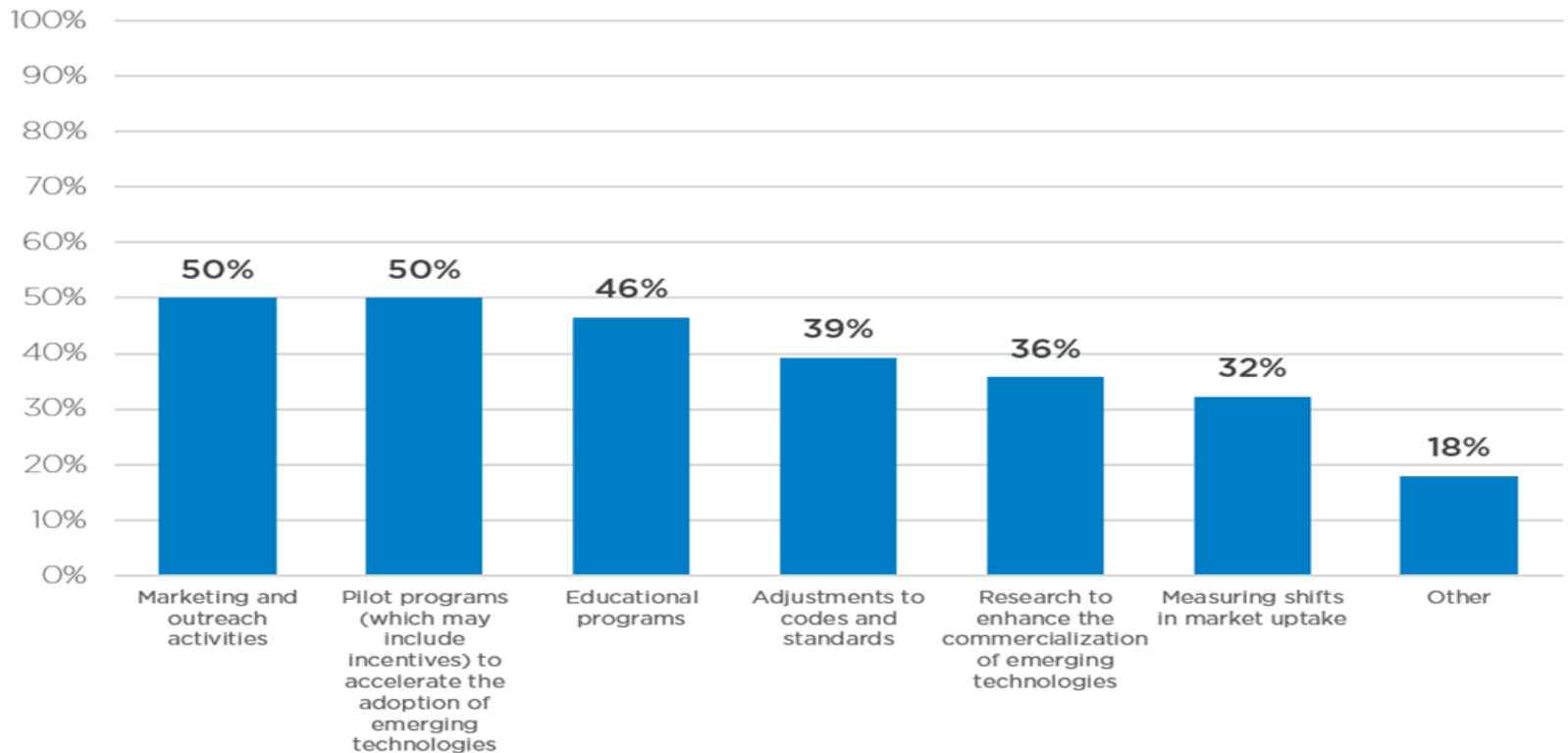
- ▶ Golden Carrot
- ▶ Design Charrette and/or Competition
- ▶ Tiered Efficiency Specifications
- ▶ Joint Campaigns or Branding
- ▶ Certified Equipment Performance Directories

Policy Strategy Differences

	Resource Acquisition	Market Transformation
Scale	Program	Entire defined market
Target	Participants	All stakeholders
Goal	Near term savings	Structural changes in the market leading to long-term savings
Approach	Save energy through customer participation	Save energy through mobilizing the market
Scope of Effort	Usually from a single program	Results from effects of multiple programs or interventions
Time Frame for Cost-Effectiveness	Usually based on first-year or cycle savings	Usually planned over a 5-10-year time frame
Savings Estimation	Unit energy savings are estimated based on sample and extrapolated to the participating customers; net-to-gross applied	Unit energy savings are estimated based on sample and extrapolated to the market; market baseline estimate is subtracted from market savings
Evaluation	Success determined by short-term results	Success determined by long-term outcomes

Market Transformation

- ▶ Almost 50% of CEE members organization distinguish between market transformation and resource acquisition program approaches
- ▶ Market Transformation Activity Types:



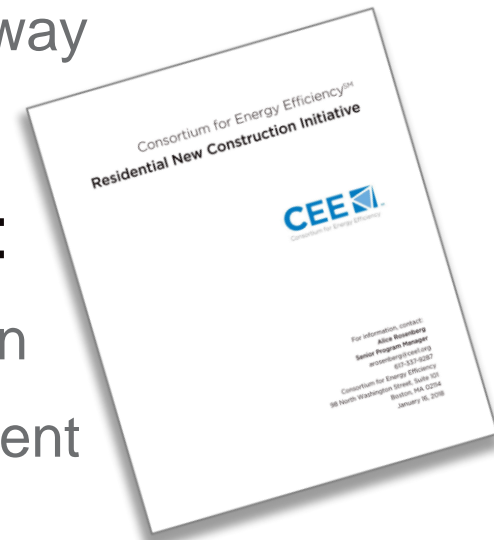
What About New Construction...??

▶ CEE New Construction Initiative Objectives:

- Unify existing as well as future voluntary efforts
- Save energy through **performance-based tiers**
- Help inform codes through a long-term pathway

▶ Performance-based tiers help drive:

- New homes industry activity and competition
- Product, equipment, and system advancement
- Long term pathway for all stakeholders
- Reduced program administrator costs





2018 New Construction Program Landscape

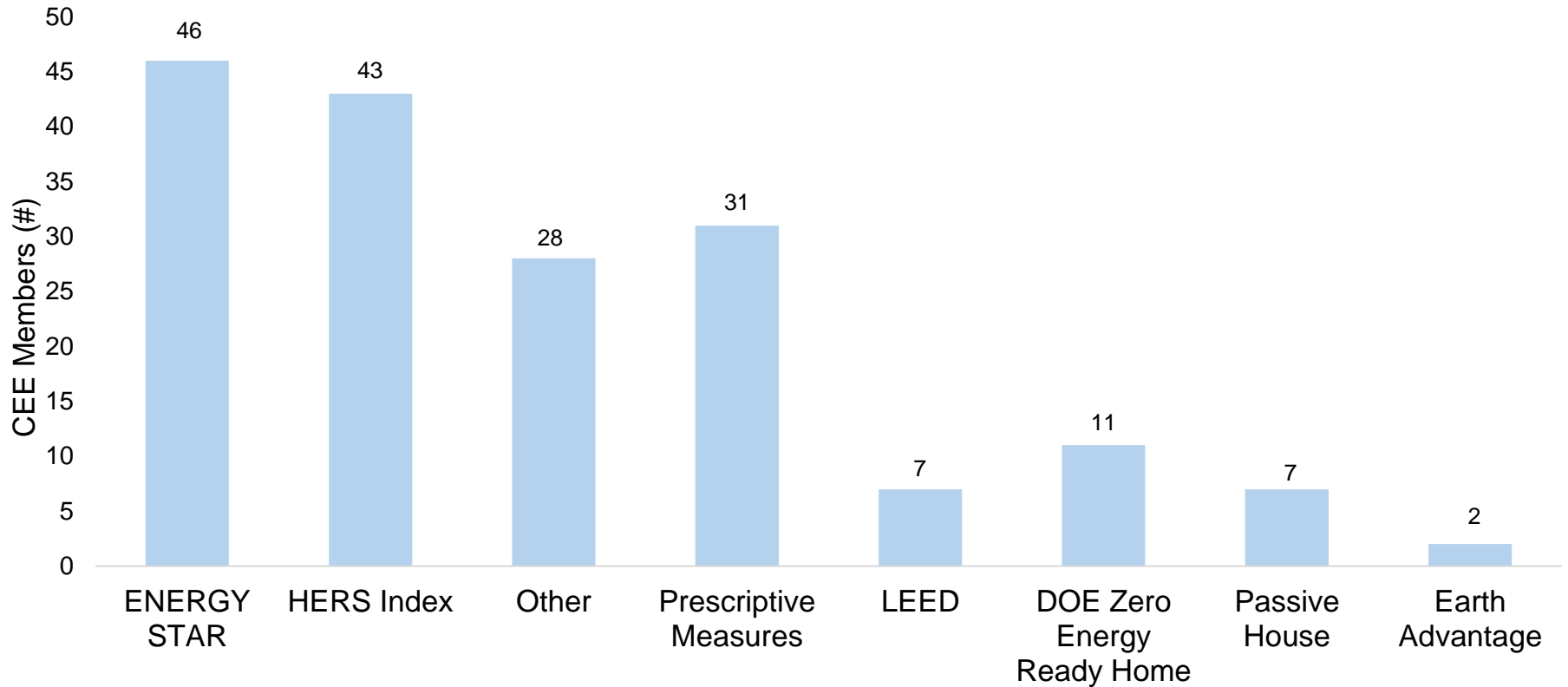
Key Themes and Trends



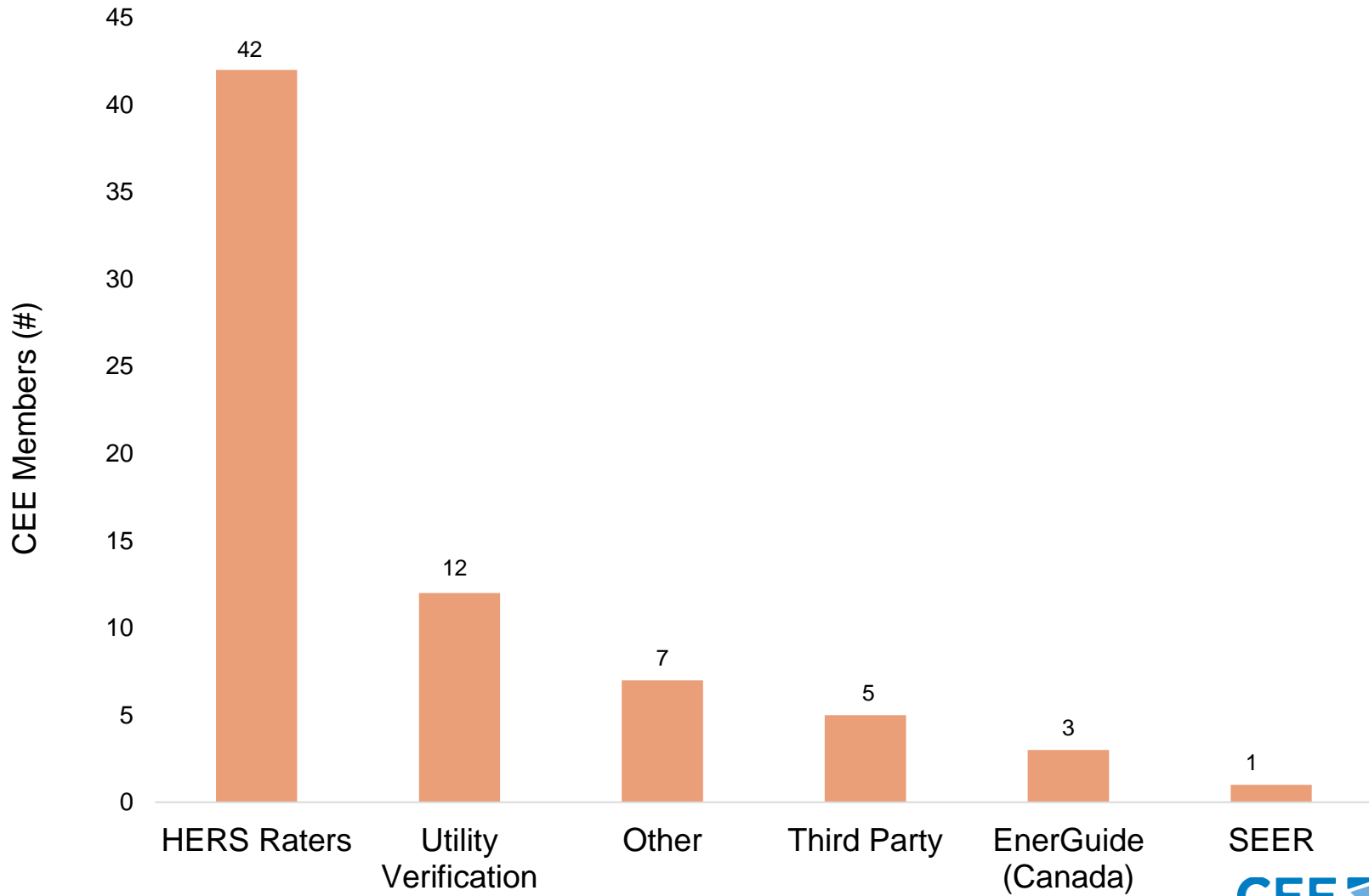
2018 Member New Home Programs

- Alabama Power
- Alliant Energy
- Austin Energy
- Avista Utilities
- Baltimore Gas and Electric
- BC Hydro
- Berkshire Gas
- Cape Light Compact
- Columbia Gas of MA
- Columbia Gas of Ohio
- Connecticut Natural Gas
- Consumers Energy
- Duke Energy Progress
- Efficiency Vermont
- Énergir
- Energy Trust of Oregon
- Eugene Water & Electric Board
- Eversource – CT, NH, MA
- Focus on Energy—Wisconsin
- FortisBC
- Georgia Power
- Gulf Power
- Hydro-Québec
- Idaho Power
- LA Dept of Water & Power
- MidAmerican Energy—Iowa
- National Grid – MA, RI
- New Jersey Natural Gas
- New Jersey's Clean Energy Program
- NW Natural
- NYSERDA
- Northwest Energy Efficiency Alliance
- Pacific Gas and Electric Company
- PECO
- Platte River Power Authority
- Potomac Electric Power Company
- Public Service Electric & Gas
- Sacramento Municipal Utility District
- Salt River Project
- San Diego Gas & Electric Company
- Snohomish County PUD
- SoCalGas
- South Jersey Gas
- Southern California Edison
- Southern Connecticut Gas
- Southwest Gas
- Tampa Electric
- TECO Peoples Gas
- Union Gas
- United Illuminating Company
- Until – NH, MA
- Xcel Energy

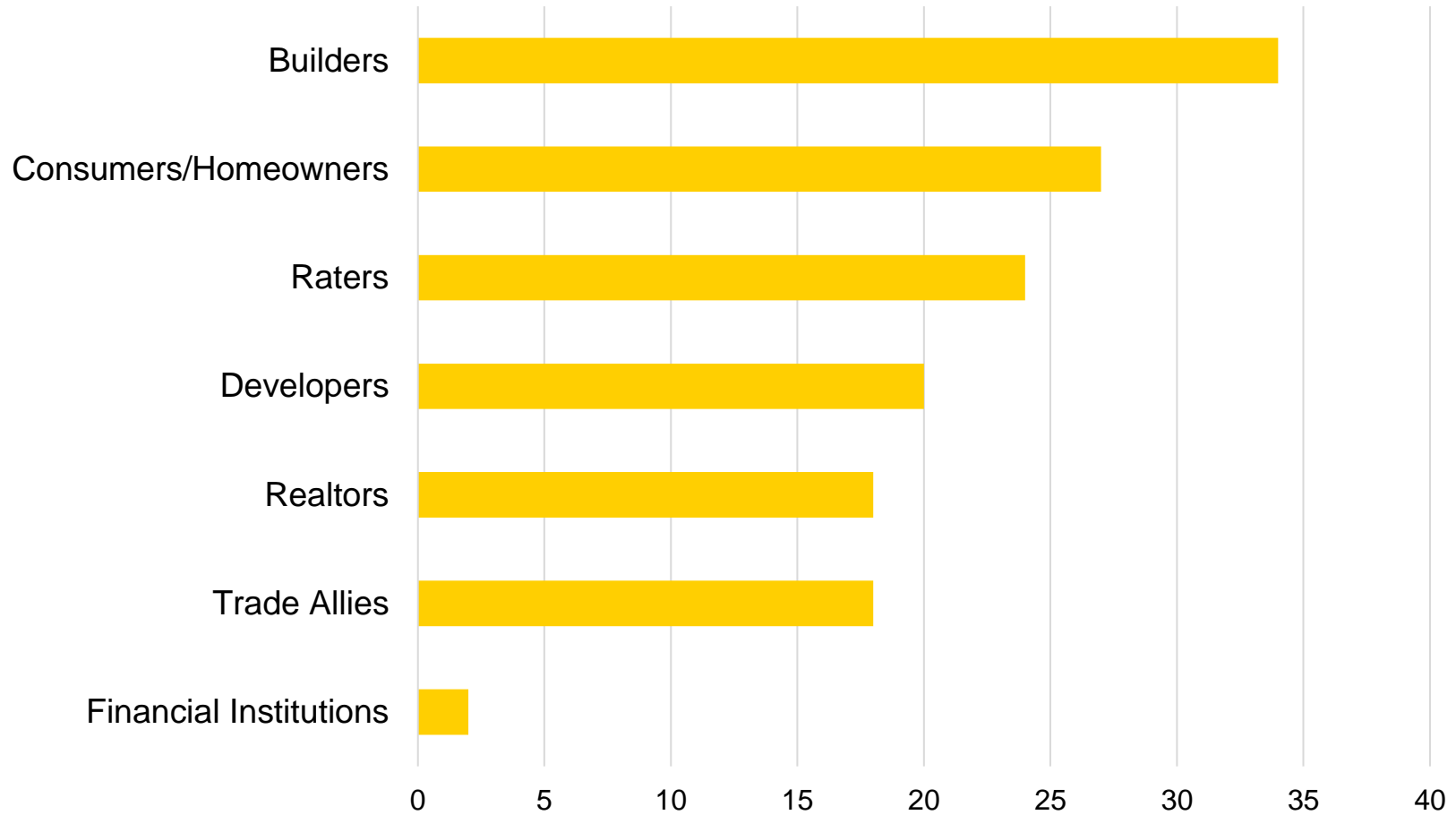
Specification or Platform Used



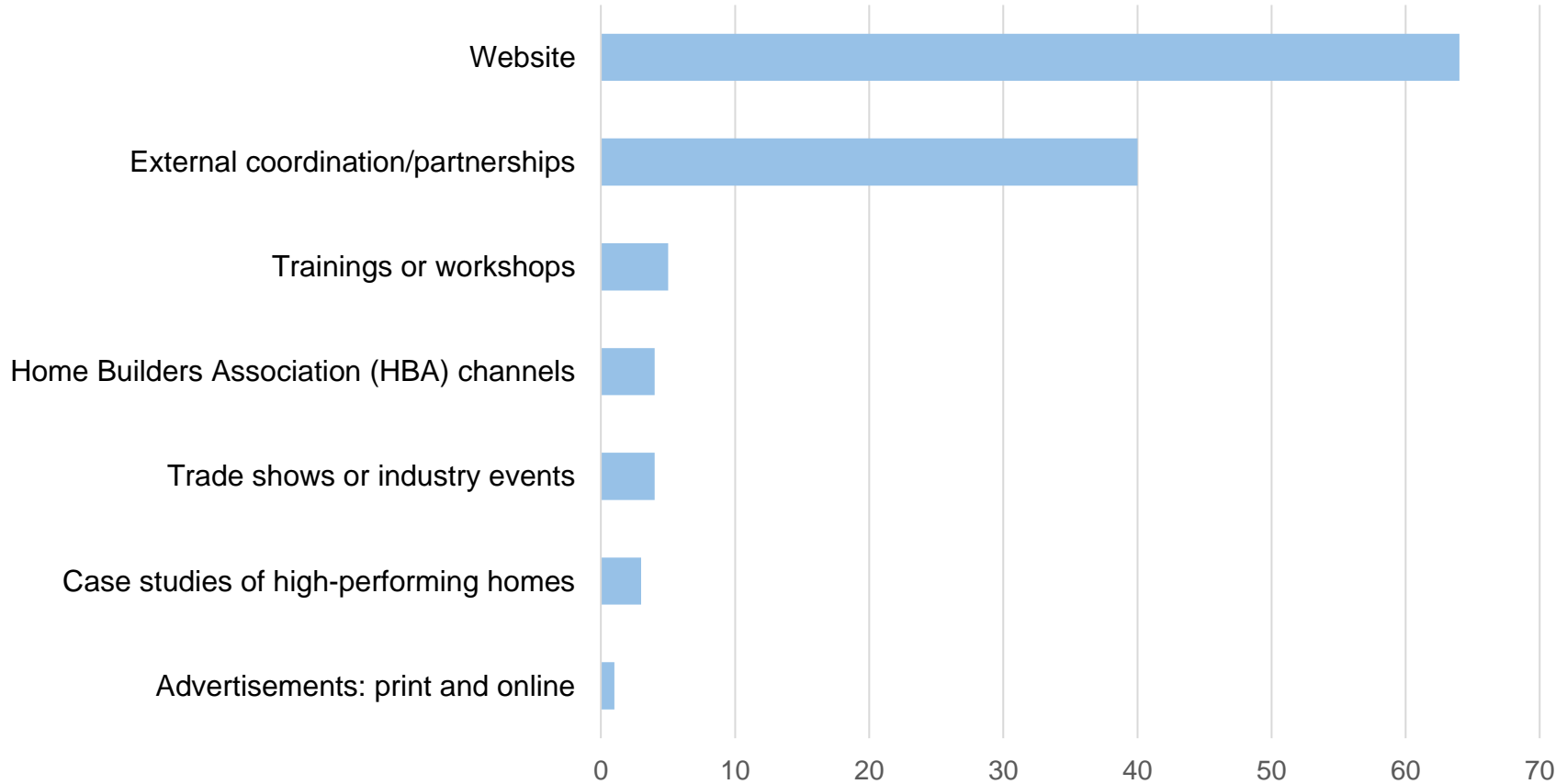
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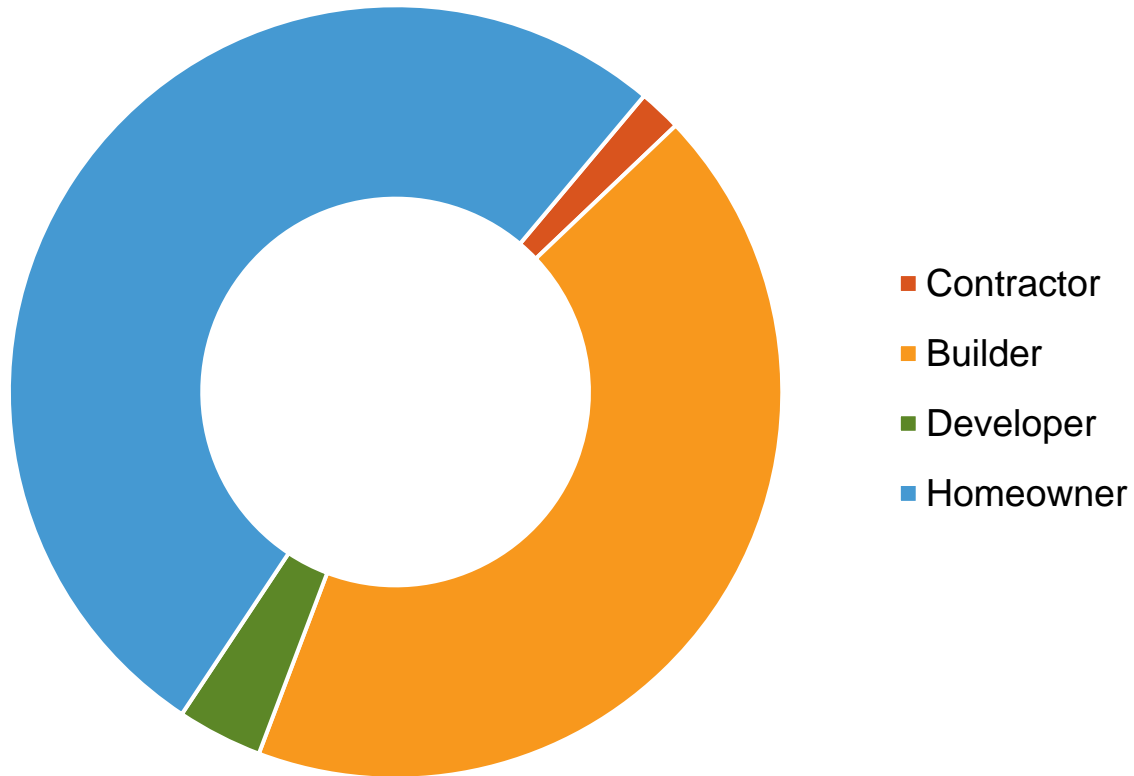
Target Audience



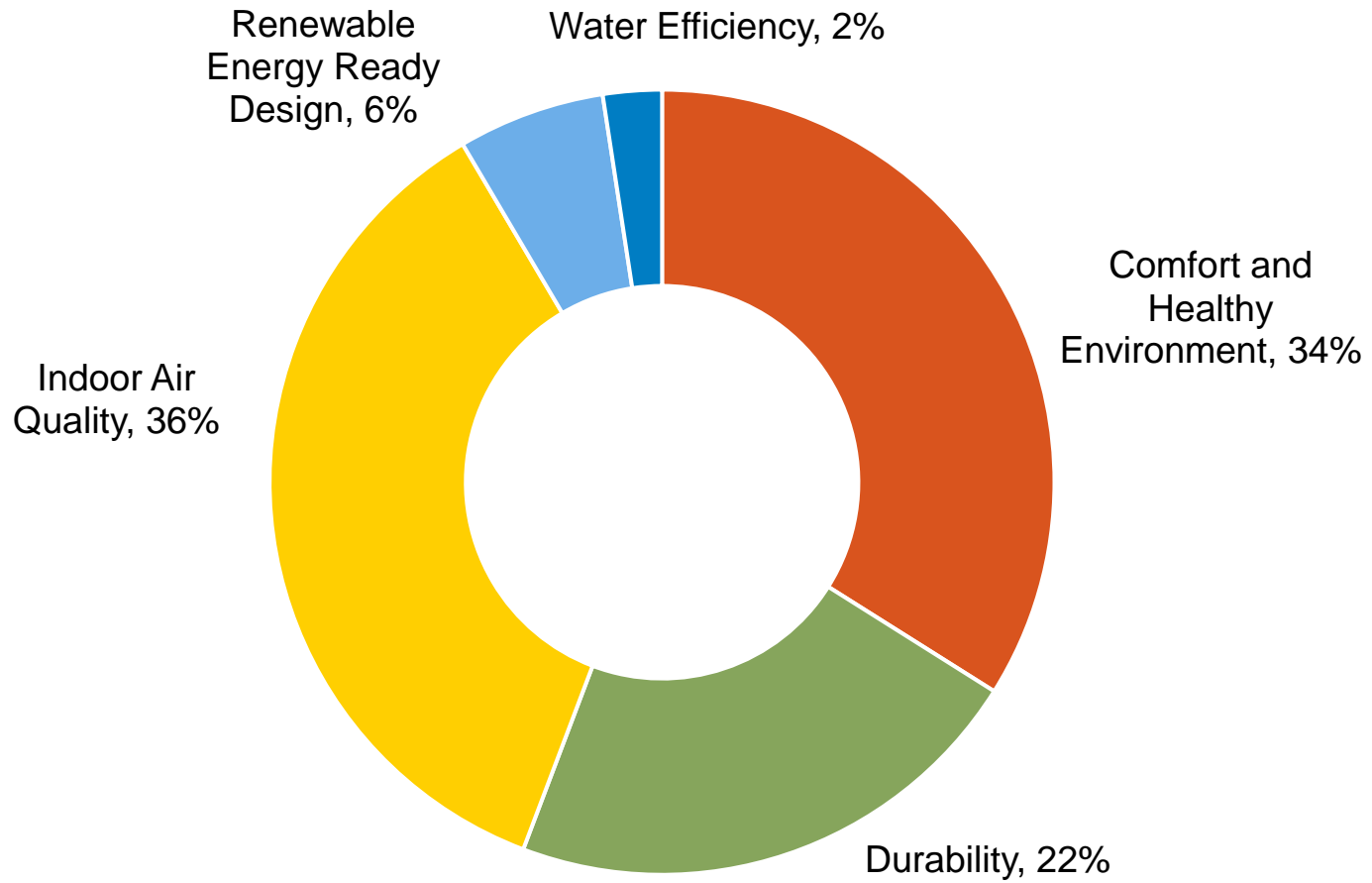
Marketing Channels



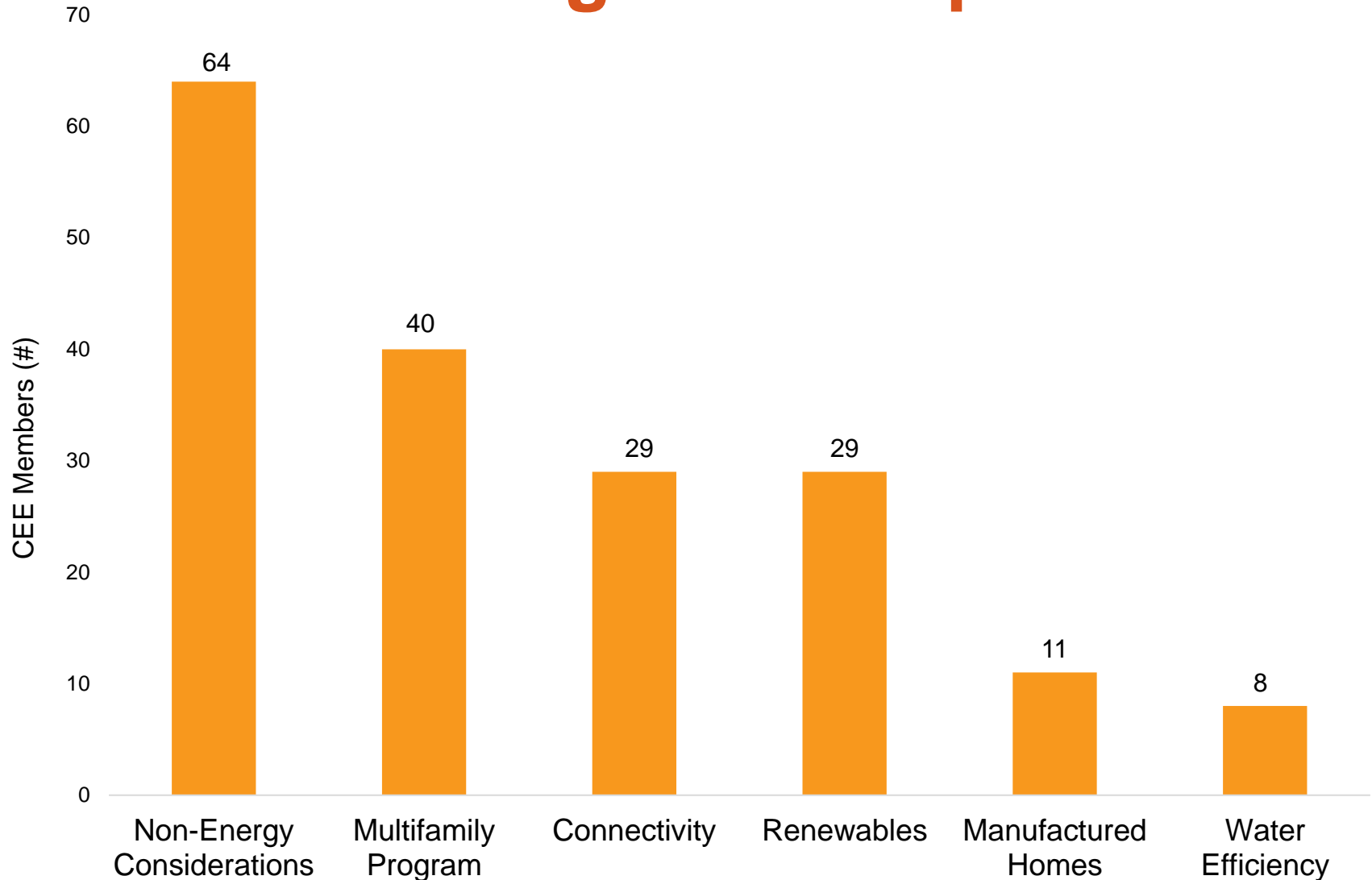
Incentive Recipient



Non-Energy Program Features



Additional Program Components



Common Themes

▶ Rising Codes, Baselines, and Savings Goals

▶ Move Towards Zero Net Energy

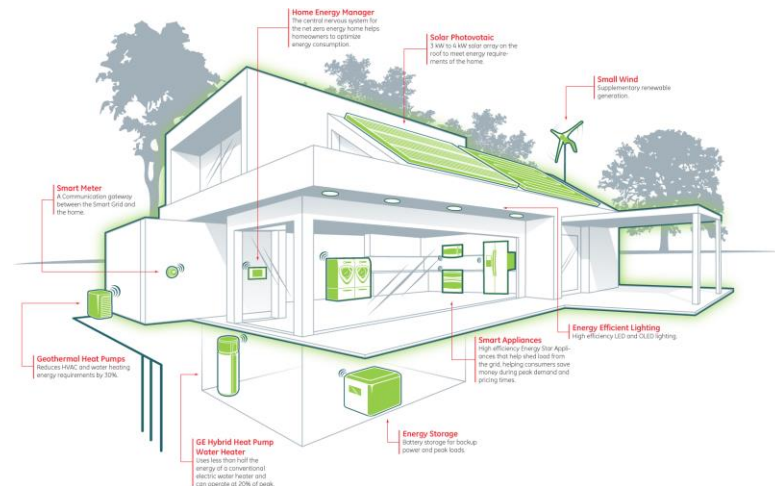
- Definitions vary, gas vs. electric
- Efficiency, then renewables

▶ Tiered Incentive Structures

- Multiple offerings and levels
- Pathways to Zero Net Energy
- Performance-based programs

▶ Statewide Coordination

- Connecticut, Massachusetts, California, New Jersey
- Gas and electric partnerships



Emerging Trends

▼ Connectivity and Smart

- Smart meters and smart thermostats
- Integrated demand side management



▼ Engagement with Real Estate Industry

- Relations with lenders, mortgagers, realtors, appraisers
- Trainings, education, tradeshow, meetings
- Green Addendum, MLS

▼ Emphasis on Nonenergy Features

- Air quality, health, durability, etc.
- Quantifiable and marketable



Questions and Discussion

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