



# Area of Interest 2: Stimulating Energy Efficiency Action

## Maximizing Stakeholder Engagement to Transform Policy

MISSISSIPPI

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## **MDA Energy and Natural Resources Division**

- Works with state policymakers and other partners to develop and advance a comprehensive energy policy and ensure energy sector growth in Mississippi.
- Oversees energy management programs, provides technical assistance to businesses and units of government, and promotes Mississippi as a prime location for energy-related business.



## **Previous Mississippi Energy Efficiency Landscape**

- Minimal energy efficiency policies and programs in place.
- Mississippi ranked in the bottom tier of energy efficiency, but in the top tier of average monthly bills.



## **Stimulating Energy Efficiency Action – Area 2 Proposal**

- 2010 Cooperative Agreement
  - Objective: Establish policies and programs that support utility investment in energy efficiency.
  - Timeline: Fall 2010 through September 30, 2013.
- Cooperative Agreement Provided Resources for Technical Support and Engagement
  - Provided MDA with the capacity and bandwidth to identify the energy efficiency potential in Mississippi and outline policy opportunities
  - Enabled MDA to deeply engage on the PSC Energy Efficiency Docket
  - Established MDA as a convener and leader on EE issues and planning
  - Foundation for learning and support for new MDA leadership



## Stimulating Energy Efficiency Action – Area 2 Proposal

- Work with SEEA
  - Cooperative agreement has provided resources for work with the Southeast Energy Efficiency Alliance (SEEA), which has provided additional experience and technical expertise to the stakeholder engagement process and ongoing work with PSC
  - Enabled MDA and SEEA to form relationships with state policymakers, industry and utility officials, and PSC staff to more effectively provide information and engage with issues surrounding the Energy Efficiency Docket



# **STRATEGY FOR SUCCESS #1: *STAKEHOLDER ENGAGEMENT***



## Stakeholder Engagement

- Cooperative Agreement helped to form Public Service Commission Collaborative
  - Allowed MDA to identify leadership, expertise and interest levels among key stakeholders
  - Enabled MDA to identify and include interested parties who had not previously been at the table
- One-on-one meetings have created value
  - Have allowed MDA to build long-term relationships with a broad range of stakeholders, including state policymakers (Legislators, Commissioners, PSC Staff), utility officials, and industry representatives



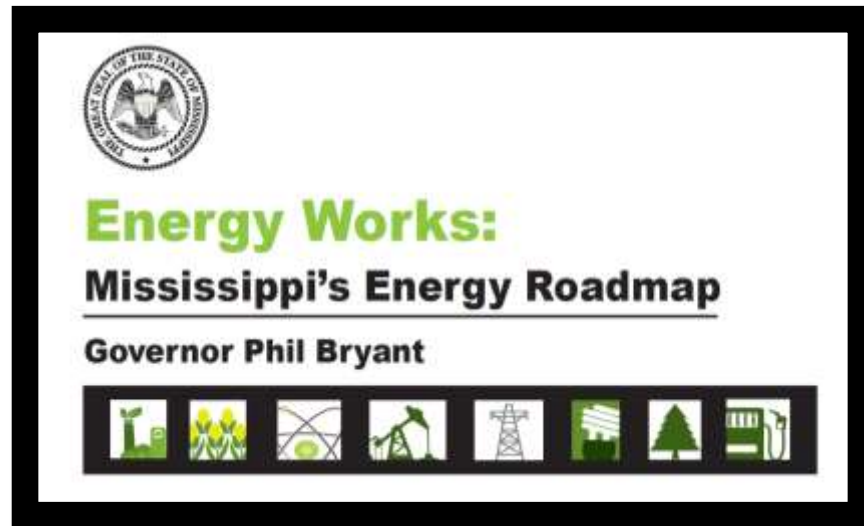
# **STRATEGY FOR SUCCESS #2:**

## ***EXECUTIVE BUY-IN***





Governor Phil Bryant  
*Energy Works: Mississippi's Energy Roadmap*  
released October 2012





- **Six key focus areas:**

1. Encouraging Exploration and Extraction
2. Adding Value and Sustaining Resources through Manufacturing, Conversion and Processing
3. **Expanding Capacity through Energy Efficiency**
4. Building Capacity through Infrastructure: Transportation and Distribution
5. Competing in Technology-based Economic Development: R&D and Commercialization
6. Preparing a 21<sup>st</sup> Century Energy Workforce



# **STRATEGY FOR SUCCESS #3:**

## ***LEGISLATIVE SUPPORT***



# Expanding Capacity through Energy Efficiency

## Policy Opportunities:

1. Adopt statewide commercial energy building codes for new construction.

**STATUS:** 

- H.B. 1281 – Energy Efficiency Standards for Commercial Buildings; ASHRAE 90.1-2010; effective July 1, 2013
- H.B. 1266 – Enhanced Building Codes for State-owned Buildings; ASHRAE 90.1-2010; effective July 1, 2013



# Expanding Capacity through Energy Efficiency

## Policy Opportunities:

2. Initiate an energy efficiency policy/program analysis.

**STATUS:** 

- Partnership with the American Council for an Energy Efficient Economy (ACEEE) and the Southeast Energy Efficiency Alliance (SEEA)
- To be released September 2013



# Expanding Capacity through Energy Efficiency

## Policy Opportunities:

3. Lead by Example.

### **STATUS: IN PROGRESS**

- H.B. 1296: Mississippi Sustainability and Development Act; effective July 1, 2013
- DOE Advancing EE in Public Facilities, SEP Award
- TVA Partnership



# **STRATEGY FOR SUCCESS #4:**

## ***COMMISSION***

## ***COLLABORATION***



## **Rule 29: Conservation and Energy Efficiency Programs**

- As part of the Cooperative Agreement, MDA began working with stakeholders to address issues and answer questions surrounding the energy efficiency docket, facilitate conversation and sharing of information, and identify best practices for an Energy Efficiency Rule in Mississippi
- This work helped to build broad stakeholder support, both at a grassroots level and among key decision-makers, and helped provide the momentum and “critical mass” necessary to support the final passage of the rule





## **Rule 29: Conservation and Energy Efficiency Programs**

- On July 11, 2013, the Mississippi Public Service Commission unanimously adopted Rule 29, the first rule to support energy efficiency programs in the state's history.
- Rule 29 provides a robust framework for energy efficiency programs implemented by utilities and other program administrators
- Addresses the “three-legged stool” for utility investments in energy efficiency by providing:
  - Timely cost recovery of direct energy efficiency program costs
  - Addresses the throughput incentive by allowing utilities to recover fixed costs
  - Provides financial incentives for utilities that meet or exceed energy performance targets



## **Rule 29: Conservation and Energy Efficiency Programs**

- Rule builds on best practices from other regional energy efficiency utility regulatory models
- Includes:
  - 25,000 meter Quick Start threshold
  - Outlines framework for establishing energy savings targets for utilities
  - Allows for cost recovery (LCFC)
  - Does not contain an industrial opt-out
  - Comprehensive portfolio proposals evaluated based on the entire portfolio, not just individual programs
  - Does not allow for cross subsidization
  - Cost tests may not be limited to Rate Impact Measure (RIM) analysis



## Existing and Complementary Efforts

- MDA began sub-metering with ARRA funding; have deployed almost 1,000 smart meters in publicly-owned facilities and linked in with central Energy Monitoring and Controlling (EMC) Solution
- Awarded 2012 SEP Competitive Advancing EE in Public Facilities Award to work with IHL Energy Council & TVA
- IHL Energy Council – work already underway that leverages & enhances SEMP to reduce energy consumption in IHL facilities to 20% below 2006 levels by 2020
- Currently hosting energy code trainings statewide to facilitate transition to the new ASHRAE 90.1-2010 Standard.



# NEXT OPPORTUNITIES



- **Relationships Built**

- MDA will leverage relationships built to provide support for the successful implementation of recently-adopted rules



## • Implementation Timeline

**Adoption**

July 11, 2013

**Quick Start  
Programs Filed**

January 11, 2014

**Quick Start  
Program  
Approval**

**Quick Start  
Program  
Implementation**

3 years  
(2014-2017)

**Comprehensive  
Portfolios**

2018+



- **Upcoming Milestones**
  - ACEEE Reports
  - Entergy RFP due October 8<sup>th</sup>
  - PSC EE Workshop: November [in the works]
  - Quick Start Programs due January 11, 2014
- **Creating an EE Workforce Development Infrastructure**



- **Leverage Ongoing Resources to Continue Success**
  - A number of successes have been achieved in recent years, but there is still much more to do
  - MDA will continue to work with resources, including SEEA, DOE, and others, to continue this important work at a critical time for Energy Efficiency in Mississippi
    - DOE support has been fundamental in helping MDA and Mississippi stakeholders to reach this point





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