

POSITION STATEMENT FORM

(Completed form to be provided to the Legislative Committee)

GENERAL SUBJECT AREA -- TITLE OF PROPOSAL:

Energy Efficiency

PROPOSAL: (Provide brief description of legislative or funding position)

Support legislation that encourages investor-owned and cooperative electric utilities to prioritize energy efficiency, because cost-effective energy efficiency is in the public interest, and should be encouraged as the first resource before new generation is built.

SOURCE: (Provide the name of the agency, board, or commission generating the proposal and the date of the proposal)

EQAC, September 14, 2016

BACKGROUND:

(Briefly summarize why the position(s) is/are necessary to the County; list any pros/cons, note any previous Board of Supervisors action or previous General Assembly study or action on this issue; note any other helpful information. This section should provide a synthesis of the proposal and should be no more than one paragraph, two if necessary; the Board wants concise information in the Legislative Program. Please use "Additional Background Information" on the next page to more fully explain the proposal. If you are submitting more than one proposed position, please include background information for each position.)

Energy efficiency potentially saves Fairfax County ratepayers money by reducing the need for new generation. It also can improve energy security and help achieve climate goals. Investing in efficiency before generation is a prudent electric utility practice that has benefitted other states.

A number of states or state regulatory commissions currently recognize energy efficiency as a priority resource in meeting energy-utility needs, including California, Connecticut, Delaware, Georgia (for Georgia Power), Maine, Massachusetts, Oregon, and Rhode Island. (See <http://aceee.org/topics/energy-efficiency-resource>.) Many other states recognize energy efficiency as a resource, but do not necessarily accord it priority status.

Two of these states are particularly noteworthy:

- California has made energy efficiency a cornerstone of its integrated resource planning. Under Assembly Bill 1890 (1996) and Assembly Bill 995 (2000), California has established a "loading order" that calls for first pursuing all cost-effective efficiency resources, then using cost-effective renewable resources, and only after that using conventional energy sources to meet new load. (See "Utilities" at <http://database.aceee.org/state/california#sthash.wjzvOMuj.dpuf>.)
- In 2008 Massachusetts adopted a *Green Communities Act* that recognizes energy efficiency as the state's "first fuel." The Act requires that electric and gas utilities prioritize cost-effective energy efficiency and demand reduction resources over supply

resources; it also directed utilities to submit three-year plans outlining how they would meet the requirement. (See <http://energy.gov/savings/energy-efficiency-first-fuel-requirement-gas-and-electric>.) A 2014 assessment of the Act concluded that, despite program costs, “the overall Massachusetts economy sees benefits in the form of local jobs, local spending and retention of dollars that would otherwise go toward purchasing fossil fuels produced elsewhere. Additional benefits accrue in the form of lower compliance costs and other benefits associated with programs to address the health, safety and environmental impacts of the air, water, and liquid/solid waste byproducts of energy production.” (See http://www.analysisgroup.com/uploadedfiles/content/insights/publishing/analysis_group_gca_study.pdf.)

Delegate R. Sullivan introduced HB 576 in the 2016 session—the bill would require investor-owned electric utilities, cooperative electric utilities and investor-owned natural gas distribution utilities to meet incremental annual energy efficiency goals. The bill was referred to the Committee on Commerce and Labor and continued to 2017. Delegate Sullivan plans to introduce the bill in 2017, possibly with changes.

POSSIBLE SUPPORT OR OPPOSITION BY ORGANIZATIONS:

(List any organizations or groups, if any, which might be in favor of or against the proposed position)

This legislation is a high priority for environmental groups including the Virginia Conservation Network (a coalition of 150 organizations) and the Sierra Club. Dominion Virginia Power will probably oppose it.

STAFF CONTACT PERSON(S):

(Provide name and phone number of County staff person(s) best able to provide any additional research or necessary information)

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