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**Stakeholder Meeting On Economic Impacts to Arkansas
Associated with EPA's Proposed Clean Power Plan**

Presentation By:

Ken Smith, Policy Director, AAEF

Jim Metzger, President, HISTECON Associates

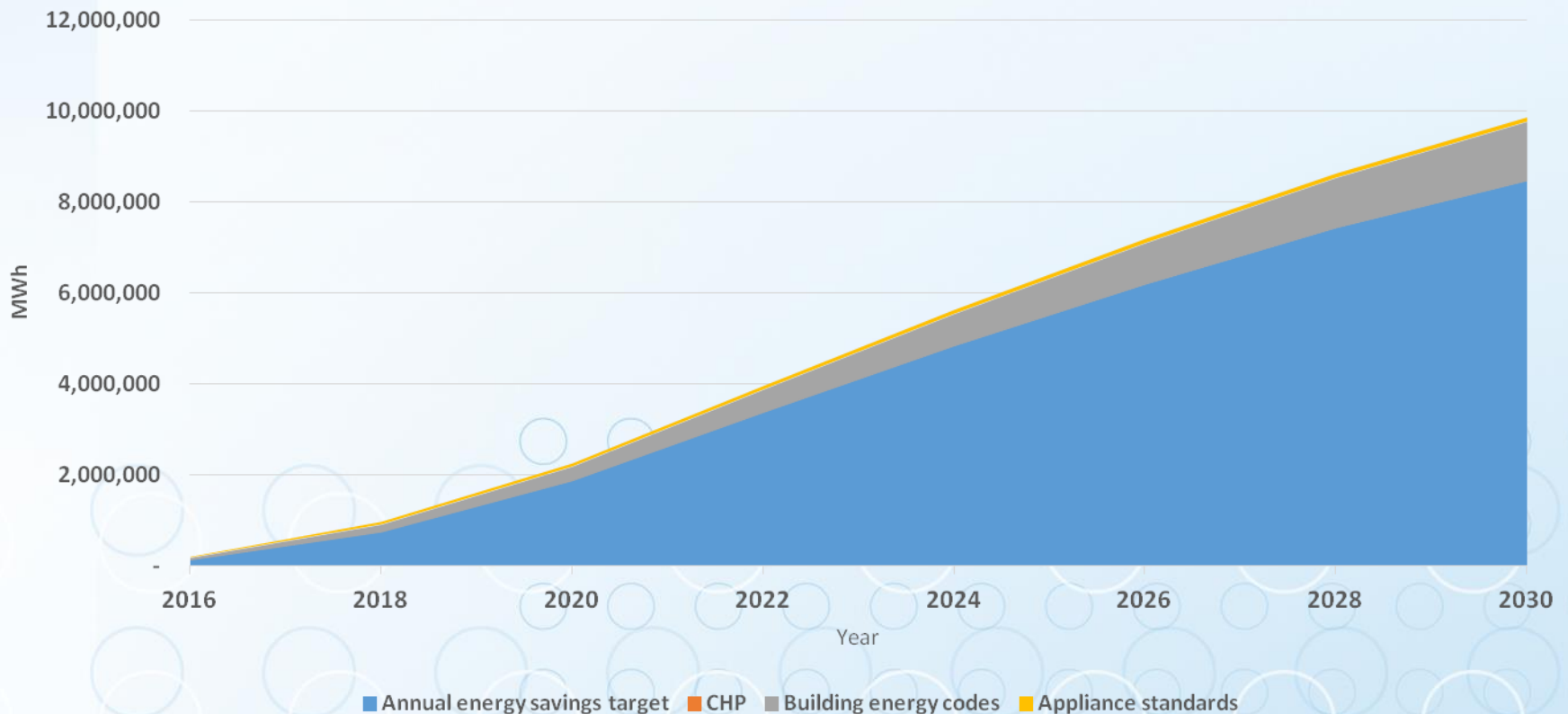
“Economic Impact of Energy Efficiency”

August 28, 2014

ACEEE Assessment of role of EE in meeting 111(d)

- ACEEE undertook an analysis of how much energy efficiency could contribute toward GHG reductions nationally and toward all 50 states.
- Estimated what the cost and benefits would be to implement energy efficiency.
- ACEEE estimated EE potential in all 50 states from:
 - Energy savings target of 1.5% annually
 - Residential & commercial building codes
 - Combined heat & power
 - State appliance standards for 5 products
- ACEEE estimates conservative—some states already doing more.

Annual Energy Savings from Energy Efficiency in Arkansas



Arkansas Annual Energy Savings by Policy (MWh's)

Policy	2020	2030
Utility EE Targets	1,860,000	8,459,000
CHP	85,000	262,000
Building Codes	317,000	1,301,000
State Appliance & Equipment Standards	63,000	88,000
State Total	2,325,000	10,100,000

Energy Efficiency Can Meet More than **40%** of State Target

- EPA state target is 47% reduction
- ACEEE modeled energy efficiency measures achieve 19% reduction
- Even more efficiency opportunities are available in the state—opportunities to build on existing EE programs & look at CHP

Resources

ACEEE's state Opportunity Report: <http://aceee.org/research-report/e104>

ACEEE's CPP report: <http://aceee.org/research-report/e1401>

Template for crediting EE: <http://aceee.org/files/pdf/sip-template-0314.pdf>

Harvard Law article on legal basis of CPP:

<http://blogs.law.harvard.edu/environmentallawprogram/files/2013/03/The-Role-of-Energy-Efficiency-in-the-111d-Rule.pdf>

EPA Avert tool: <http://epa.gov/avert/>

“3N” Principles: http://www.naseo.org/Data/Sites/1/principles_3n_2014.pdf

“3N” Preamble: http://naseo.org/Data/Sites/1/media/suggested-emv-preamble-language_4-22-14.pdf

What Does this Mean for Arkansas?

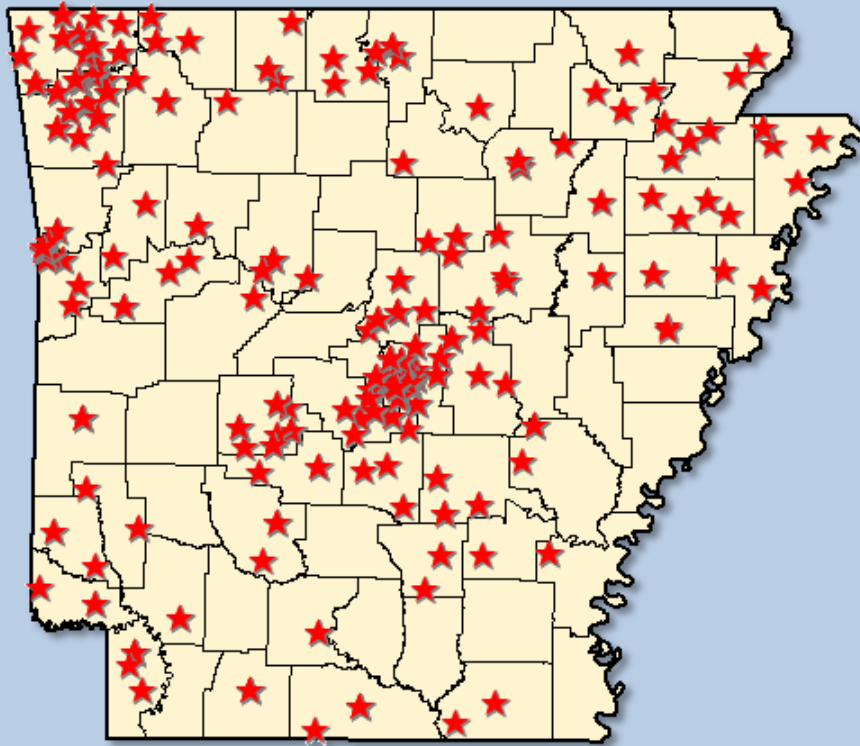
- Including as much energy efficiency as possible results in lowest compliance cost
- Energy efficiency can contribute to economic growth in the state by keeping energy dollars local
- Energy efficiency can maintain or create more jobs than continuing to rely on supply solutions
- Energy efficiency can increase the competitiveness of Arkansas businesses

Economic Impact of Arkansas Utility Energy Efficiency Programs

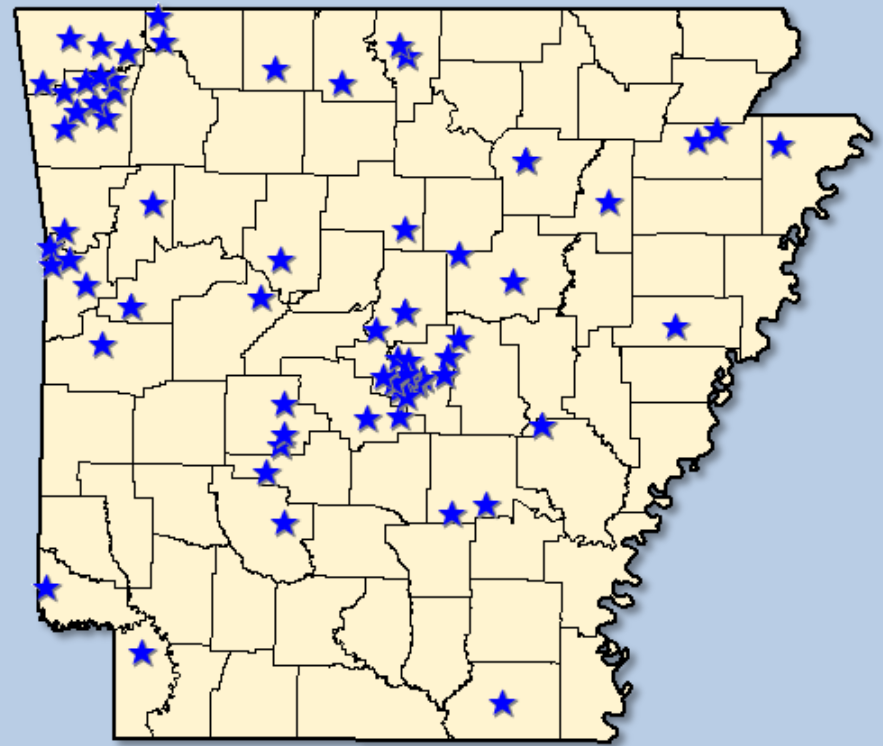
**Prepared by HISTECON Associates, Inc.
Little Rock, AR**

Location of Energy Efficiency Contractors

Arkansas Counties 2014

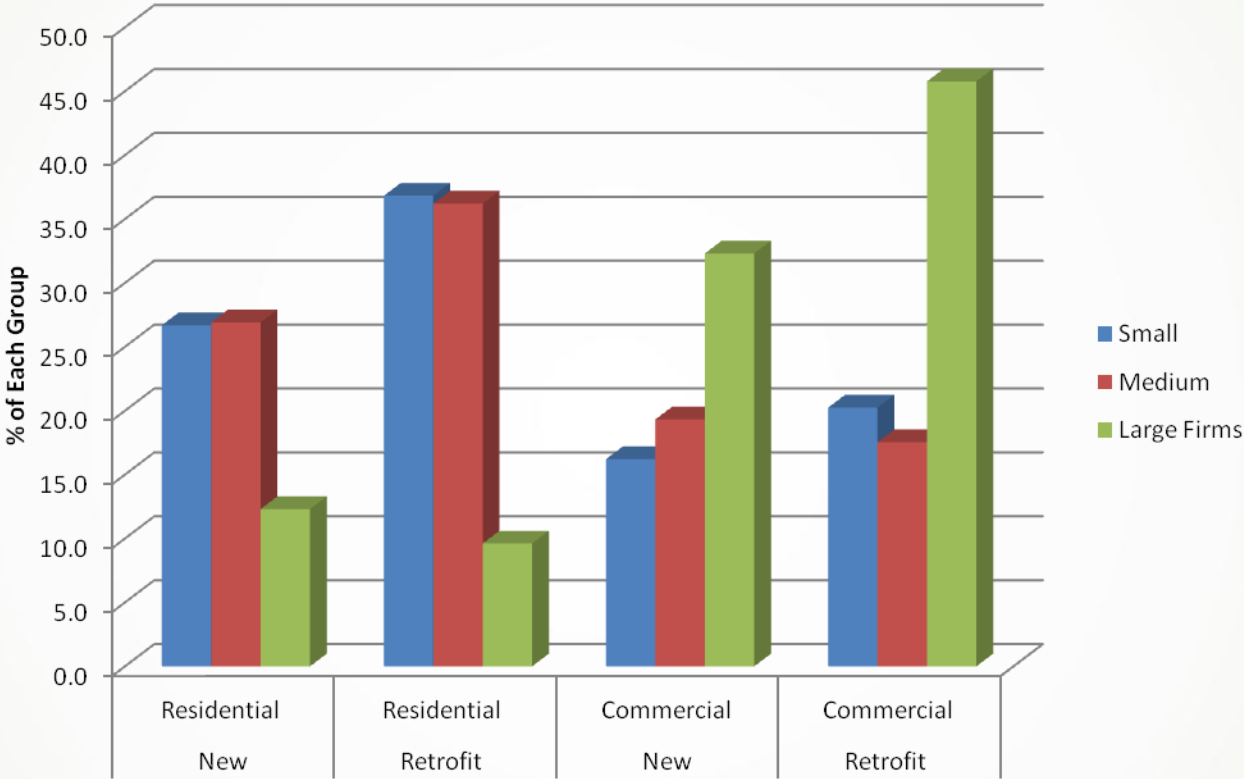


Survey Universe
Total = 624 with zip codes
Arkansas = 529 with zip codes

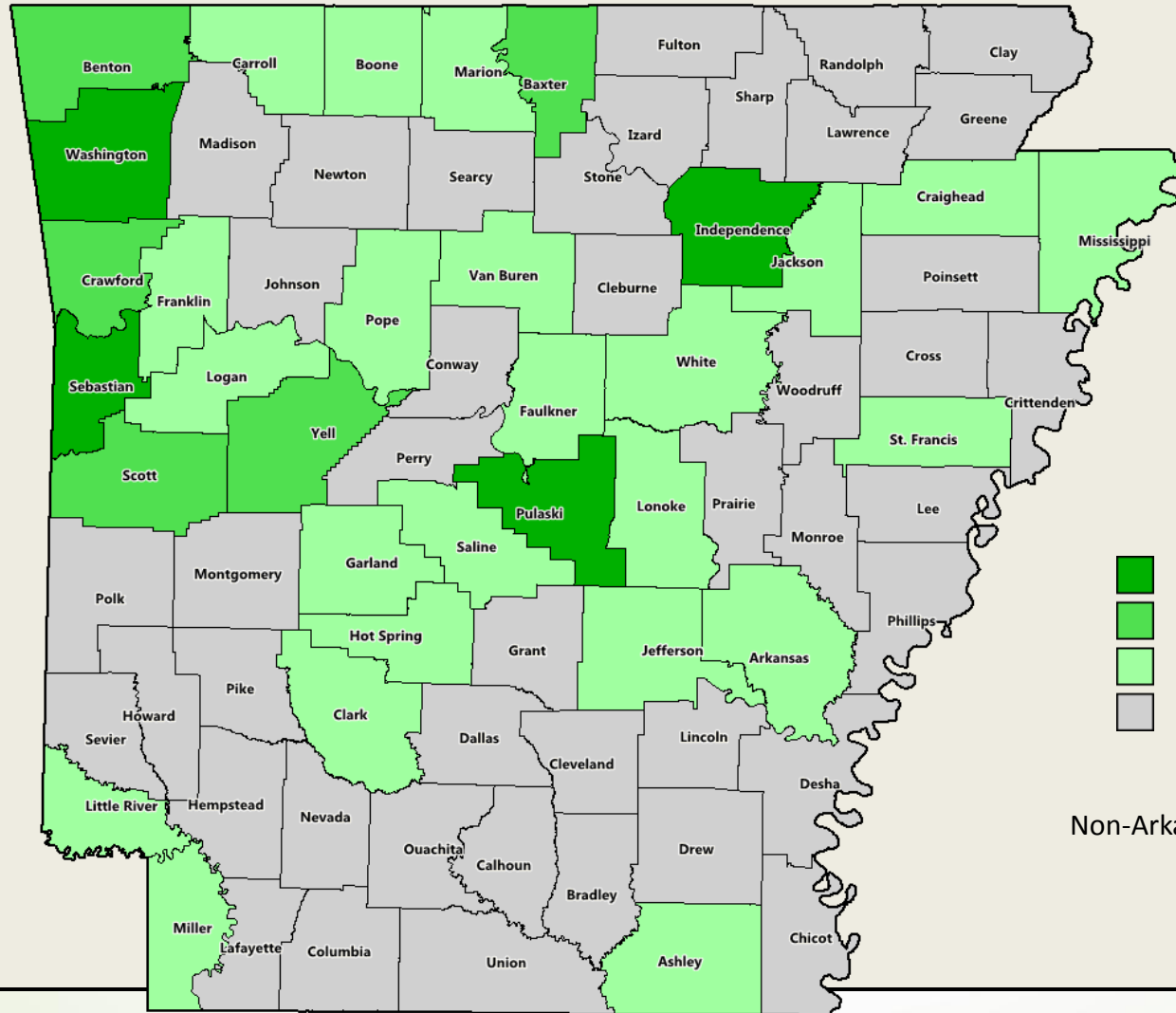


Survey Respondents
Total = 113 with zip codes
Arkansas = 98 with zip codes

EE Activity by Group



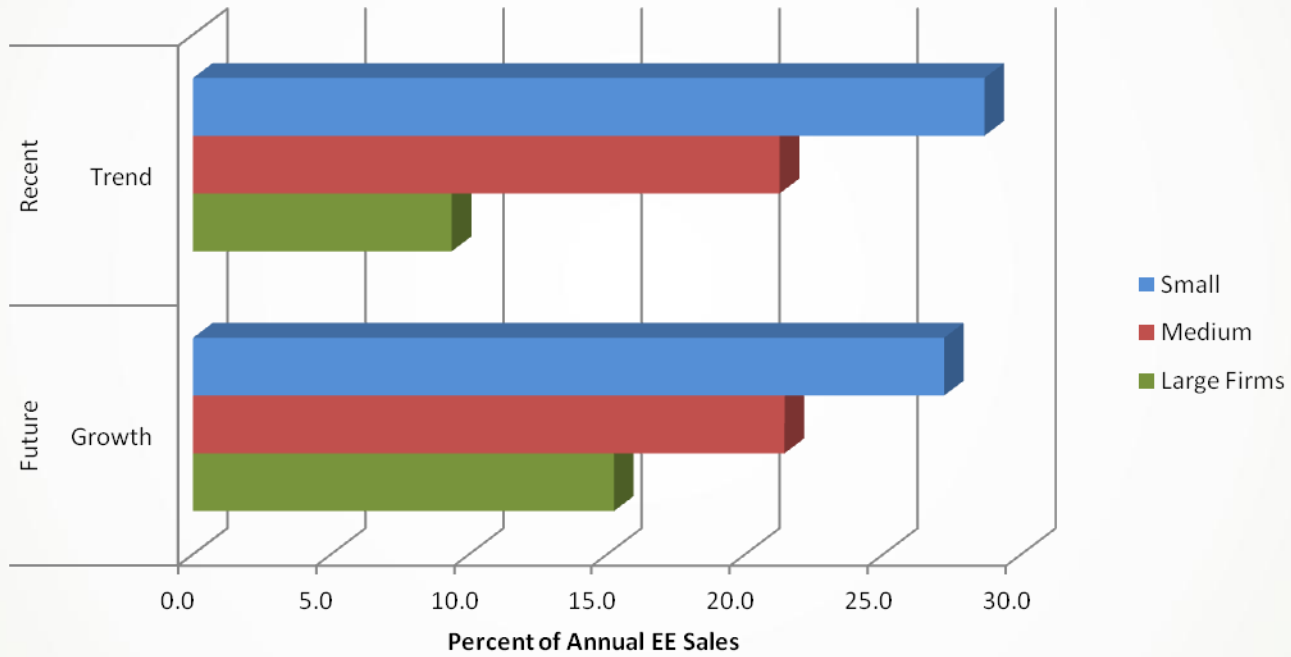
Map 2. Annual E.E. Sales of Survey Respondents Arkansas Counties 2014



- Greater Than \$10 MM
- \$1 MM to \$10 MM
- Less Than \$1 MM
- No Respondents

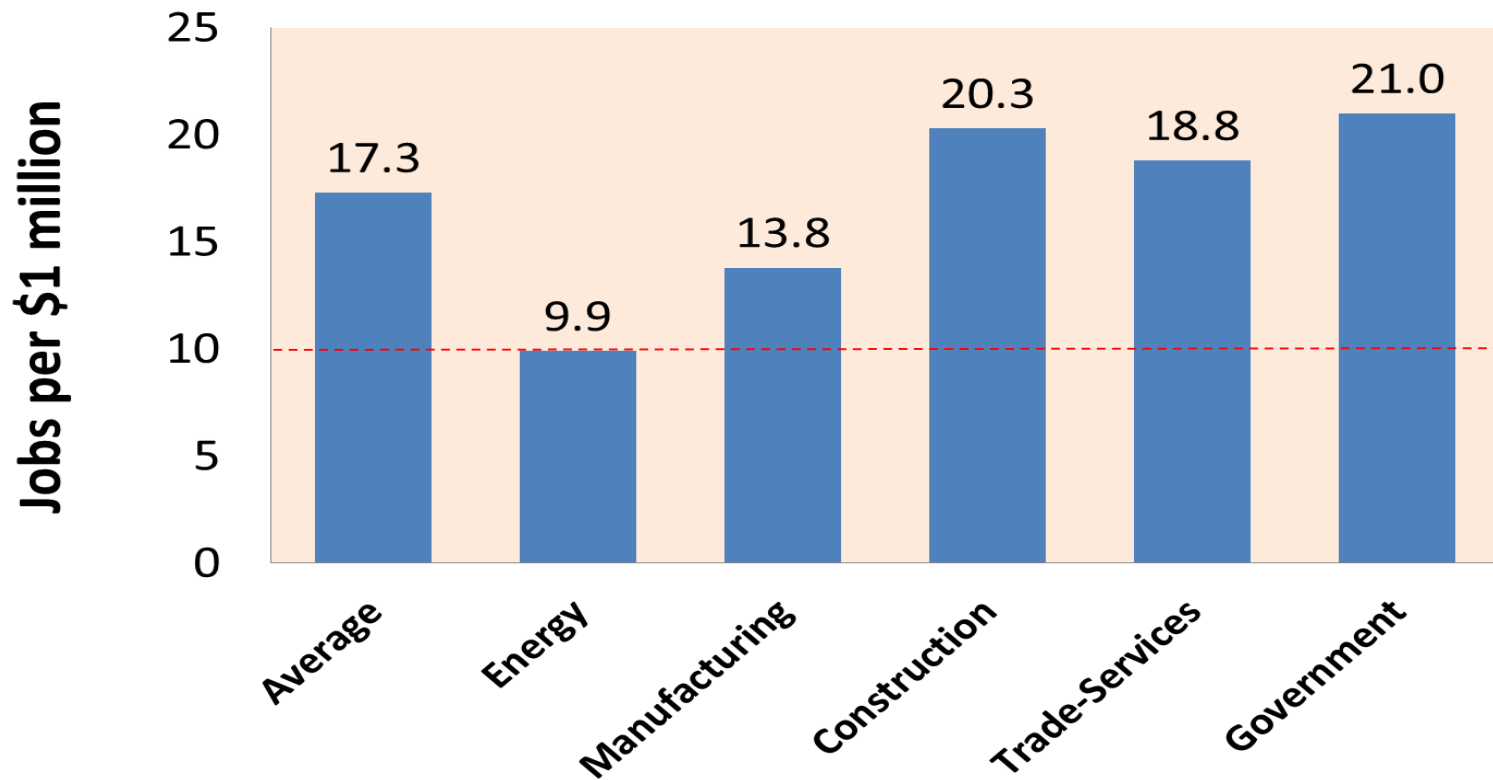
Annual E.E. Sales of
Non-Arkansas Respondents = \$49 MM

Annual Growth of EE Work and Future Projections, by Group

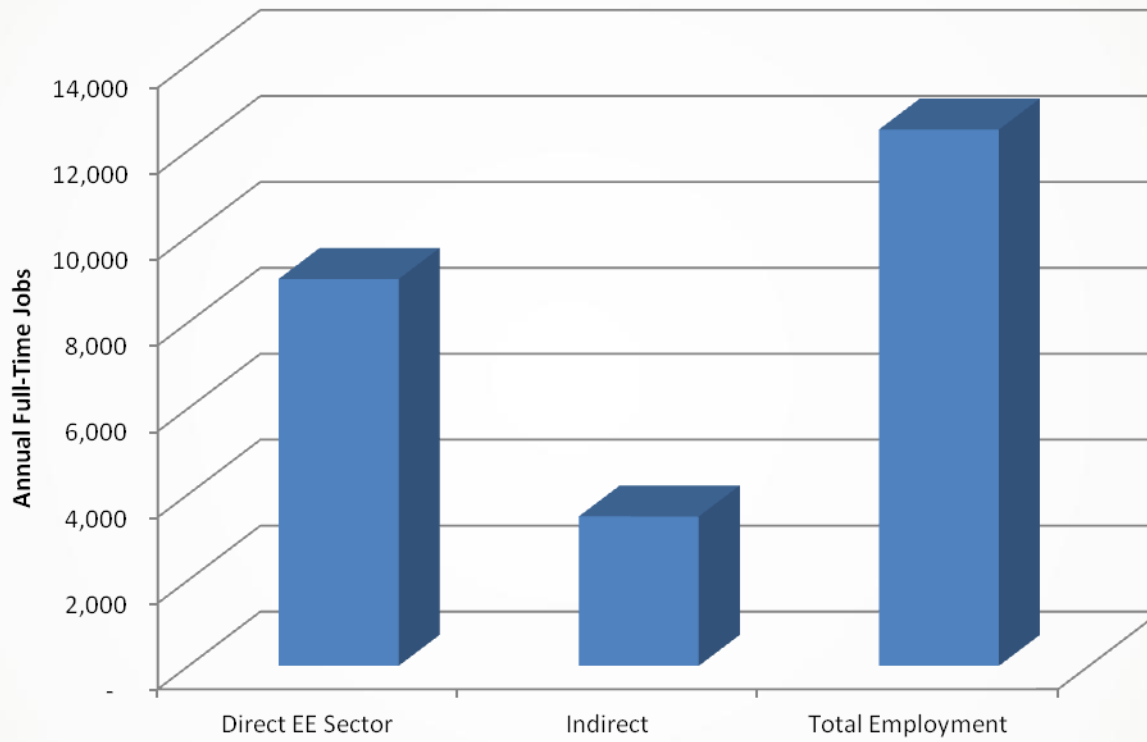


How Energy Efficiency Creates Jobs

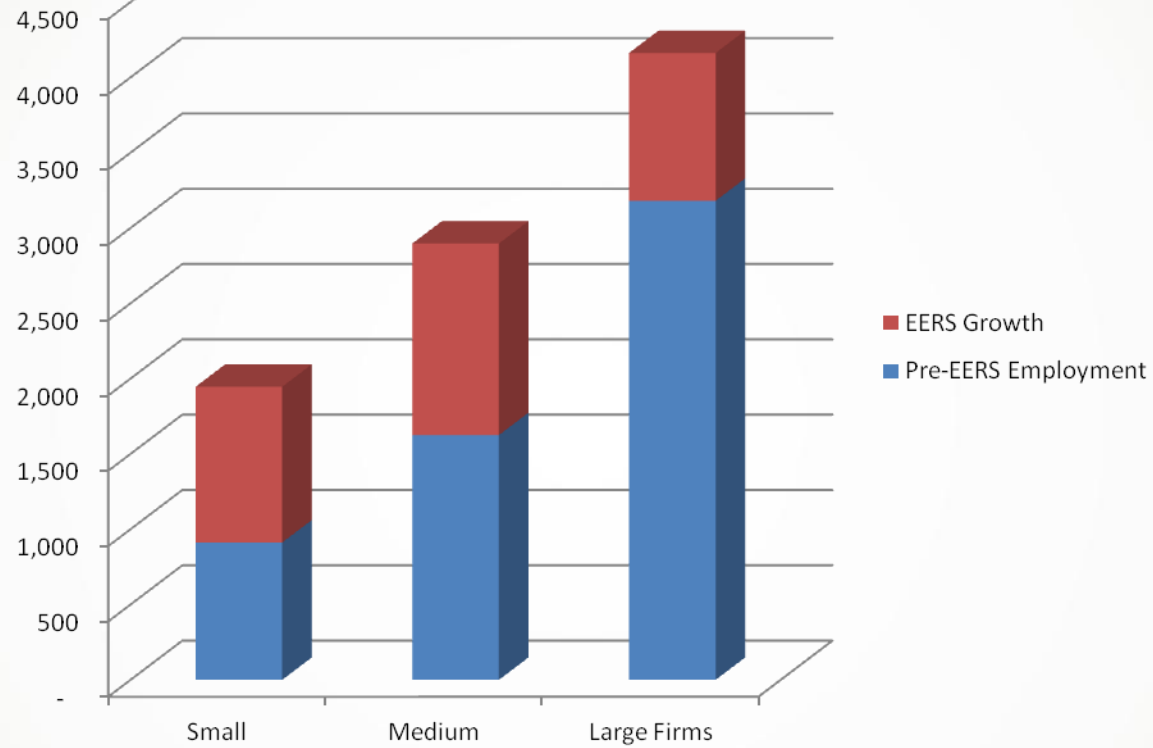
Figure 1. Jobs per Million Dollars of Revenue by Key Sectors of the US Economy



Footprint of EE Employment-Arkansas



Employment Growth from EERS Program



Economic Growth from the EERS Program

- It is fair to ask how much of the \$1 billion in EE activity is generated from utility programs promoted by the state PSC.
- After the three-year period of the EERS program, \$318 million in additional EE spending was logged annually by the contractors.

Viewed a different way, we can see that annual EE sales are now 44 percent higher overall than they were prior to the advent of the program. This figure is much higher (86%) for the smaller firms.



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Questions and Answers