



Energy Efficiency & Conservation Subcommittee

Summary List of Draft Priority Policy Options for Analysis

Draft Option #	Draft Policy Option Name	Straw Proposal Volunteers
EEC-1	Demand-Side Management (DSM)/Energy Efficiency Programs for Electricity	Jennifer E., Bob H., Gordon D.
EEC-2	Demand-Side Management (DSM) Energy Efficiency Programs for Natural Gas	Jennifer E., Bob H., Gordon D.
EEC-3	Financial Mechanisms for Energy Efficiency	Mark K., Marion G.
EEC-4	Improved Building Codes for Energy Efficiency	Marion G., Roya S.
EEC-5	Incentive Mechanisms for Achieving Energy Efficiency	Gordon D., Bob H, Mark K.
EEC-6	Promotion and Incentives for Improved Design and Construction in the Private Sector	Gordon D., Bob H
EEC-7	Training and Education for Builders and Contractors	Donna
EEC-8	Focus on Specific Residential Market Segments	David, Cathy, Mark
EEC-9	Midwestern Governors Association Energy Security and Climate Stewardship Platform	David, Marion, Cathy
EEC-10	Energy Management Training/Training of Building Operators	Donna
EEC-11	Rate Structures and Technologies To Promote Reductions	Jennifer E., Bob H., David, Mark
EEC-12	Consumer Education Programs	Jennifer E., David, Julie
EEC-13	Government Lead-by-Example: Improved Design and Construction in New and Existing State and Local Government Buildings	Roya, David, Marion
EEC-14	More stringent appliance efficiency standards	Cathy, Jennifer E.

EEC-1. Demand-Side Management (DSM)/ Energy Efficiency Programs for Electricity

Policy Description

This option focuses on electricity demand-side management programs run by utilities. These options are typically termed DSM activities, and may be designed to work in tandem with other recommended strategies that can also encourage efficiency gains.

Iowa investor-owned utilities have a long history of conducting DSM programs, under statutes adopted in 1990 and modified in 1996. The Iowa Utilities Board conducts contested proceedings for the review of plans, programs and energy savings goals developed by investor-owned utilities. New plans will be filed in April of 2008, and the Iowa Utilities Board has directed the investor-owned utilities to include analyses of the effects of goals equivalent to saving 1.5% of retail electric sales in Iowa.

Possible policy mechanisms include:

- Iowa Utilities Board establishes DSM goals for investor-owned utilities.
- Revise existing statutes to incorporate prescribed energy efficiency goals.
- Change the determination of DSM cost-effectiveness by accounting for the estimated valuation of CO₂ emissions avoided by programs.
- Extend the requirements currently applicable to investor-owned utilities to all electric utilities in Iowa.
- Expand DSM measures eligible for program incentives.
- Expand the scope of utility activity that can contribute to achieving DSM goals to include actions that are on the utility side of the meter, so-called “infrastructure” investments to use term adopted in Minnesota in 2007.
- Recognize the contribution of increased building energy codes and equipment energy standards to the achievement of DSM goals.
- Include in the measurement of DSM goals the energy savings from renewable measures that are implemented on the customer side of the meter.

The current (2008) session of the Iowa General Assembly is considering proposed statutes that would establish energy efficiency savings goals for all Iowa utilities.

Policy Design

Goals: UNDER CONSIDERATION BY THE IOWA GENERAL ASSEMBLY.

Timing: Unknown.

Parties Involved: The Iowa General Assembly, the Governor of Iowa, the Iowa Utilities Board, the Iowa Office of Consumer Advocate, the Iowa Department of Natural Resources, the Iowa Office of Energy Independence, investor-owned utilities and the Iowa Utility Association, municipal utilities and the Iowa Association of Municipal Utilities, electric cooperatives and the Iowa Association of Electric Cooperatives, the Iowa Environmental Council, the Iowa Sierra Club, associations of large utility customers. If policy changes are implemented the effects would be on all Iowa utilities and utility customers, the Iowa Utilities Board and the Office of Consumer Advocate.

Other: TBD

Implementation Mechanisms

- TBD

Related Policies/Programs in Place

- Electric utilities in Iowa must offer cost-effective energy efficiency programs. Iowa Code §§ 476.6(14). The Iowa Utilities Board establishes energy efficiency goals for investor-owned electric utilities. Iowa Code § 476.6(16). DSM offered by non-rate-regulated utilities is not regulated. 476.6(16).

Types(s) of GHG Reductions

- TBD

Estimated GHG Reductions and Net Costs or Cost Savings

TBD – [CCS should provide a worksheet and other reference material as needed for transparency]

- **Data Sources:** [TBD by CCS on SC approval]
- **Quantification Methods:** [e.g., Full life-cycle analysis with supply/demand equilibrium adjustments on SC approval]
- **Key Assumptions:** [TBD, as needed on SC approval]

Key Uncertainties

TBD – [as needed and approved by the SCs]

Additional Benefits and Costs

TBD – [as needed and approved by the SCs]

Feasibility Issues

TBD – [as needed and approved by the SCs]

Status of Group Approval

Pending – [until ICCAC moves to final agreement at ICCAC Meeting #6 or #7]

Level of Group Support

Pending – [blank until ICCAC Meeting #6 or #7]

Barriers to Consensus

TBD – [blank until final vote by the ICCAC]

EEC-2. Demand-Side Management (DSM)/Energy Efficiency Programs for Natural Gas

Policy Description

This option focuses on natural gas demand-side management programs run by utilities. These options are typically termed DSM activities, and may be designed to work in tandem with other recommended strategies that can also encourage efficiency gains.

Iowa investor-owned utilities have a long history of conducting DSM programs, under statutes adopted in 1990 and modified in 1996. The Iowa Utilities Board conducts contested proceedings for the review of plans, programs and energy savings goals developed by investor-owned utilities. New plans will be filed in April of 2008, and the Iowa Utilities Board has directed the investor-owned utilities to include analyses of the effects of goals equivalent to saving 1.5% of retail electric sales in Iowa.

Possible policy mechanisms include:

- Iowa Utilities Board establishes DSM goals for investor-owned utilities.
- Revise existing statutes to incorporate prescribed energy efficiency goals.
- Change the determination of DSM cost-effectiveness by accounting for the estimated valuation of CO₂ emissions avoided by programs.
- Extend the requirements currently applicable to investor-owned utilities to all gas utilities in Iowa.
- Expand DSM measures eligible for program incentives.
- Extend investor-owned natural gas program funding requirements and eligibility to natural gas transportation customers.
- Account for natural gas savings accruing when investor-owned electric utility provides incentives for installation of geothermal systems and building shell measures.
- Expand the scope of utility activity that can contribute to achieving DSM goals to include actions that are on the utility side of the meter, so-called “infrastructure” investments to use term adopted in Minnesota in 2007.
- Recognize the contribution of increased building energy codes and equipment energy standards to the achievement of DSM goals.
- Include in the measurement of DSM goals the energy savings from renewable measures that are implemented on the customer side of the meter.

The current (2008) session of the Iowa General Assembly is considering proposed statutes that would establish energy efficiency savings goals for all Iowa utilities.

Policy Design

Goals: UNDER CONSIDERATION BY THE IOWA GENERAL ASSEMBLY.

Timing: Unknown.

Parties Involved: The Iowa General Assembly, the Governor of Iowa, the Iowa Utilities Board, the Iowa Office of Consumer Advocate, the Iowa Department of Natural Resources, the Iowa Office of Energy Independence, investor-owned utilities and the Iowa Utility Association, municipal utilities and the Iowa Association of Municipal Utilities, electric cooperatives and the Iowa Association of Electric Cooperatives, the Iowa Environmental Council, the Iowa Sierra Club, associations of large utility customers. If policy changes are implemented the effects would be on all Iowa utilities and utility customers, the Iowa Utilities Board and the Office of Consumer Advocate.

Other: TBD

Implementation Mechanisms

- TBD

Related Policies/Programs in Place

- Natural gas utilities in Iowa must offer cost-effective energy efficiency programs. Iowa Code § 476.6(14). The IUB establishes energy efficiency goals for rate-regulated gas utilities. Iowa Code § 476.6(16). DSM offered by investor-owned utilities is not regulated. Natural gas transportation customers served by competitive commodity suppliers do not fund energy efficiency programs mandated in § 476.6(16) and are not eligible to participate in these programs.

Types(s) of GHG Reductions

- TBD

Estimated GHG Reductions and Net Costs or Cost Savings

TBD – [CCS should provide a worksheet and other reference material as needed for transparency]

- **Data Sources:** [TBD by CCS on SC approval]
- **Quantification Methods:** [e.g., Full life-cycle analysis with supply/demand equilibrium adjustments on SC approval]
- **Key Assumptions:** [TBD, as needed on SC approval]

Key Uncertainties

TBD – [as needed and approved by the SCs]

Additional Benefits and Costs

TBD – [as needed and approved by the SCs]

Feasibility Issues

TBD – [as needed and approved by the SCs]

Status of Group Approval

Pending – [until ICCAC moves to final agreement at ICCAC Meeting #6 or #7]

Level of Group Support

Pending – [blank until ICCAC Meeting #6 or #7]

Barriers to Consensus

TBD – [blank until final vote by the ICCAC]

EEC-3. Financial Mechanisms for Energy Efficiency

Policy Description

This option refers to financial mechanisms for energy efficiency that could increase program participation and investment by providing incentives to a variety of customer classes to improve energy performance of buildings, equipment and residences. These mechanisms include:

- Financial and technical assistance for energy audits
 - Expand energy audit programs for all sectors and offer incentives and assistance for building and production facilities owners to follow up on audit recommendations. These incentives can be tax deductions for conducted audits, days off from work for employees attending their home energy audit, and other mechanisms that reduce transaction costs.
- revolving low- or no-interest loan fund(s) for energy efficiency investments, potentially targeted at low-income residents
- installation of energy efficiency measures by a contractor or other entity who would assume the full initial costs and risks, recovering them over a defined time period through the electric bill associated with the meter where the measures are installed
 - Performance contracting is a self-financing mechanism for improvements for energy efficiency. In the commercial sector, the money that businesses save through less energy consumption is leveraged to pay to for financing, installing, operating, and maintaining the energy efficiency measures. Energy savings from the installed projects are paid from state agency operating budgets to the financial institution.
- adding energy efficiency requirements to financial institution mortgages or other financing mechanisms (e.g. municipal bonds, donations for college buildings) for new construction or renovation projects

This action could initially be targeted at residential customers, small businesses and low-income consumers and then expanded to other customer classes, including larger businesses and the industrial sector.

Some of the utilities active in Iowa have offered such financing mechanisms in other states and for specific market segments in Iowa. At least one Iowa utility has a pilot program for a no-interest revolving loan fund. The Iowa Energy Center has offered a revolving loan fund for renewable energy for a number of years

Policy Design

Goals: TBD

Timing: TBD

Parties Involved: TBD

Other: TBD

Implementation Mechanisms

TBD

Related Policies/Programs in Place

TBD

Types(s) of GHG Reductions

- TBD

Estimated GHG Reductions and Net Costs or Cost Savings

TBD – [CCS should provide a worksheet and other reference material as needed for transparency]

- Data Sources: [TBD by CCS on SC approval]
- Quantification Methods: [e.g., Full life-cycle analysis with supply/demand equilibrium adjustments on SC approval]
- Key Assumptions: [TBD, as needed on SC approval]

Key Uncertainties

TBD – [as needed and approved by the SCs]

Additional Benefits and Costs

TBD – [as needed and approved by the SCs]

Feasibility Issues

TBD – [as needed and approved by the SCs]

Status of Group Approval

Pending – [until ICCAC moves to final agreement at ICCAC Meeting #6 or #7]

Level of Group Support

Pending – [blank until ICCAC Meeting #6 or #7]

Barriers to Consensus

TBD – [blank until final vote by the ICCAC]

EEC-4. Improved Building Codes for Energy Efficiency

Policy Description

Buildings are significant consumers of energy and other resources. According to the EPA, December 2004, in the United States buildings account for 39% of the total energy use, 12% of the water consumption, 68% of the electricity consumption and 38% of the total carbon dioxide emissions. Given the long lifetime of most buildings, amending state and/or local building codes to include minimum energy efficiency requirements and periodically updating energy efficiency codes could provide long-term GHG savings.

This policy sets a goal for reducing building energy consumption, to be achieved by increasing standards for the minimum performance of new and substantially renovated commercial and residential buildings through the adoption and enforcement of building and trade codes. Building codes would be made more stringent via incorporation of aspects of advanced/next generation building designs and construction standards, such as LEED. Other aspects of the policy design include:

- Undertaking a comprehensive review of existing State and local building and trades codes in Iowa to determine where increased energy efficiency can be achieved.
- Developing a training and certification program for code officials, builders, and contractors on energy efficiency and related Green building and trade codes, and in code enforcement.
- Providing tools to state and local governments for measurement and tracking of cost savings.
- Incorporating future code upgrades by reference language in the statute or regulation to avoid having to re-open the rule each time the referenced body changes its code.
- Targeting existing buildings for efficiency improvements during both major and minor renovation, through application and enforcement of building codes and/or with tax rebates or other incentives.
- Allowing compliance flexibility. New and substantially renovated buildings can utilize a combination of increased energy efficiency, switching to low and no carbon based fuels for previously carbon based end-uses, off-site purchases on grid supplied “green power” and/or installing on-site off-grid power generating equipment.
- Setting a cap on consumption of energy per unit area of floorspace for new buildings.
- Requiring high-efficiency appliances in new construction and retrofits.
- Providing incentives, such as permitting and fee advantages, tax credits, financing incentives (such as “green mortgages”), or other inducements to encourage retrofit of existing residential and commercial buildings or for the development of non-traditional off-grid low and carbon neutral energy sources. The state can work with financial institutions to develop loan tools for these programs.

Advanced/next-generation building design requirements might include use of specific materials (e.g., local building materials), implementation of specific technologies (e.g., energy-efficient roofing materials and landscaping to lower electricity demand), or attainment of points under an advanced standard (e.g., LEED). Energy-reduction targets should be periodically reassessed.

Potential measures supporting this policy can include outreach and public education, public recognition programs, improved enforcement of building codes, encouraging or providing incentives for energy tracking and benchmarking, performance contracting/shared savings arrangements, technical support resources for implementation, development of a clearinghouse for information on and access to software tools to calculate the impact of energy efficiency and solar technologies on building energy performance.

Policy Design

Goals:

- Mandating the periodic and regular (no less than every 3 years) review and adoption of State and local building and trades codes, particularly energy efficiency requirements, to ensure best management practices. At least every three years, the state will review (with opportunity for public comment) and adopt the more stringent of the ICC or ASHRAE standards for energy efficiency.
- Reduce energy consumption per square foot of floor space by 15% by 2010 and 50% by 2020.
- Developing a training and certification program for code officials and contractors on energy efficiency and related Green building and trade codes.

Timing: TBD

Parties Involved: TBD

Other: TBD

Implementation Mechanisms

TBD

Related Policies/Programs in Place

TBD

Types(s) of GHG Reductions

TBD

Estimated GHG Reductions and Net Costs or Cost Savings

TBD – [CCS should provide a worksheet and other reference material as needed for transparency]

- Data Sources: [TBD by CCS on SC approval]

- Quantification Methods: [e.g., Full life-cycle analysis with supply/demand equilibrium adjustments on SC approval]
- Key Assumptions: [TBD, as needed on SC approval]

Key Uncertainties

TBD – [as needed and approved by the SCs]

Additional Benefits and Costs

TBD – [as needed and approved by the SCs]

Feasibility Issues

TBD – [as needed and approved by the SCs]

Status of Group Approval

Pending – [until ICCAC moves to final agreement at ICCAC Meeting #6 or #7]

Level of Group Support

Pending – [blank until ICCAC Meeting #6 or #7]

Barriers to Consensus

TBD – [blank until final vote by the ICCAC]

EEC-5. Incentives for Energy Efficiency

Policy Description

This option focuses on demand-side management programs run by utilities. There are two aspects of incentives: (1) incentives offered to utilities to induce superior performance in implementing DSM programs, and (2) incentives offered by utilities to induce their customers to participate in programs and make investments.

Type 1 incentives, to investor-owned utilities.

Iowa investor-owned utilities (IOUs) have a long history of conducting DSM programs, under statutes adopted in 1990 and modified in 1996. The original statutes enacted in 1990 authorized the Iowa Utilities Board to approve incentives for IOUs. The Iowa Utilities Board developed rules that permitted the IOUs to seek incentives, including:

- Carrying charges on energy efficiency program costs, which were deferred until final approval.
- Returns on costs approved for recovery, which were earned over a four-year amortization period.
- A reward mechanism based on the net societal benefits results of each IOUs' programs, up to as much as 25% of the net societal benefits.
- Opportunity to apply for recovery of net revenues reduced by DSM programs.

The revision of the energy efficiency statutes in 1996 removed all of these incentive mechanisms, and substituted an automatic adjustment mechanism for cost recovery, which accelerated IOUs' recovery of costs and eliminated the additional costs of incentives. Incentives are now back in discussion, based on the assumption that Iowa IOUs will not improve their DSM performance very much beyond current levels of energy and capacity savings unless they are given for doing so.

Potential mechanisms for incentives to IOUs could include:

1. Decouple IOU revenues from sales of electricity or natural gas.
2. Allow IOUs to rate-base their energy efficiency expenditures and earn returns on these investments.
3. Allow IOUs to recover revenues which decrease due to DSM, net of utility system cost savings.
4. Allow IOUs to offer all DSM programs as shared-savings or Pay-As-You-Go loan programs, with the interest or earnings on these loans retained as earnings by the IOUs.
5. Offer the IOUs some form of monetary reward based on amounts of capacity and energy saved, recoverable from customers as part of DSM costs.

6. Allow IOUs to “own” all or part of the “carbon credit” impact of capacity and energy saved by DSM programs, and allow the IOUs to retain as earnings any funds received from sale of credits based on these savings, above a certain level.
7. Require IOUs to document performance and penalize IOUs which do not meet specific goals by certain dates, to the extent that there is inadequacy in the current Iowa statutes and rules requiring program documentation and allowing the Board to conduct prudence reviews and impose penalties.

Type 2 incentives, to utility customers.

Iowa IOUs offer incentives for participation in DSM programs to customers in many forms, including:

- Rate discounts or payments to participants in load management programs, for savings of peak load electric kW.
- Time-of-use rates to electric customers which offer lower rates off-peak and much higher rates during peak electric use periods.
- Free energy audits and simple on-site energy efficiency measures installed during audits.
- Advanced energy efficiency evaluation and design services, typically for nonresidential customers.
- Assistance to residential homebuilders in the form of training, inspection of homes, cash payments for meeting standards and certification/recognition of highly efficiency homes.
- Rebates to customers for purchasing energy-efficient appliances and equipment.
- Loans to customers for purchase of energy-efficient appliances and equipment.
- Training, free publicity and per-item restocking payments to dealers and sales people for promotion of energy efficient appliances and equipment.

Other customer incentives may be possible.

Policy Design

Goals: HIGHER LEVELS OF PERFORMANCE BY UTILITIES.

Timing: Unknown.

Parties Involved: The Iowa General Assembly, the Governor of Iowa, the Iowa Utilities Board, the Iowa Office of Consumer Advocate, the Iowa Department of Natural Resources, the Iowa Office of Energy Independence, investor-owned utilities and the Iowa Utility Association, municipal utilities and the Iowa Association of Municipal Utilities, electric cooperatives and the Iowa Association of Electric Cooperatives, the Iowa Environmental Council, the Iowa Sierra Club, associations of large utility customers. If policy changes are implemented the effects

would be on all Iowa utilities and utility customers, the Iowa Utilities Board and the Office of Consumer Advocate.

Other: TBD

Implementation Mechanisms

TBD

Related Policies/Programs in Place

TBD

Types(s) of GHG Reductions

TBD

Estimated GHG Reductions and Net Costs or Cost Savings

TBD – [CCS should provide a worksheet and other reference material as needed for transparency]

- Data Sources: [TBD by CCS on SC approval]
- Quantification Methods: [e.g., Full life-cycle analysis with supply/demand equilibrium adjustments on SC approval]
- Key Assumptions: [TBD, as needed on SC approval]

Key Uncertainties

TBD – [as needed and approved by the SCs]

Additional Benefits and Costs

TBD – [as needed and approved by the SCs]

Feasibility Issues

TBD – [as needed and approved by the SCs]

Status of Group Approval

Pending – [until ICCAC moves to final agreement at ICCAC Meeting #6 or #7]

Level of Group Support

Pending – [blank until ICCAC Meeting #6 or #7]

Barriers to Consensus

TBD – [blank until final vote by the ICCAC]



EEC-6. Promotion and Incentives for Improved Design and Construction in the Private Sector

Policy Description

This policy provides incentives and targets to induce the owners and developers of new and existing buildings to improve the efficiency with which energy and other resources are used in those buildings, along with provisions for raising targets periodically and providing resources to building industry professionals to help achieve the desired building performance. This policy can include elements to encourage the improvement and review of energy use goals over time, and to encourage flexibility in contracting arrangements to encourage integrated energy- and resource efficient design and construction.

Iowa rate-regulated utilities have a long history of offering energy efficiency programs focusing on new construction practices, under statutes adopted in 1990 and modified in 1996. Programs have differentiated between the residential and non-residential sectors. In this decade the rate-regulated utilities have increased their efforts to offer coordinated programs that offer similar program design and program incentives in both sectors. The residential sector has seen multi-option programs with both builder option and Energy Star emphases. The non-residential sector has seen a multi-tiered approach focusing on design team assistance, design team incentives and owner incentives.

Additional potential elements of this option include:

- Target new, renovated, and/or existing buildings (retrofits).
- Set a cap on consumption of energy per unit area of floorspace for new buildings.
- Encourage building commissioning and recommissioning, including energy tracking and benchmarking.
- Set up a “feebate” program to encourage energy efficiency in building design.
- Provide incentives, in the form of tax credits, DSM program support, financing incentives (such as “green mortgages”), or other inducements for retrofit of existing residential and commercial buildings.
- Encourage the use of alternative and local building materials and practices.

Policy Design

Goals: TBD

Timing: TBD

Parties Involved: Iowa Utilities Board, Office of Consumer Advocate, Iowa Building Code Commissioner, other building code officials, utility associations, utilities offering incentives for efficient buildings, associations of home builders, associations of commercial developers, real estate associations, etc.

Other: TBD

Implementation Mechanisms

- TBD

Related Policies/Programs in Place

- TBD

Types(s) of GHG Reductions

- TBD

Estimated GHG Reductions and Net Costs or Cost Savings

TBD – [CCS should provide a worksheet and other reference material as needed for transparency]

- Data Sources: [TBD by CCS on SC approval]
- Quantification Methods: [e.g., Full life-cycle analysis with supply/demand equilibrium adjustments on SC approval]
- Key Assumptions: [TBD, as needed on SC approval]

Key Uncertainties

TBD – [as needed and approved by the SCs]

Additional Benefits and Costs

TBD – [as needed and approved by the SCs]

Feasibility Issues

TBD – [as needed and approved by the SCs]

Status of Group Approval

Pending – [until ICCAC moves to final agreement at ICCAC Meeting #6 or #7]

Level of Group Support

Pending – [blank until ICCAC Meeting #6 or #7]

Barriers to Consensus

TBD – [blank until final vote by the ICCAC]

EEC-7. Training and Education for Builders and Contractors

Policy Description

This option refers to an education and outreach program for building professionals, including builders and architects, to encourage incorporation of energy-efficiency and greenhouse gas emissions-reduction considerations. These programs can train builders and contractors on proper heating and air conditioning sizing and installation and can be supported by a mandate that State Boards of Licensing for building professionals address knowledge of the improved building codes and building energy performance requirements reflected in various policy options in licensing exams.

Policy Design

Goals: TBD

Timing: TBD

Parties Involved: TBD

Other: TBD

Implementation Mechanisms

- TBD

Related Policies/Programs in Place

- TBD

Types(s) of GHG Reductions

- TBD

Estimated GHG Reductions and Net Costs or Cost Savings

TBD – [CCS should provide a worksheet and other reference material as needed for transparency]

- Data Sources: [TBD by CCS on SC approval]
- Quantification Methods: [e.g., Full life-cycle analysis with supply/demand equilibrium adjustments on SC approval]
- Key Assumptions: [TBD, as needed on SC approval]

Key Uncertainties

TBD – [as needed and approved by the SCs]

Additional Benefits and Costs

TBD – [as needed and approved by the SCs]

Feasibility Issues

TBD – [as needed and approved by the SCs]

Status of Group Approval

Pending – [until ICCAC moves to final agreement at ICCAC Meeting #6 or #7]

Level of Group Support

Pending – [blank until ICCAC Meeting #6 or #7]

Barriers to Consensus

TBD – [blank until final vote by the ICCAC]

EEC-8 Technology improvements in targeted markets

Policy Description

Iowa's investor-owned electric and gas utilities since 1990 have been mandated to have separate low-income energy efficiency policies and before that date some companies had done so voluntarily. Another market segment that has unique challenges is rental property (both residential and commercial), where tenants pay energy bills but landlords maintain the facilities. Some policy approaches for these important segments include:

- Expanding Iowa's Weatherization Assistance Program to make the homes of low-income Iowans more energy-efficient.
- Develop minimum efficiency standards for rental properties and enforce standards with the departure of current tenants.
- Provide financial mechanisms to assist with the retrofitting of rental properties with energy-efficient appliances, insulation, and high efficiency furnaces.
- Establish a shared savings or zero-interest loan program to make energy-efficient appliances affordable for everyone.
- Design policies that allow paying for energy efficient appliances over time on residential utility bills.
- Auction any emissions allowances made available in a regional cap-and-trade system and use the proceeds for renewable energy and efficiency investments and assistance for low income families.

Policy Design

Goals: TBD

Timing: TBD

Parties Involved: TBD

Other: TBD

Implementation Mechanisms

- TBD

Related Policies/Programs in Place

- TBD

Types(s) of GHG Reductions

- TBD

Estimated GHG Reductions and Net Costs or Cost Savings

TBD – [CCS should provide a worksheet and other reference material as needed for transparency]

- Data Sources: [TBD by CCS on SC approval]
- Quantification Methods: [e.g., Full life-cycle analysis with supply/demand equilibrium adjustments on SC approval]
- Key Assumptions: [TBD, as needed on SC approval]

Key Uncertainties

TBD – [as needed and approved by the SCs]

Additional Benefits and Costs

TBD – [as needed and approved by the SCs]

Feasibility Issues

TBD – [as needed and approved by the SCs]

Status of Group Approval

Pending – [until ICCAC moves to final agreement at ICCAC Meeting #6 or #7]

Level of Group Support

Pending – [blank until ICCAC Meeting #6 or #7]

Barriers to Consensus

TBD – [blank until final vote by the ICCAC]

EEC-9. Midwestern Governors Association Energy Security and Climate Stewardship Platform

Policy Description

In November 2007, Governor Culver signed on to the Midwestern Governors Association Energy Security and Climate Stewardship Platform. Goals for the platform include: 1) meet at least 2% of the region's annual retail sales of natural gas and electricity through energy efficiency by 2015 and annually thereafter, 2) promotion of bio-based transportation fuels, 3) produce from renewable resources 30% of electricity consumed in the region by 2030 and 4) support research, development and deployment of carbon capture and storage technologies. This policy description is designed to address the energy efficiency goal of meeting at least 2% of the region's annual retail sales of natural gas and electricity through energy efficiency programs by 2015 and annually thereafter. The Iowa Utility Board is charged with the responsibility of approving energy efficiency programs and plans by Iowa's investor owned utilities. Municipal utilities and electric cooperatives operate voluntary plans and programs that are reported to the IUB.

This policy option will require all of Iowa's utilities; investor owned, municipal and cooperatives to save at least 2% of their annual retail sales of natural gas and electricity through energy efficiency programs by 2015 and annually thereafter.

Policy Design

Goals:

- Reduce electricity consumption through efficiency measures in every year after 2015. Electric use in Iowa has increased at 1.5% from 2000 to 2006 and consequently, efficiency can reduce any increase in demand.
- Natural gas increases have been greater than 2% recently. New goals must be considered to reduce natural gas increases.

Timing: See above.

Parties Involved: All electric and gas suppliers; Iowa Utilities Board; Office of Consumer Advocate; energy related centers at the state Regents institutions; Implementation Mechanisms

Other: TBD

Implementation Mechanisms

- TBD

Related Policies/Programs in Place

- See Governor Culver's Executive Order 6 (February 2008) and Governor Vilsack's Executive Order 41 (April 2005).

Types(s) of GHG Reductions

- TBD

Estimated GHG Reductions and Net Costs or Cost Savings

TBD – [CCS should provide a worksheet and other reference material as needed for transparency]

- Data Sources: [TBD by CCS on SC approval]
- Quantification Methods: [e.g., Full life-cycle analysis with supply/demand equilibrium adjustments on SC approval]
- Key Assumptions: [TBD, as needed on SC approval]

Key Uncertainties

TBD – [as needed and approved by the SCs]

Additional Benefits and Costs

TBD – [as needed and approved by the SCs]

Feasibility Issues

TBD – [as needed and approved by the SCs]

Status of Group Approval

Pending – [until ICCAC moves to final agreement at ICCAC Meeting #6 or #7]

Level of Group Support

Pending – [blank until ICCAC Meeting #6 or #7]

Barriers to Consensus

TBD – [blank until final vote by the ICCAC]

EEC-10. Energy Management Training/Building Operators

Policy Description

In many facilities, utility bills can be significantly decreased through more efficient equipment and building operation. Administrative and technical training can inform and encourage energy managers, school officials, building operators, and others responsible for facility energy efficiency to utilize methods for minimizing unnecessary energy waste. This policy would increase education and demonstrate the benefits of energy efficient building operation through government “Lead-by-Example” of energy service contracting, in such a manner that it creates a desire to implement.

Specifically, this policy involves developing, implementing, and requiring a statewide energy efficiency and conservation education and training program for energy managers and facility operators to learn techniques for improving the efficiency of their steam, process heat, pumping, compressed air, motors, and other systems. Successful completion of this training would be required for energy managers and facility operators in all sectors (residential, commercial, industrial, and institutional) by a licensing requirement. Continuing education credits would be required annually.

Examples include:

- Programs to train builders and contractors on appropriate heating and air conditioning sizing and installation.
- Mandate that State Boards of Licensing for building professionals cover knowledge of the improved building codes and building energy performance requirements reflected in various policy options in licensing exams.
- Implement code training and technical assistance for builders and architects.

Policy Design

Starting in 20[XX], require energy managers and facility operators in all sectors to obtain certification for successful completion of the training program.

- **Timing:** See above.
- **Parties Involved:** State and local entities, private energy managers and facility operators throughout the state
- Other: TBD

Implementation Mechanisms

- TBD

Related Policies/Programs in Place

- TBD

Types(s) of GHG Reductions

- TBD

Estimated GHG Reductions and Net Costs or Cost Savings

TBD – [CCS should provide a worksheet and other reference material as needed for transparency]

- Data Sources: [TBD by CCS on SC approval]
- Quantification Methods: [e.g., Full life-cycle analysis with supply/demand equilibrium adjustments on SC approval]
- Key Assumptions: [TBD, as needed on SC approval]

Key Uncertainties

TBD – [as needed and approved by the SCs]

Additional Benefits and Costs

TBD – [as needed and approved by the SCs]

Feasibility Issues

TBD – [as needed and approved by the SCs]

Status of Group Approval

Pending – [until ICCAC moves to final agreement at ICCAC Meeting #6 or #7]

Level of Group Support

Pending – [blank until ICCAC Meeting #6 or #7]

Barriers to Consensus

TBD – [blank until final vote by the ICCAC]

EEC-11. Rate Structures

Policy Description

This option could include various elements of utility rate design that are geared toward reducing greenhouse gas emissions, often with other benefits as well, such as reducing peak power demand. The overall goal is to present rate structures so as to better reflect the actual economic and environmental costs of producing and delivering electricity as those costs vary by time of day, day of the week, season of the year and from year to year. In this way, rates provide consumers with information reflecting the impacts of their consumption choices.

Rate-regulated utilities have employed two types of rate structures for many years and in some cases for many decades:

- **Seasonal rates**, typically with higher prices in the season of the year when demand and prices are the highest. In Iowa the higher season is typically a summer period of three to four months duration.
- **Time-of-day (TOD) rates**, which typically price electricity higher at times of higher power demand, based on either a two- or three-tier time-differentiated structure, and thus better reflect the actual cost of generation, transmission and distribution. Time-of-use rates may or may not have a significant impact on total GHG emissions, but do affect on-peak power demand and thus both the need for peaking capacity and fuel for peaking plants.

Other possible policy mechanisms include several that have been offered on a much more limited basis:

- **Critical Peak Pricing** or extreme-day pricing refers to programs aiming to reduce system demand by encouraging customers to reduce their loads for a limited number of hours during the year. CPP programs integrate a pricing structure similar to TOD with the distinction of more extreme pricing signals for the critical events. (A price structure in which the extreme price is fixed by tariff reduces to a multi-tiered time-of-day rate.)
- **Real-Time Pricing** is a tariff structure for customers to pay electric rates tied to market prices for energy. The prices are typically posted by the utility based on day-ahead hourly prices but couple be posted on a real-time basis.
- **Inverted block pricing** (tiered/increasing peak) where rates for electricity and natural gas use include a rate for some base usage level and increased rates for higher levels of consumption.

Policy Design

Goals: TBD

Timing: TBD

Parties Involved: The Iowa Utilities Board, the Iowa Office of Consumer Advocate, the Iowa Department of Natural Resources, investor-owned utilities and the Iowa Utility Association, municipal utilities and the Iowa Association of Municipal Utilities, electric cooperatives and the Iowa Association of Electric Cooperatives, the Iowa Environmental Council, the Iowa Sierra Club, associations of large utility customers. If policy changes are implemented the effects would be on all Iowa utilities and utility customers, the Iowa Utilities Board and the Office of Consumer Advocate.

Other: TBD

Implementation Mechanisms

- TBD

Related Policies/Programs in Place

- TBD

Types(s) of GHG Reductions

- TBD

Estimated GHG Reductions and Net Costs or Cost Savings

TBD – [CCS should provide a worksheet and other reference material as needed for transparency]

- Data Sources: [TBD by CCS on SC approval]
- Quantification Methods: [e.g., Full life-cycle analysis with supply/demand equilibrium adjustments on SC approval]
- Key Assumptions: [TBD, as needed on SC approval]

Key Uncertainties

TBD – [as needed and approved by the SCs]

Additional Benefits and Costs

TBD – [as needed and approved by the SCs]

Feasibility Issues

TBD – [as needed and approved by the SCs]

Status of Group Approval

Pending – [until ICCAC moves to final agreement at ICCAC Meeting #6 or #7]

Level of Group Support

Pending – [blank until ICCAC Meeting #6 or #7]

Barriers to Consensus

TBD – [blank until final vote by the ICCAC]

EEC-12. Consumer Education Programs

Policy Description

This option focuses on public education and outreach to stimulate decisions that yield energy efficiency savings. Consumer education is an integral component of most existing DSM programs offered by investor-owned and consumer-owned utilities.

Possible policy mechanisms include:

- Evaluate techniques for assessing the impact of various educational efforts and disseminate standard methodology to utilities, the IUB, and others.
- Use the 2007 Iowa Residential Energy Survey to guide educational programs and efforts.
- Implement Energy Districts
Energy districts are based on the conservation district model of the 1930s and 40s that created a unique local-state-federal partnership to bring conservation technical and financial assistance to every farm. This locally-led process could make energy efficiency a highly-visible local economic development tool. Districts could participate in national programs; partner with local business for a “distributed efficiency storefront”; develop agricultural energy initiatives with local conservation district, USDA, and Extension partners; develop a local carbon offset program with funds and offsets entirely within county; work with utilities to encourage local distributed generation.
- Work with the Center for Energy and Environmental Education at UNI, the Iowa Department of Education, and other appropriate agencies to better incorporate energy efficiency in education curricula. (If there is an official Iowa entity charged with the responsibility for developing energy-related curricula, it is the Center for Energy and Environmental Education at UNI (Pat Higby). We would be remiss not to include CEEE as a significant mechanism for consumer education.)
- Develop and present/distribute seminars and/or publications aimed at residential consumers about state/federal tax credits for investment in energy efficient technologies and practices, what renters can do to improve energy efficiency, availability of green mortgages, and sources for self-liquidating financing of energy efficiency technologies.
- Develop and present/distribute seminars and/or publications aimed at housing professionals (builders, architects, realtors, appraisers, bankers, landlords and others) to extend information about green mortgages, self-liquidating financing, Energy Star, NAHB and LEED home certification standards, and benefits of efficiency investments by landlords.
- Develop and present/distribute seminars and/or publications aimed at commercial and industrial consumers to extend information about tax credits, best practices (such as Google, 3M, Wal-Mart), and such available resources as Industrial Assessment Center

(ISU), National Building Control Information Program, National Association of Home Builders, Iowa Energy Center, etc.

- Develop and present/distribute seminars and/or publications aimed at HVAC contractors. (Utilities are starting to require really high levels of service that many contractors just can't provide right now.)
- Display energy efficiency measures in retail outlets and other public settings
- Determine education efforts that will be needed to support other new/expanded energy efficiency initiatives, including but not necessarily limited to: 1) expanded Weatherization Assistance Program to make the homes of low-income Iowans more energy-efficient; 2) develop minimum energy efficiency standards and enforcement mechanism for rental properties; 3) develop financial incentives to more effectively encourage retrofitting of rental properties with energy efficient appliances and weatherization measures; and 4) develop financing mechanisms to make energy-efficient appliances affordable for everyone. [Suggestion: include reference to partnering with the Iowa Department of Economic Development, local conservation districts, USDA, ISU Extension, and the Center for Sustainable Communities, among others.]
- Utilize and promote Iowa State University's Industrial Assessment Center to extend information about energy efficiency to Iowa business and industry.
- Municipal utilities, through IAMU, have developed a new direct mail energy and environmental magazine called "Eco@Home." IAMU is also developing an energy-related "town meeting kit" for its members.

While utility energy efficiency plans must be cost-effective, the Iowa General Assembly (2007 session) amended Iowa Code section 476.6(14), which provides that educational programs and assessments of consumers' needs for information to make effective choices regarding energy use and energy efficiency need not be cost-effective. (Laws of the Eighty-Second G.A., H.F. 918).

Policy Design

Goals: Provide effective education in matters impacting energy usage that will enable energy consumers to make informed decisions that promote energy efficiency objectives.

Timing: TBD

Parties Involved: TBD

Other: TBD

Implementation Mechanisms

- TBD

Related Policies/Programs in Place

- Low-income education programs delivered by CAP agencies through investor-owned energy efficiency programs;

- Energy efficiency curriculum developed by MidAmerican Energy;
- School energy efficiency kits (4th-6th Grade) distributed by Aquila.
- The Iowa Energy Center “shall cooperate with the state board of education in developing a curriculum which promotes energy efficiency and conservation.” Iowa Code § 266.39C(4). After experiencing difficulties implementing a state-wide energy curriculum (see Feasibility issues below), the Energy Center has sponsored Iowa teachers (covering both conference and travel expenses) to attend NEED (National Energy Education Development) training conferences. With a range of sponsors and a core staff, NEED has materials available and continuously up to date. In recent years, the NEED training sponsorship has been extended to 4-H leaders.
- Iowa Energy Center devotes the largest portions of its funds on energy efficiency research, demonstration projects and education projects, addressing energy use in agricultural, industrial, commercial, municipal and residential settings. In the last several years, the Iowa Energy Center has developed the Residential Home Series Booklets, www.energy.iastate.edu/homeseries/index.htm. The Energy Center has reached cooperative agreements that allow for their reproduction and use in neighboring states.
- USDA’s Section 9006 Renewable Energy & Energy Efficiency Program.
- Muscatine Power & Water has an energy efficiency curriculum they have used for several years with local schools.
- Some municipal utilities and RECs have educational programs or comprehensive curriculum in their service territories.
- Independence Municipal Utilities utilizes a new program from its power supplier, Wisconsin Public Power Inc. that may represent an emerging good practice for supporting development of customer-owned small-scale renewable generation.
- Wisconsin has a statewide comprehensive curriculum, KEEP, which could serve as a model for a similar program in Iowa.
- CEEE has many individual programs for encouraging energy education for students.
- Some utilities provide scholarships to Building Operator Certification training.

Additional resources: www.energystar.gov and www.energytaxincentives.org.

Types(s) of GHG Reductions

- TBD

Estimated GHG Reductions and Net Costs or Cost Savings

TBD – [CCS should provide a worksheet and other reference material as needed for transparency]

- **Data Sources:** [TBD by CCS on SC approval]

- **Quantification Methods:** [e.g., Full life-cycle analysis with supply/demand equilibrium adjustments on SC approval]
- **Key Assumptions:** [TBD, as needed on SC approval]

Key Uncertainties

TBD – [as needed and approved by the SCs]

Additional Benefits and Costs

TBD – [as needed and approved by the SCs]

Feasibility Issues

TBD – [as needed and approved by the SCs]

Status of Group Approval

Pending – [until ICCAC moves to final agreement at ICCAC Meeting #6 or #7]

Level of Group Support

Pending – [blank until ICCAC Meeting #6 or #7]

Barriers to Consensus

TBD – [blank until final vote by the ICCAC]

EEC-13: Government Lead by Example: Improved Design and Construction in New and Existing State and Local Government Buildings

Policy Description

The State of Iowa and Municipal and County Governments can provide leadership in moving the state forward by adopting policies that improve the energy efficiency of new and renovated public buildings. Recognizing that governments should “lead by example” the option presented here provides energy use targets to improve the efficiency of energy use in new and existing State and local government buildings. The proposed policy provides energy efficiency targets that are much higher than code standards. This option sets energy-efficiency goals for the existing government building stock, as well as for new construction and major renovations. Elements of this policy include:

- Government buildings, facilities and related operations (please note this to include wastewater and water utilities) will be in operation for many years and should be designed in a manner that meets or exceeds private sector mandated building and trade energy efficiency. When life cycle cost are considered, the discount rate should be smaller and the assumptions of future energy prices should be higher than those commonly considered in the private sector in order that the state be seen as a leader in energy efficiency and workforce efficiency. All new State buildings and facilities, and renovations and additions shall be Leadership in Energy and Environmental Design (LEED) certified at the Silver, Gold or Platinum level (the stringency of this policy increases over time), and meet or exceed the energy efficiency and renewable energy goals below stated.
- Existing State and local government buildings shall be retrofitted for energy efficiency achieving 100% of cost-effective energy efficiency by the year 2015. To meet this goal, the State and local governments shall benchmark all buildings and facilities within the next 3 years.
- Audits of energy performance and operations of State and other government buildings (in tandem with an audit program). Audit results could be used to target and prioritize investments in improving government building energy efficiency.
- Improvement and review of efficiency goals over time, and development of flexibility in contracting arrangements to encourage integrated energy-efficient design and construction.
- Recommendations that the infrastructure for implementation (meters, accounting systems, staff, etc.) be established as soon as possible.
- Establishing “retained savings” policies whereby government agencies are able to retain funds saved by reducing energy bills for further energy efficiency/renewable energy investments or other uses.
- Require carbon neutral bonding for new construction and renovations and additions. A carbon neutral performance standard will require architects and engineers to design

buildings to meet a climate-neutral requirement and built to meet or exceed the state's existing sustainable building guidelines and will save the taxpayers money as life-cycle costs will yield lower operational costs.

- Focus incentives on specific technologies, including white roofs, rooftop gardens, and landscaping to lower electricity demand, and solar photovoltaics to provide electricity when demand is highest.

Potential supporting measures for this option include training and certification of building sector professionals but could also include surveys of government energy and water use, energy benchmarking, measurement, and tracking programs for municipal and state buildings.

Policy Design

Goals:

- Reduce per-unit-floor-area consumption of carbon based electricity by 15% by 2010, 50% by 2020 and 100%, carbon neutral, by 2030, for government owned and leased buildings. These goals can be made by a combination of demand reduction measures, on-site carbon neutral generation and grid based green power purchases. Green power purchases shall exceed the amount of green power purchases already provided by the utility.
- **Timing:** See above.
- **Parties Involved:** State and local governments; Capitol Planning organization, all three Regents institutions, Iowa Association of Counties; League of Cities, Iowa Association of School Boards, Iowa State Education Association, School Administrators organization, private contractors, State Building Trades organization

Implementation Mechanisms

- **Mandate that all new construction and major renovations of government-owned buildings**, including schools and publicly-owned hospitals, meet the following standards:
 - LEED™ Silver, for buildings that are constructed between 2009 and 2012;
 - LEED™ Gold, for buildings that are constructed between 2013 and 2016;
 - LEED™ Platinum, for buildings that are constructed between 2017 and 2020.
- **Collect Data on State and Local Government Building and Facilities Energy Use.** A key implementation mechanism for this option will be to first provide a thorough assessment of the status and energy consumption of all existing State and local government buildings, including establishing a database of buildings and building attributes including floor area, insulation level, energy-using equipment, and history of energy consumption. This baseline, or “carbon footprint,” will be used to assess program success.
- **Benchmark State Buildings:** Benchmarking is a process of using the data on building size, use, and energy use to quickly compare a building against others of similar size and

use to get an idea of how efficiently the building is operating. It is an important step in identifying opportunities for savings and prioritizing work to be done.

- **Commission State Buildings:** Building commissioning is a process of reviewing and tuning up the operation of building systems and controls much like the tune-up of a vehicle. Potential targets for commissioning might include commissioning of state buildings upon completion of construction or renovation and whenever the energy use in a building shows an unexpected and unexplained increase in energy use.
- **Purchase Green Power:** Enter into agreements to purchase green power for a portion of the states electricity needs as laid out in Iowa Gov. Tom Vilsack's Executive Order 41 on Energy Efficiency and Renewable Energy on April 22, 2005 and Iowa Governor Chet Culver's Executive Order 6 on the same topic issued in February 2008. Increase purchases over time until 30% of power needs are met through direct use of renewable energy or green power purchased by 2030.
- **Energy Use Targets:** Set targets for energy use in the operation of state buildings, potentially including capping state and local building and facilities energy use per square foot. Motion sensors are a specific technology for reducing lighting energy use in government buildings that may have broad application.
- **Renovate State and Local Buildings and Facilities through a Buildings and Facilities Energy Program:** Renovate all state and local buildings and facilities with more than 5,000 square feet and smaller buildings identified through energy benchmark process as having a high potential for energy savings within 5 years. The State and locals buildings and facilities energy program will provide funds for energy audits, engineering analyses, and renovation costs.
- **Develop and Use Renewable Energy Resources:** Evaluate the potential for direct use of solar, wind, biomass, geothermal, and hydro power to meet the needs of state government operations. Take advantage of these renewable resources whenever it is cost-effective to do so, and as a means to lead by example in investing in these systems when it is practical to do so.
- **Carbon-Neutral Bonding:** Climate-neutral bonding will require that any building projects financed with the issuance of state, county, or local/municipal bonds result in no net increase in GHG emissions. If a new construction project is projected to result in an emissions increase, there must be GHG emissions offsets within the state or particular jurisdiction. Offsets could include onsite renewable energy development, renewable energy purchases, energy efficiency (in existing state buildings), carbon sequestration (tree planting), and switching to cleaner or renewable fuels. Any GHGs emitted after the bond-financed project becomes operational will have to be offset. The new buildings could also offset their emissions by purchasing renewable electricity from their local utility. Paying a premium for what's known as "green pricing" electricity will usually be a more expensive offset option than energy efficiency. A community or state could install their own renewable energy project as a way to offset heir GHG emissions.
- **Monitoring and Verification:** conduct periodic reviews of building energy use over time.

Related Policies/Programs in Place

- See Governor Culver's Executive Order 6, which requires State buildings to reduce energy use by 15% by 2015.

Types(s) of GHG Reductions

- TBD

Estimated GHG Reductions and Net Costs or Cost Savings

TBD – [CCS should provide a worksheet and other reference material as needed for transparency]

- **Data Sources:** [TBD by CCS on SC approval]
- **Quantification Methods:** [e.g., Full life-cycle analysis with supply/demand equilibrium adjustments on SC approval]
- **Key Assumptions:** [TBD, as needed on SC approval]

Key Uncertainties

TBD – [as needed and approved by the SCs]

Additional Benefits and Costs

TBD – [as needed and approved by the SCs]

Feasibility Issues

TBD – [as needed and approved by the SCs]

Status of Group Approval

Pending – [until ICCAC moves to final agreement at ICCAC Meeting #6 or #7]

Level of Group Support

Pending – [blank until ICCAC Meeting #6 or #7]

Barriers to Consensus

TBD – [blank until final vote by the ICCAC]

EEC-14. More stringent appliance efficiency standards

Policy Description

Appliance efficiency standards reduce the market cost of energy efficiency improvements by incorporating technological advances into base appliance models, thereby creating economies of scale. Appliance efficiency standards can be implemented at the state level for appliances not covered by federal standards, or standards can be jointly developed by multiple states.

There are existing federal standards for 17 residential products and 11 pieces of commercial equipment. Laws require the U.S. Department of Energy (US DOE) to set minimum appliance efficiency standards that are technologically feasible and economically justified. However, there are many appliances not covered by federal standards for which state standards can play a role.

Energy Star is a joint program of the US EPA and the US DOE designed to promote energy efficient products in the market place. Energy Star products and appliances exceed the energy efficiency mandated by minimum federal and state standards.

In order to ensure that appliances purchased in the state will maximize the cost-effective potential for energy efficiency and minimize greenhouse gas emissions, the following policy prescriptions should be considered:

- Improved appliance standards for appliances not regulated by federal standards.
- More stringent appliance standards at the federal level. Require the preferential procurement of Energy Star products if available (equipment, appliance or technology) if state funds are involved (e.g., state purchasing contracts, state grants or loans, etc.)
- State sales tax exemptions, whether temporary or permanent, for Energy Star certified products.
- State income tax credits to reduce the incremental cost of Energy Star appliances relative to standard appliances.

Policy Design

- State minimum efficiency standards for appliances not covered by federal standards as recommended by Appliance Standards Awareness Program¹ by 2009.
- 100% market penetration of Energy Star appliances in purchase transactions in which state funds are involved (e.g., state purchasing contracts, state grants or loans, etc.) by 2010.

¹ See http://www.standardsasap.org/documents/a062_sc.pdf. The analysis recommends standards for the following products: bottle-type water dispensers, commercial boilers, commercial hot-food-holding containers, compact audio products, DVD players and recorders, liquid immersion distribution transformers, medium voltage dry-type distribution transformers, metal halide lamp fixtures, pool heaters, portable electric spas, residential furnaces and boilers, residential pool pumps, single voltage external AC to DC power supplies, state-regulated incandescent reflector lamps, and walk-in refrigerators and freezers.

- A doubling of market penetration of Energy Star appliances in purchases made in the residential, commercial and industrial sectors, where applicable, up to 100%, by 2015.

Timing: As noted above.

Parties Involved: As noted above.

Other:

Implementation Mechanisms

- TBD

Related Policies/Programs in Place

- TBD

Types(s) of GHG Reductions

- TBD

Estimated GHG Reductions and Net Costs or Cost Savings

TBD – [CCS should provide a worksheet and other reference material as needed for transparency]

- **Data Sources:** [TBD by CCS on SC approval]
- **Quantification Methods:** [e.g., Full life-cycle analysis with supply/demand equilibrium adjustments on SC approval]
- **Key Assumptions:** [TBD, as needed on SC approval]

Key Uncertainties

TBD – [as needed and approved by the SCs]

Additional Benefits and Costs

TBD – [as needed and approved by the SCs]

Feasibility Issues

TBD – [as needed and approved by the SCs]

Status of Group Approval

Pending – [until ICCAC moves to final agreement at ICCAC Meeting #6 or #7]

Level of Group Support

Pending – [blank until ICCAC Meeting #6 or #7]

Barriers to Consensus

TBD – [blank until final vote by the ICCAC]