

## Southeast Region: AL, AR, FL, GA, LA, MS, NC, SC, TN

STATE	POLICY YEAR
Alabama	2010

### QUESTION 1.1

**EE is established as a high priority resource, equivalent or superior to supply resources**

#### ELECTRIC

Alabama has statutory language pronouncing the importance of efficiency but has no mandatory obligations to pursue efficiency. (See Ala. Code 41-6A-2; 41-23-80).

ELECTRIC RECOMMENDATION N

#### NATURAL GAS

Alabama has statutory language pronouncing the importance of efficiency but has no mandatory obligations to pursue efficiency. (See Ala. Code 41-6A-2; 41-23-80).

NATURAL GAS RECOMMENDATION N

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### QUESTION 1.2.1

**EE is integrated into an active IRP, portfolio management, or other planning process**

#### ELECTRIC

On Oct. 28, 2010, the AL PSC entered a final order in a docket considering the federal Energy Independence and Security Act of 2007 standards, which require PUCs to consider adopting an IRP. In the order, the AL PSC rejected the practice of implementing an IRP. (Docket 31045).

ELECTRIC RECOMMENDATION N

#### NATURAL GAS

NATURAL GAS RECOMMENDATION N

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### QUESTION 1.3

**EE is an alternative to transmission based on a long-term transparent IRP or transmission system plan**

#### ELECTRIC

ELECTRIC RECOMMENDATION N

#### NATURAL GAS

NATURAL GAS RECOMMENDATION N

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**STATE**  
Alabama

**POLICY YEAR**  
2010

**QUESTION 2.2**

**The TRC or Societal Cost Test is used to evaluate EE programs**

**ELECTRIC**

As Alabama has no mandatory EE programs, it has no mandatory evaluation methodology.

ELECTRIC RECOMMENDATION N

**NATURAL GAS**

NATURAL GAS RECOMMENDATION

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**QUESTION 2.3.1**

**Potential for cost-effective EE has been established through a potential study**

**ELECTRIC**

Georgia Tech and Duke University conducted a study of EE opportunities in the South. Appendix G to the regional study relates specifically to Alabama.

ELECTRIC RECOMMENDATION Y

**NATURAL GAS**

NATURAL GAS RECOMMENDATION

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**QUESTION 2.5.1**

**Quantitative MW and MWh savings goals have been established and are producing incremental investment.**

**ELECTRIC**

No goals have been established.

ELECTRIC RECOMMENDATION N

**NATURAL GAS**

NATURAL GAS RECOMMENDATION

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**STATE**  
Alabama

**POLICY YEAR**  
2010

**QUESTION 2.5.2**

**Goals are established: (a) connection with IRP or other planning process; (b) as part of an EEPS or similar system; (c) as part of program approval and budget-setting process; (d) other**

**ELECTRIC**

No goals have been established.

ELECTRIC RECOMMENDATION N/A

**NATURAL GAS**

NATURAL GAS RECOMMENDATION

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**QUESTION 2.5.3**

**Energy Efficiency can be used to fulfill requirements of an RPS or similar renewable standard**

**ELECTRIC**

Alabama has no RPS.

ELECTRIC RECOMMENDATION N

**NATURAL GAS**

NATURAL GAS RECOMMENDATION

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**QUESTION 2.6.1**

**A robust M&V process has been established**

**ELECTRIC**

No M&V process has been established in Alabama. M&V is discussed in a document prepared by the ADECA entitled "Alabama Energy Performance Contracting Guide." (See pages 30 through 33 of document.)

ELECTRIC RECOMMENDATION N

**NATURAL GAS**

NATURAL GAS RECOMMENDATION

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**STATE**  
**Alabama**

**POLICY YEAR**  
**2010**

**QUESTION 2.7.1**

**EE delivery structure has been established**

**ELECTRIC**

EE program offerings are very limited and no delivery structure has been established.

ELECTRIC RECOMMENDATION N

**NATURAL GAS**

NATURAL GAS RECOMMENDATION N

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**QUESTION 2.7.2**

**Delivery is via (a) utility administration; (b) third-party administration; or © government agency**

**ELECTRIC**

ELECTRIC RECOMMENDATION N/A

**NATURAL GAS**

NATURAL GAS RECOMMENDATION

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**QUESTION 2.8**

**Resource plans are regularly updated**

**ELECTRIC**

There is no legal requirement for resource plans in Alabama.

ELECTRIC RECOMMENDATION N/A

**NATURAL GAS**

NATURAL GAS RECOMMENDATION

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STATE  
Alabama

POLICY YEAR  
2010

**QUESTION 4.1.1**

**Cost recovery process exists**

**ELECTRIC**

Cost recovery occurs through an annual process via tariff rider RSE.

ELECTRIC RECOMMENDATION Y

**NATURAL GAS**

NATURAL GAS RECOMMENDATION

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**QUESTION 4.1.2**

**Recovery occurs via: (a) rider; (b) regular rate case; or © system benefits charge**

**ELECTRIC**

ELECTRIC RECOMMENDATION -a-

**NATURAL GAS**

NATURAL GAS RECOMMENDATION

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**QUESTION 5.1.1**

**Utility throughput incentive is addressed and disincentives are removed**

**ELECTRIC**

On Oct. 28, 2010, the AL PSC entered a final order in a docket considering the federal Energy Independence and Security Act of 2007 standards, which require PUCs to consider adopting rate designs to encourage EE. In the order, the AL PSC rejected the practice of adopting rate designs to encourage EE. (Docket 31045). Utilities can recover lost revenues from energy efficiency in the annual revenue projection under a rate rider, and rates can be set annually so that lost revenues are recovered.

ELECTRIC RECOMMENDATION N

**NATURAL GAS**

NATURAL GAS RECOMMENDATION

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STATE  
Alabama

POLICY YEAR  
2010

**QUESTION 5.1.2**

Method used is: (a) decoupling; (b) lost revenue recovery; or (c) non-utility implementation of EE

**ELECTRIC**

ELECTRIC RECOMMENDATION -b-

**NATURAL GAS**

NATURAL GAS RECOMMENDATION

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**QUESTION 5.2.1**

Utility/shareholder EE incentives are provided

**ELECTRIC**

ELECTRIC RECOMMENDATION N

**NATURAL GAS**

NATURAL GAS RECOMMENDATION

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**QUESTION 1.1**

**EE is established as a high priority resource, equivalent or superior to supply resources**

**ELECTRIC**

Primary legal authority for APSC action to promote EE is the Energy Conservation Endorsement Act of 1977 (ACA 23-3-401 et seq.). Resource planning guidelines, approved in January 2007, require comparable consideration of supply and demand side resources. The Governor's Commission on Global Warming produced a report in 10/08 which included a proposal to meet all new electric load growth in Arkansas through utility EE and DSM programs. The Commission opened a Docket in 10/08 to conduct a sweeping inquiry into Sustainable Energy Resources, including consideration of expanding development of EE. The Commission issued the orders for this docket in 12/10. In the order, the commission directed the utilities to take into consideration ..the long term aspirational goal of the National Action Plan for Energy Efficiency, to achieve all cost effective energy efficiency by the year 2025 (AR PSC, Docket No. 08-144-U, Order 17).

ELECTRIC RECOMMENDATION Y

**NATURAL GAS**

Primary legal authority for APSC action to promote EE is the Energy Conservation Endorsement Act of 1977 (ACA 23-3-401 et seq.). The resource planning process does not apply to gas utilities. In 10/08, a broad Docket was opened to consider expanding sustainable energy resources in Arkansas. The Commission issued the orders for this docket in 12/10. In the order, the commission directed the utilities to take into consideration ..the long term aspirational goal of the National Action Plan for Energy Efficiency, to achieve all cost effective energy efficiency by the year 2025 (AR PSC, Docket No. 08-144-U, Order 17).

NATURAL GAS RECOMMENDATION N

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**QUESTION 1.2.1**

**EE is integrated into an active IRP, portfolio management, or other planning process**

**ELECTRIC**

In 2007, resource planning guidelines were approved that incorporate demand side resources in the planning process. During 2009 most of the state's electric utilities, including cooperatives, filed new multi-year IRPs, and some will file new IRPs in January 2010. Roadmap order issued 2/3/10 state that during 2010 the Commission will explore EE in connection with IRP and gas procurement plans in the utilities' planning dockets.

ELECTRIC RECOMMENDATION Y

**NATURAL GAS**

The resource planning process does not apply to gas utilities. Gas utilities file annual Procurement Plans. Roadmap order issued 2/3/10 state that during 2010 the Commission will explore EE in connection with IRP and gas procurement plans in the utilities' planning dockets.

NATURAL GAS RECOMMENDATION N

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QUESTION 1.3

EE is an alternative to transmission based on a long-term transparent IRP or transmission system plan

ELECTRIC

The resource planning guidelines (see 1.1, above) specify that regional transmission planning, done by an independent entity, (the Southwest Power Pool, an RTO), should be integrated into the IRP so that the analysis of demand response and generation options may be synthesized and optimized. In 12/10, the commission issued an order that stated energy efficiency consists of comprehensive improvements throughout the integrated utility, whether it comes from improved heat rates, reduction of line losses or developments in smart grids (AR PSC, Docket No. 08-144-U, Order 17)

ELECTRIC RECOMMENDATION N

NATURAL GAS

NATURAL GAS RECOMMENDATION

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QUESTION 2.2

The TRC or Societal Cost Test is used to evaluate EE programs

ELECTRIC

EE program rules (Docket 06-004-R, Order 18) require 4 tests to be performed in screening programs, but none is exclusively favored: The Participant Test, The Ratepayer Impact Measure Test, The Total Resource Cost Test, and the Program Administrator Cost Test. EE Rules (Section 3) define a "cost-effective" program as "one that has a high probability of providing aggregate ratepayer benefits to the majority of utility customers." According to Wally Nixon, AR PSC, this appears to have been interpreted by utilities in filing their programs as meaning that the TRC test has primacy; utility programs being implemented have all had positive (>1.0) results under the TRC.

ELECTRIC RECOMMENDATION Y

NATURAL GAS

EE program rules (Docket 06-004-R, Order 18) require 4 tests to be performed, but none is exclusively favored: The Participant Test, The Ratepayer Impact Measure Test, The Total Resource Cost Test, and the Program Administrator Cost Test. EE Rules (Section 3) define a "cost-effective" program as "one that has a high probability of providing aggregate ratepayer benefits to the majority of utility customers." According to Wally Nixon, AR PSC, this appears to have been interpreted by utilities in filing their programs as meaning that the TRC test has primacy; utility programs being implemented have all had positive (>1.0) results under the TRC.

NATURAL GAS RECOMMENDATION Y

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STATE  
Arkansas

POLICY YEAR  
2010

**QUESTION 2.3.1**

**Potential for cost-effective EE has been established through a potential study**

**ELECTRIC**

Utilities are encouraged by the PSC to estimate potential (Docket 06-004-R, Order 18). One electric utility (Entergy) has conducted an achievable potential study via a national consultant (ICF). ACEEE conducted a statewide potential study in 2010 (ACEEE, 2010).

ELECTRIC RECOMMENDATION Y

**NATURAL GAS**

Utilities are encouraged by the PSC to estimate potential (Docket 06-004-R, Order 18).

NATURAL GAS RECOMMENDATION N

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**QUESTION 2.5.1**

**Quantitative MW and MWh savings goals have been established and are producing incremental investment.**

**ELECTRIC**

EE program rules (Docket 06-004-R, Order 18, Attachment A) require program filings to quantify expected savings goals. Quick start programs approved in Fall 2007 established savings goals, accepting those proposed by the utilities, whose goals vary widely. Comprehensive EE program plans were filed in 2009. Legislation proposing an EERS (HB 1677) did not pass the AR General Assembly in 2009.

ELECTRIC RECOMMENDATION Y-

**NATURAL GAS**

EE program rules (Docket 06-004-R, Order 18, Attachment A) require program filings to quantify expected savings goals. Quick start programs approved in Fall 2007 established savings goals, accepting those proposed by the utilities, whose goals vary widely. Comprehensive EE program plans were filed in 2009. Legislation proposing an EERS (HB 1677) did not pass the AR General Assembly in 2009.

NATURAL GAS RECOMMENDATION Y-

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**QUESTION 2.5.2**

**Goals are established: (a) connection with IRP or other planning process; (b) as part of an EEPS or similar system; (c) as part of program approval and budget-setting process; (d) other**

**ELECTRIC**

See 2.5.1. The Governor's Commission on Global Warming produced a report in 10/08 which included a proposal to meet all new electric load growth in Arkansas through utility EE and DSM programs. EE and DSM programs that deliver demand reductions of 1.4% of total sales were proposed to be phased in through 2015, with interim targets.

**ELECTRIC RECOMMENDATION** -c-

**NATURAL GAS**

See 2.5.1. The Governor's Commission on Global Warming produced a report in 10/08 which included a proposal to meet all new electric load growth in Arkansas through utility EE and DSM programs. EE and DSM programs that deliver demand reductions of 1.4% of total sales were proposed to be phased in through 2015, with interim targets.

**NATURAL GAS RECOMMENDATION** -c-

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**QUESTION 2.5.3**

**Energy Efficiency can be used to fulfill requirements of an RPS or similar renewable standard**

**ELECTRIC**

No RPS in place.

**ELECTRIC RECOMMENDATION** N

**NATURAL GAS**

No RPS in place.

**NATURAL GAS RECOMMENDATION** N

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**QUESTION 2.6.1**

**A robust M&V process has been established**

**ELECTRIC**

The PSC requires utilities to develop an M& V process, to be approved by the Commission (Docket 06-004-R, Order 18). Use of deemed savings is allowed. Several utilities collaborated in a deemed savings proposal, and in February 2008, the Commission approved all deemed savings estimates applicable to their efficiency programs (Docket 07-152-TF). In 12/10, the commission issued an order establishing rulemaking on EM& V (AR PSC, Docket No. 1-100-R, Order 1)

**ELECTRIC RECOMMENDATION** N

**NATURAL GAS**

The PSC requires utilities to develop an M& V process, to be approved by the Commission (Docket 06-004-R, Order 18). Use of deemed savings will be allowed. Several utilities collaborated in a deemed savings proposal, and in February 2008, the Commission approved all deemed savings estimates applicable to their efficiency programs (Docket 07-152-TF). In 12/10, the commission issued an order establishing rulemaking on EM& V (AR PSC, Docket No. 1-100-R, Order 1)

**NATURAL GAS RECOMMENDATION** N

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**QUESTION 2.7.1**

**EE delivery structure has been established**

**ELECTRIC**

EE rules approved in 2007 establish that utilities will be responsible for administering and implementing efficiency programs. The Commission reserves the right to appoint an independent administrator of efficiency, but states that utilities would still be responsible for complying with the EE rules. Quick Start EE programs were approved for four electric utilities in Fall 2007. Ratepayers through utilities jointly paid for the AR Weatherization Program and Energy Efficiency Arkansas Program. The state's two largest utilities engaged the same contractor to implement activities for most of their quick start programs. Utilities submitted their first comprehensive program plans in 2009. In 12/10, the PSC declined to allow a single independent program administrator (AR PSC, Docket No. 10-010-U, Order No. 12)

**ELECTRIC RECOMMENDATION** Y

**NATURAL GAS**

EE rules approved in 2007 establish that utilities will be responsible for administering and implementing efficiency programs. The Commission reserves the right to appoint an independent administrator of efficiency, but states that utilities would still be responsible for complying with the EE rules. Quick Start programs were approved for 3 gas utilities in Fall 2007. Quick Start EE programs were approved for four electric utilities in Fall 2007. Utilities submitted their first comprehensive program plans in 2009. In 12/10, the PSC declined to allow a single independent program administrator (AR PSC, Docket No. 10-010-U, Order No. 12)

**NATURAL GAS RECOMMENDATION** Y

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**STATE**  
Arkansas

**POLICY YEAR**  
2010

**QUESTION 2.7.2**

**Delivery is via (a) utility administration; (b) third-party administration; or © government agency**

**ELECTRIC**

ELECTRIC RECOMMENDATION -a-

**NATURAL GAS**

NATURAL GAS RECOMMENDATION -a-

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**QUESTION 2.8**

**Resource plans are regularly updated**

**ELECTRIC**

IRP Guidelines require resource plans to be submitted at least once every three years.

ELECTRIC RECOMMENDATION Y

**NATURAL GAS**

IRPs are not required for natural gas. Natural gas procurement plans are filed annually.

NATURAL GAS RECOMMENDATION N

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QUESTION 4.1.1

Cost recovery process exists

ELECTRIC

EE Rules require utilities to propose cost-recovery mechanisms when filing their energy efficiency plans (Docket 06-004-R, Order 18). Recovery may be through a surcharge or a rider. Statute gives the Commission the authority to approve cost-recovery mechanisms (Arkansas Code 23-3-405; the Energy Conservation Endorsement Act of 1977). Quick Start programs approved in 9/07 for two utilities provided incremental cost-recovery via an energy efficiency cost rate rider (EECR). EECR terms and conditions also apply to seven electric/gas utilities in the state on an interim basis, pending Comprehensive EE Plan filings and further program and tariff review in 2009 in the context of Commission consideration of expanding Quick Start programs to Comprehensive Programs. Comprehensive EE Program Plans were filed in 2009.

ELECTRIC RECOMMENDATION Y-

NATURAL GAS

EE Rules require utilities to propose cost-recovery mechanisms when filing their energy efficiency plans (Docket 06-004-R, Order 18). Recovery may be through a surcharge or a rider. Statute gives the Commission the authority to approve cost-recovery mechanisms (Arkansas Code 23-3-405; the Energy Conservation Endorsement Act of 1977). EECR terms and conditions outlined in Docket 07-085-TF also apply to seven electric/gas utilities in the state on an interim basis, pending comprehensive plan filings and further program and tariff review in 2009 in the context of Commission consideration of expanding Quick Start programs to Comprehensive Programs. Comprehensive EE Program Plans were filed in 2009.

NATURAL GAS RECOMMENDATION Y-

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QUESTION 4.1.2

Recovery occurs via: (a) rider; (b) regular rate case; or © system benefits charge

ELECTRIC

According to the state reviewer in 2010, Energy Efficiency Cost Recovery (EECR) riders were approved for all 7 utilities in 2010.

ELECTRIC RECOMMENDATION -a-

NATURAL GAS

According to the state reviewer in 2010, Energy Efficiency Cost Recovery (EECR) riders were approved for all 7 utilities in 2010.

NATURAL GAS RECOMMENDATION -a-

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QUESTION 5.1.1

Utility throughput incentive is addressed and disincentives are removed

ELECTRIC

The Commission has begun to address the throughput incentive. EE Rules established that lost revenue recovery or decoupling may be considered, but would be best considered in the context of rate case proceedings on a case-by-case basis (Docket 06-004-R, Order 18). The Governor's Commission on Global Warming produced a report in 10/08 which included a proposal to meet all new electric load growth in Arkansas through utility EE and DSM programs. The report also recommended that the Commission should adopt rate designs and cost recovery mechanisms that are necessary and in the public interest, to decouple the recovery of the utilities' revenues from the amount of electricity or natural gas sold. A Docket opened in 10/08 on innovative approaches to ratemaking may address decoupling, as will the Sustainable Energy Resources Docket.

ELECTRIC RECOMMENDATION N

NATURAL GAS

In 2007, Arkansas Western Gas, Arkansas Oklahoma Gas, and CenterPoint Energy Resources received approval to use "partial-decoupling" tariffs (called the Billing Determinant Adjustment Tariff) for the next 3 or 4 years, in the context of general rate cases. In a separate proceeding, the Commission established that lost revenue recovery or decoupling may be considered, but would be best considered in the context of a rate case. The Governor's Commission on Global Warming produced a report in 10/08 which included a proposal to meet all new electric load growth in Arkansas through utility EE and DSM programs. The report also recommended that the Commission should adopt rate designs and cost recovery mechanisms that are necessary and in the public interest, to decouple the recovery of the utilities' revenues from the amount of electricity or natural gas sold. A Docket opened in 10/08 on innovative approaches to ratemaking may address decoupling, as will the Sustainable Energy Resources Docket.

NATURAL GAS RECOMMENDATION Y-

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QUESTION 5.1.2

Method used is: (a) decoupling; (b) lost revenue recovery; or (c) non-utility implementaion of EE

ELECTRIC

ELECTRIC RECOMMENDATION -b-

NATURAL GAS

NATURAL GAS RECOMMENDATION -a-

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QUESTION 5.2.1

Utility/shareholder EE incentives are provided

ELECTRIC

The Governor's Commission on Global Warming produced a report in 10/08 which included a proposal to meet all new electric load growth in Arkansas through utility EE and DSM programs. The report also recommended the Commission should identify appropriate incentives that are necessary and in the public interest, to further encourage the utilities to offer energy efficiency, conservation, and DSM. In 12/10, the commission issued an order approving a general policy under which it will approve incentives to reward achievement in the delivery of essential energy conservation services by IOU's (AR PSC, Docket No. 08-137-U, Order No. 15)

ELECTRIC RECOMMENDATION N

NATURAL GAS

According to Wally Nixon, AR PSC, all three gas utilities sought a shared-savings shareholder incentive program in their 2009 filings for 2010 comprehensive EE programs. The proposals would have provided incentives based on EE expenditures (vs. energy savings), and were rejected by the Commission in the individual tariff filings of the companies. In 12/10, the commission issued an order approving a general policy under which it will approve incentives to reward achievement in the delivery of essential energy conservation services by IOU's (AR PSC, Docket No. 08-137-U, Order No. 15)

NATURAL GAS RECOMMENDATION N

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**QUESTION 1.1**

**EE is established as a high priority resource, equivalent or superior to supply resources**

**ELECTRIC**

The 1980 Florida Energy Efficiency and Conservation Act (FEECA) requires utilities to implement cost-effective energy efficiency programs. FEECA was amended in 2008 and now requires the state to conduct energy efficiency potential studies. Goals were established in 2009 (see 2.5.1). In December 2006, the FPSC endorsed the NAPEE which recommends making EE a high-priority resource. As discussed in 1.2.1 below, FL passed HB 7135, which required the FPSC to consider a variety of EE policy issues.

ELECTRIC RECOMMENDATION Y-

**NATURAL GAS**

The 1980 Florida Energy Efficiency and Conservation Act (FEECA) requires utilities to implement cost-effective energy efficiency programs. FEECA was amended in 2008 and now requires the state to conduct energy efficiency potential studies. As discussed in 1.2.1 below, FL passed HB 7135, which required the FPSC to consider a variety of EE policy issues.

NATURAL GAS RECOMMENDATION Y-

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**QUESTION 1.2.1**

**EE is integrated into an active IRP, portfolio management, or other planning process**

**ELECTRIC**

FL's electric utilities are required to submit a ten-year site plan which estimates the utility's power generating needs and the general location of its proposed power plant sites over the ten-year planning horizon. The site plans are informal plans that include the results of utility 5-year DSM plans in projecting future demand needs. The Public Service Commission (PSC) submits an annual report summarizing the ten-year site plans for the previous year. The PSC issued its 2009 ten-year site plans report in October 2009. Energy efficiency is integrated into the ten-year site plans and 5 year goal setting. RAP considers the ten-year site plans to be akin to an IRP or like planning process.

ELECTRIC RECOMMENDATION Y-

**NATURAL GAS**

However, the 5-year goal setting requirement discussed in the text for 1.2.1 relating to electric utilities is governed by Chapter 25-17.0021 of the FPSC's rules and Chapter 25-17.0021 is explicitly limited to electric utilities.

NATURAL GAS RECOMMENDATION N

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**QUESTION 1.3**

**EE is an alternative to transmission based on a long-term transparent IRP or transmission system plan**

**ELECTRIC**

In 2008, the PSC opened a series of dockets in which to consider demand side and supply side conservation and efficiency goals. (Docket Nos. 080407-EG through 080713-EG.) The PSC issued a final order in these dockets on December 30, 2009. In its December 30th Order, the PSC considered transmission issues and stated the following: Efficiency improvements for generation, transmission, and distribution are continually reviewed through the utilities' planning processes in an attempt to reduce the cost of providing electrical service to their customers. With no evidence to suggest efficiency improvements in generation, transmission, and distribution are not occurring, we find that goals in these areas will not be set as part of this proceeding. (Page 31)

ELECTRIC RECOMMENDATION

N

**NATURAL GAS**

NATURAL GAS RECOMMENDATION

**QUESTION 2.2**

**The TRC or Societal Cost Test is used to evaluate EE programs**

**ELECTRIC**

Statute requires conservation programs to be cost-effective, and Administrative Code establishes that utilities must use the Participant Test, RIM test, and TRC test (FL Statutes 366.82; FL Administrative Code 25-17.008). FL has traditionally weighted the RIM test the most heavily. However, in the goal-setting process for electric utilities that occurred in 2009 (culminating in a 12/30/09 order; see 2.5.1), the PSC established goals based on the TRC test, with carbon costs included in the analysis (test termed E-TRC) (Garl, Steve, 2011). The cost-effectiveness tests are defined in a manual established in 1991; TRC benefits do not specifically include gas or water benefits (FL PSC, Cost-Effectiveness Manual, 1991).

ELECTRIC RECOMMENDATION

Y-

**NATURAL GAS**

Statute requires conservation programs to be cost-effective, and Administrative Code establishes that natural gas utilities must use the Participant Test and RIM test (FL Statutes 366.82; FL Administrative Code 25-17.009). FL has traditionally weighted the RIM test the most heavily.

NATURAL GAS RECOMMENDATION

N

**STATE**

Florida

**POLICY YEAR**

2010

**QUESTION 2.3.1****Potential for cost-effective EE has been established through a potential study****ELECTRIC**

ACEEE published a study in 2007 titled Potential for Energy Efficiency and Renewable Energy to Meet Florida's Growing Energy Demand. In 2008, a potential study was conducted by ITRON and KEMA for a consortium of utilities; and a study was conducted by GDS for the FPSC. new potential study, savings goals and M& V. In 2009, Georgia Tech and Duke University conducted a study of EE opportunities in the South; Appendix G to the regional study relates specifically to FL.

ELECTRIC RECOMMENDATION

Y

**NATURAL GAS**

NATURAL GAS RECOMMENDATION

**QUESTION 2.5.1****Quantitative MW and MWh savings goals have been established and are producing incremental investment.****ELECTRIC**

Statute and Administrative Code require the PSC to review and approve savings goals every five years for FL's IOUs and 2 municipal utilities (FL Statutes 366.82; FL Administrative Code 25-17.0021). In December 2009, the PSC set new savings goals for the utilities (FL PSC, Docket 080407, Order PSC-09-0855-FOF-EG, and Order PSC-10-0198-FOF-EG). In 2010, the utilities filed DSM plans that were to meet the PSC goals; four of the utilities' plans were approved; three were denied and required to be resubmitted (FL PSC, Dockets 100155-EG - 100157-EG; Garl, Steve, 2011).

ELECTRIC RECOMMENDATION

Y

**NATURAL GAS**

Statute requires the PSC to approve savings goals for natural gas utilities (FL Statutes 366.82).

NATURAL GAS RECOMMENDATION

Y

**STATE****POLICY YEAR**

Florida

2010

**QUESTION 2.5.2**

Goals are established: (a) connection with IRP or other planning process; (b) as part of an EEPS or similar system; (c) as part of program approval and budget-setting process; (d) other

**ELECTRIC**

ELECTRIC RECOMMENDATION -c-

**NATURAL GAS**

NATURAL GAS RECOMMENDATION -c-

**QUESTION 2.5.3**

Energy Efficiency can be used to fulfill requirements of an RPS or similar renewable standard

**ELECTRIC**

There currently is no statewide RPS in Florida.

ELECTRIC RECOMMENDATION N

**NATURAL GAS**

NATURAL GAS RECOMMENDATION

**QUESTION 2.6.1**

A robust M&V process has been established

**ELECTRIC**

When utilities submit their DSM plans, subject to PSC approval, they are required to provide an EM& V plan also. Utilities also are required to report results for each program annually. PSC staff review the results to ensure they match the plans and proposed savings (Garl, 2011).

ELECTRIC RECOMMENDATION Y-

**NATURAL GAS**

NATURAL GAS RECOMMENDATION

STATE  
Florida

POLICY YEAR  
2010

**QUESTION 2.7.1**

**EE delivery structure has been established**

**ELECTRIC**

Statute requires electric utilities to deliver DSM programs and meet conservation goals (FL Statutes 366.82).

ELECTRIC RECOMMENDATION Y

**NATURAL GAS**

Statute requires natural gas utilities to deliver DSM programs and meet conservation goals (FL Statutes 366.82).

NATURAL GAS RECOMMENDATION Y

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**QUESTION 2.7.2**

**Delivery is via (a) utility administration; (b) third-party administration; or © government agency**

**ELECTRIC**

ELECTRIC RECOMMENDATION -a-

**NATURAL GAS**

NATURAL GAS RECOMMENDATION

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**QUESTION 2.8**

**Resource plans are regularly updated**

**ELECTRIC**

As discussed in 1.2.1 above, FL requires ten-year site plans that incorporate the results of 5-year DSM plans, a process RAP considers to be similar to a resource planning process. The ten-year site plans are required yearly.

ELECTRIC RECOMMENDATION Y

**NATURAL GAS**

NATURAL GAS RECOMMENDATION

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**QUESTION 4.1.1**

**Cost recovery process exists**

**ELECTRIC**

Utilities may recover conservation program costs through surcharges on customer bills. The PSC conducts Energy Conservation Cost Recovery (ECCR) clause proceedings each November, during which the PSC determines the energy conservation cost recovery factor to be applied in the upcoming year (FL Administrative Code 25-17.015).

ELECTRIC RECOMMENDATION Y

**NATURAL GAS**

Utilities may recover conservation program costs through surcharges on customer bills. The PSC conducts Energy Conservation Cost Recovery (ECCR) clause proceedings each November, during which the PSC determines the energy conservation cost recovery factor to be applied in the upcoming year (FL Administrative Code 25-17.015).

NATURAL GAS RECOMMENDATION Y

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**QUESTION 4.1.2**

**Recovery occurs via: (a) rider; (b) regular rate case; or © system benefits charge**

**ELECTRIC**

ELECTRIC RECOMMENDATION -a-

**NATURAL GAS**

NATURAL GAS RECOMMENDATION -a-

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**QUESTION 5.1.1**

**Utility throughput incentive is addressed and disincentives are removed**

**ELECTRIC**

Legislation that passed in 2008 directed the PSC to analyze decoupling and submit a report to the Legislature; that report did not recommend the immediate adoption of decoupling and concluded that other actions underway are already paving the path toward the objectives of decoupling (FL PSC, Report to the Legislature on Utility Revenue Decoupling, 12/08). In a 2009 Order, the PSC stated that utilities may increase rates to maintain a reasonable ROE when efficiency programs reduce revenue (FL PSC, Docket 080407-EI, Order on 12/30/09).

ELECTRIC RECOMMENDATION N

**NATURAL GAS**

Legislation that passed in 2008 directed the PSC to analyze decoupling and submit a report to the Legislature; that report did not recommend the immediate adoption of decoupling and concluded that other actions underway are already paving the path toward the objectives of decoupling (FL PSC, Report to the Legislature on Utility Revenue Decoupling, 12/08).

NATURAL GAS RECOMMENDATION N

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**QUESTION 5.1.2**

**Method used is: (a) decoupling; (b) lost revenue recovery; or (c) non-utility implementaion of EE**

**ELECTRIC**

ELECTRIC RECOMMENDATION

**NATURAL GAS**

NATURAL GAS RECOMMENDATION

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QUESTION 5.2.1

Utility/shareholder EE incentives are provided

ELECTRIC

No performance incentives are in place for any utility. However, legislation was enacted in 2008 that authorized the PSC to provide financial rewards and penalties for EE performance and to allow utilities to earn additional return on equity for exceeding goals. Specifically, the PSC may allow a 0.5% increase in ROE for exceeding 20% of annual load growth through energy efficiency measures. The PSC may provide rewards and penalties for exceeding or failing to meet energy efficiency goals, including shared savings from energy efficiency programs (FL Statutes 366.82).

ELECTRIC RECOMMENDATION N

NATURAL GAS

No performance incentives are in place for any utility. However, legislation was enacted in 2008 that authorized the PSC to provide financial rewards and penalties for gas utilities' EE performance. The PSC may provide rewards and penalties for exceeding or failing to meet energy efficiency goals, including shared savings from energy efficiency programs (FL Statutes 366.82).

NATURAL GAS RECOMMENDATION N

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**QUESTION 1.1**

**EE is established as a high priority resource, equivalent or superior to supply resources**

**ELECTRIC**

In 2006, the Governor's Energy Policy Council published a State Energy Policy Strategy that expresses support for pursuing "all cost-effective energy efficiency" and discusses development of establishing voluntary Energy Efficiency Targets (EETs). The Strategy also recommends that the PSC look into "alternative utility regulation" and ensure that electric utilities are allowed to earn a return on investments in efficiency. There are no requirements in place that identify EE as a first-priority resource.

ELECTRIC RECOMMENDATION N

**NATURAL GAS**

NATURAL GAS RECOMMENDATION

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**QUESTION 1.2.1**

**EE is integrated into an active IRP, portfolio management, or other planning process**

**ELECTRIC**

IRP requirements are established in both statute and rules. Both require IRPs to include analysis of all capacity resource options, including both supply and demand side options. Georgia Code § 46-3A-1 addresses IRP requirements. The statute requires a utility to file an IRP plan at least every three years. Rules require that all capacity options be considered on a fair and consistent basis. Georgia Power's filed its IRP in January 29, 2010 in Docket No. 31081, which was approved by the commission in February 23, 2010 (GA PSC, Final Order, Docket No. 31081).

ELECTRIC RECOMMENDATION Y-

**NATURAL GAS**

Gas supply plans must be filed annually and include the impact of any applicable IRP on the supply plan, but generally gas utilities are not required to file IRPs. See Georgia Rules 515-7-2-.04

NATURAL GAS RECOMMENDATION N

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**QUESTION 1.3**

**EE is an alternative to transmission based on a long-term transparent IRP or transmission system plan**

**ELECTRIC**

A Working Group was established to address IRP-related issues. Commission staff have proposed pilot programs to use non-wires solutions to transmission constraints in the current (2007) IRP cycle (DSM Working Group notes, 2/21/06). However, staff recommendations were not adopted. Georgia Rules 515-3-4-.04 contain IRP requirements related to transmission planning.

ELECTRIC RECOMMENDATION N

**NATURAL GAS**

NATURAL GAS RECOMMENDATION N/A

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**QUESTION 2.2**

**The TRC or Societal Cost Test is used to evaluate EE programs**

**ELECTRIC**

The TRC and Societal Cost test are eligible for use, but through 2004, all EE programs were required to pass the RIM test. A definition of all tests eligible for use in evaluating DSM programs in the IRP process can be found in (Georgia Rules 515-3-4-.02). Georgia Power filed its 2010 IRP on January 29, 2010 in Docket No. 31081, which was approved in February 23, 2010 (GA PSC, Final Order, Docket No. 31081). In comments filed on June 24, 2010, SEEA notes that the portfolio of programs proposed in Dockets No. 31081 and 31082 have a RIM score of 0.96.

ELECTRIC RECOMMENDATION Y-

**NATURAL GAS**

NATURAL GAS RECOMMENDATION

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STATE  
Georgia

POLICY YEAR  
2010

**QUESTION 2.3.1**

**Potential for cost-effective EE has been established through a potential study**

**ELECTRIC**

The PSC in Docket No. 22449-U issued a June 22, 2006 accounting Order that requires Georgia Power Company's 2007 IRP filing to include an assessment of the maximum achievable cost-effective potential for energy efficiency programs in its service area. The study was released in March 2007. See URL below for public disclosure version of the March 2007 potential study. See also the May 5, 2005 Georgia Environmental Facilities Authority Final Report on Assessment of Energy Efficiency Potential in Georgia. In 2009, Georgia Tech and Duke University conducted a study of EE opportunities in the South. Appendix G to the regional study relates specifically to GA.

ELECTRIC RECOMMENDATION Y

**NATURAL GAS**

NATURAL GAS RECOMMENDATION

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**QUESTION 2.5.1**

**Quantitative MW and MWh savings goals have been established and are producing incremental investment.**

**ELECTRIC**

ELECTRIC RECOMMENDATION N

**NATURAL GAS**

NATURAL GAS RECOMMENDATION

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**QUESTION 2.5.2**

**Goals are established: (a) connection with IRP or other planning process; (b) as part of an EEPS or similar system; (c) as part of program approval and budget-setting process; (d) other**

**ELECTRIC**

ELECTRIC RECOMMENDATION

**NATURAL GAS**

NATURAL GAS RECOMMENDATION

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STATE  
Georgia

POLICY YEAR  
2010

**QUESTION 2.5.3**

**Energy Efficiency can be used to fulfill requirements of an RPS or similar renewable standard**

**ELECTRIC**

ELECTRIC RECOMMENDATION N

**NATURAL GAS**

NATURAL GAS RECOMMENDATION

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**QUESTION 2.6.1**

**A robust M&V process has been established**

**ELECTRIC**

M&V was discussed briefly in a report submitted by IFC Consulting to the Georgia Environmental Facilities Authority entitled "Strategies for Capturing Georgia's Energy Efficiency Potential" and dated May 5, 2005. (See pages 21-22.)

ELECTRIC RECOMMENDATION N

**NATURAL GAS**

NATURAL GAS RECOMMENDATION

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**QUESTION 2.7.1**

**EE delivery structure has been established**

**ELECTRIC**

Georgia Power is the only regulated electric utility in GA. Georgia Power currently offers only two EE programs; one for residential customers and one for residential builders. Georgia Power administers both programs. In comments submitted on June 24, 2010, SEEA asserted that "[t]he Order on Stipulation of July 13, 2007 in Docket No. 24505 established broader EE programs than suggested here."

ELECTRIC RECOMMENDATION N

**NATURAL GAS**

NATURAL GAS RECOMMENDATION

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STATE  
Georgia

POLICY YEAR  
2010

**QUESTION 2.7.2**

**Delivery is via (a) utility administration; (b) third-party administration; or © government agency**

**ELECTRIC**

ELECTRIC RECOMMENDATION -a-

**NATURAL GAS**

NATURAL GAS RECOMMENDATION

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**QUESTION 2.8**

**Resource plans are regularly updated**

**ELECTRIC**

IRPs must be filed every three years (Georgia Code § 46-3A-2)

ELECTRIC RECOMMENDATION Y

**NATURAL GAS**

Resource plans are filed annually (Georgia Rules 515-7-2-.04)

NATURAL GAS RECOMMENDATION Y

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**QUESTION 4.1.1**

**Cost recovery process exists**

**ELECTRIC**

Recovery is done in rate cases, with an additional sum awarded by the PSC to encourage development of conservation resources. The Governor's Energy Policy Council published a State Energy Policy Strategy in 2006 which recommended establishing a Georgia Clean Energy Fund, perhaps with a system benefits charge. The PSC indicated that it would take up the issue of cost recovery for newly approved programs in Georgia Power's current rate case. In comments submitted on June 24, 2010, SEEA noted that a Residential DSM Tariff was in place for recovery of costs of certified programs. In 2009, only a Power Credit Single Family Program (load control) had been certified.

ELECTRIC RECOMMENDATION Y

**NATURAL GAS**

NATURAL GAS RECOMMENDATION

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**QUESTION 4.1.2**

**Recovery occurs via: (a) rider; (b) regular rate case; or © system benefits charge**

**ELECTRIC**

Recovery is done in rate cases, with an "additional sum" awarded by the PSC to encourage development of conservation resources. Regulatory and statutory provisions are the same. See Georgia Code § 46-3A-9 and Georgia Rules 515-3-4-.11. In comments submitted on June 24, 2010 SEEA notes that recovery for certified programs occurs annually via a tariff approved in a rate case. In 2009, only a Residential DSM Tariff had been approved and only one load control program had been certified.

ELECTRIC RECOMMENDATION ab

**NATURAL GAS**

NATURAL GAS RECOMMENDATION

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**QUESTION 5.1.1**

**Utility throughput incentive is addressed and disincentives are removed**

**ELECTRIC**

Recommendations from the Governor's Energy Policy Council include consideration of methods to address disincentives. Currently, disincentives are addressed by an additional sum above energy efficiency costs that may be awarded by the Commission. Exact amount is determined by Commission on a case-by-case basis, but lost revenues shall be taken into consideration. Regulatory and statutory language is identical (Georgia Code § 46-3A-9 and Georgia Rules 515-3-4-.11). Statutory provisions re: the additional sum are in Georgia Code § 46-3A-9. The Governor's Energy Policy Council published a State Energy Policy Strategy which recommends that the PSC look into alternative utility regulation, identify disincentives to investment in energy efficiency, and ensure that electric utilities are allowed to earn a return on investments in efficiency.

ELECTRIC RECOMMENDATION Y-

**NATURAL GAS**

NATURAL GAS RECOMMENDATION

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STATE  
Georgia

POLICY YEAR  
2010

**QUESTION 5.1.2**

**Method used is: (a) decoupling; (b) lost revenue recovery; or (c) non-utility implementaion of EE**

**ELECTRIC**

Regulatory provisions re: the additional sum and the Commission's authority to consider lost revenues are in (Georgia Rules 515-3-4-.11).

ELECTRIC RECOMMENDATION

-b-

**NATURAL GAS**

NATURAL GAS RECOMMENDATION

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**QUESTION 5.2.1**

**Utility/shareholder EE incentives are provided**

**ELECTRIC**

See Section 5.1.1 above. For Georgia Power's Power Credit Single Family Program, Georgia Power earns an additional sum of 15% of the net present value of the net benefits resulting from the program, but only if the program achieves at least 50% of the projected participation levels (PSC Order issued December 18, 2007, Docket No. 25060-U)

ELECTRIC RECOMMENDATION

Y-

**NATURAL GAS**

NATURAL GAS RECOMMENDATION

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**QUESTION 1.1**

**EE is established as a high priority resource, equivalent or superior to supply resources**

**ELECTRIC**

A docket is currently underway to study the possible development of financial incentives for the promotion of energy efficiency by jurisdictional electric and gas utilities (Docket No. R-31106). The City of New Orleans has moved forward with Entergy NO to establish EE priorities, including the Energy Smart plan for NO, which is an EE plan for the city (Entergy, July 9 2009).

ELECTRIC RECOMMENDATION N

**NATURAL GAS**

A docket is currently underway to study the possible development of financial incentives for the promotion of energy efficiency by jurisdictional electric and gas utilities (Docket No. R-31106). The City of New Orleans has moved forward with Entergy NO to establish EE priorities, including the Energy Smart plan for NO, which is an EE plan for the city (Entergy, July 9 2009).

NATURAL GAS RECOMMENDATION N

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**QUESTION 1.2.1**

**EE is integrated into an active IRP, portfolio management, or other planning process**

**ELECTRIC**

Louisiana has no IRP. However, as noted in 1.1 above, the City of New Orleans has worked closely with Entergy NO on matters relating to EE and IRP. Entergy NO files IRPs every year in compliance with city council resolution R-10-142 (Entergy, 2010). The last IRP was filed in October 19, 2010. A docket for the development and implementation of rules for IRPs for Electric Utilities is still underway (Docket No. R-30021).

ELECTRIC RECOMMENDATION N

**NATURAL GAS**

NATURAL GAS RECOMMENDATION N

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**QUESTION 1.3**

**EE is an alternative to transmission based on a long-term transparent IRP or transmission system plan**

**ELECTRIC**

ELECTRIC RECOMMENDATION N

**NATURAL GAS**

NATURAL GAS RECOMMENDATION

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**QUESTION 2.2**

**The TRC or Societal Cost Test is used to evaluate EE programs**

**ELECTRIC**

Louisiana has not established a cost benefit test for program evaluation. However, as noted in 1.1.above, the City of New Orleans has moved forward with Entergy NO to establish EE priorities and program implementation. The Entergy NO IRP uses the TRC measure. An ongoing docket has draft IRP rules that authorize use of the range of California Manual tests, with TRC as the final litmus test (Docket No. R-30021).

ELECTRIC RECOMMENDATION N

**NATURAL GAS**

Louisiana has not established a cost benefit test for program evaluation.

NATURAL GAS RECOMMENDATION N

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**QUESTION 2.3.1**

**Potential for cost-effective EE has been established through a potential study**

**ELECTRIC**

Appendix G of the study Energy Efficiency in the South examines EE opportunities in Louisiana (SEEA, April 12, 2010). Entergy conducted a DSM study for New Orleans for its IRP (Entergy, 2009).

ELECTRIC RECOMMENDATION Y

**NATURAL GAS**

Appendix G of the study Energy Efficiency in the South examines EE opportunities in Louisiana (SEEA, April 12, 2010). Entergy conducted a DSM study for New Orleans for its IRP (Entergy, 2009).

NATURAL GAS RECOMMENDATION Y

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**QUESTION 2.5.1**

**Quantitative MW and MWh savings goals have been established and are producing incremental investment.**

**ELECTRIC**

ELECTRIC RECOMMENDATION N

**NATURAL GAS**

NATURAL GAS RECOMMENDATION N

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STATE  
Louisiana

POLICY YEAR  
2010

**QUESTION 2.5.2**

Goals are established: (a) connection with IRP or other planning process; (b) as part of an EEPS or similar system; (c) as part of program approval and budget-setting process; (d) other

**ELECTRIC**

ELECTRIC RECOMMENDATION N

**NATURAL GAS**

NATURAL GAS RECOMMENDATION N

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**QUESTION 2.5.3**

Energy Efficiency can be used to fulfill requirements of an RPS or similar renewable standard

**ELECTRIC**

The LPSC approved a pilot program on renewables (Docket No. R-28271). EE is not an eligible resource for this program.

ELECTRIC RECOMMENDATION N

**NATURAL GAS**

The LPSC approved a pilot program on renewables (Docket No. R-28271). EE is not an eligible resource for this program.

NATURAL GAS RECOMMENDATION N

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**QUESTION 2.6.1**

A robust M&V process has been established

**ELECTRIC**

Louisiana hasn't established an M& V process. However, as noted in 1.1.above, the City of New Orleans has moved forward with Entergy NO to establish EE priorities and program implementation. The Entergy NO Energy Smart program suggests an EM& V managed by a third party (Entergy, 2009).

ELECTRIC RECOMMENDATION N

**NATURAL GAS**

Louisiana hasn't established an M& V process. However, as noted in 1.1.above, the City of New Orleans has moved forward with Entergy NO to establish EE priorities and program implementation. The Entergy NO Energy Smart program suggests an EM& V managed by a third party (Entergy, 2009).

NATURAL GAS RECOMMENDATION N

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**QUESTION 2.7.1**

**EE delivery structure has been established**

**ELECTRIC**

As noted in 2.3.2 above, Entergy New Orleans is the only utility in LA to offer EE programs to its customers. Accordingly, no EE program administrative structure has been established in the state.

ELECTRIC RECOMMENDATION N

**NATURAL GAS**

As noted in 2.3.2 above, Entergy New Orleans is the only utility in LA to offer EE programs to its customers. Accordingly, no EE program administrative structure has been established in the state.

NATURAL GAS RECOMMENDATION N

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**QUESTION 2.7.2**

**Delivery is via (a) utility administration; (b) third-party administration; or © government agency**

**ELECTRIC**

See 2.7.1 above.

ELECTRIC RECOMMENDATION

**NATURAL GAS**

See 2.7.1 above.

NATURAL GAS RECOMMENDATION

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**QUESTION 2.8**

**Resource plans are regularly updated**

**ELECTRIC**

See 1.2.1. Entergy NO updates its IRP every year.

ELECTRIC RECOMMENDATION N

**NATURAL GAS**

See 1.2.1. Entergy NO updates its IRP every year.

NATURAL GAS RECOMMENDATION N

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**QUESTION 4.1.1**

**Cost recovery process exists**

**ELECTRIC**

Other than programs offered by Entergy NO, Louisiana has no EE programs for utility customers. Consequently there is no cost recovery process in place at this time. A cost recovery mechanism has been proposed in an ongoing docket (Docket No. R-31106).

ELECTRIC RECOMMENDATION N

**NATURAL GAS**

Other than programs offered by Entergy NO, Louisiana has no EE programs for utility customers. Consequently there is no cost recovery process in place at this time. A cost recovery mechanism has been proposed in an ongoing docket (Docket No. R-31106).

NATURAL GAS RECOMMENDATION N

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**QUESTION 4.1.2**

**Recovery occurs via: (a) rider; (b) regular rate case; or © system benefits charge**

**ELECTRIC**

See 4.1.1 above.

ELECTRIC RECOMMENDATION

**NATURAL GAS**

See 4.1.1 above.

NATURAL GAS RECOMMENDATION

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**QUESTION 5.1.1**

**Utility throughput incentive is addressed and disincentives are removed**

**ELECTRIC**

In an ongoing docket (Docket No. R-31106), SWEPCO and Entergy have proposed an annual rider process for the recovery of program costs, net lost revenues, and a shared savings incentive. Both oppose decoupling in favor of a lost revenue adjustment.

ELECTRIC RECOMMENDATION N

**NATURAL GAS**

NATURAL GAS RECOMMENDATION N

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**STATE****POLICY YEAR**

Louisiana

2010

**QUESTION 5.1.2****Method used is: (a) decoupling; (b) lost revenue recovery; or (c) non-utility implementaion of EE****ELECTRIC**

ELECTRIC RECOMMENDATION

**NATURAL GAS**

NATURAL GAS RECOMMENDATION

**QUESTION 5.2.1****Utility/shareholder EE incentives are provided****ELECTRIC**

In an ongoing docket (Docket No. R-31106), SWEPCO and Entergy have proposed an annual rider process for the recovery of program costs, net lost revenues, and a shared savings incentive. Both oppose decoupling in favor of a lost revenue adjustment.

ELECTRIC RECOMMENDATION

N

**NATURAL GAS**

NATURAL GAS RECOMMENDATION

N

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**QUESTION 1.1**

**EE is established as a high priority resource, equivalent or superior to supply resources**

**ELECTRIC**

EE is not established as a high priority resource. A docket was opened in 2010 to consider the development and implementation of energy efficiency programs; one of the issues for consideration is establishing an IRP process with energy efficiency as a priority resource (MS PSC, Docket 2010-AD-2, 1/15/10). The docket was still on-going as of the end of 2010.

ELECTRIC RECOMMENDATION N

**NATURAL GAS**

EE is not established as a high priority resource. A docket was opened in 2010 to consider the development and implementation of energy efficiency programs; one of the issues for consideration is establishing an IRP process with energy efficiency as a priority resource (MS PSC, Docket 2010-AD-2, 1/15/10). The docket was still on-going as of the end of 2010.

NATURAL GAS RECOMMENDATION N

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**QUESTION 1.2.1**

**EE is integrated into an active IRP, portfolio management, or other planning process**

**ELECTRIC**

There currently is no resource planning process in MS. Two recent dockets have considered establishing an IRP requirement (MS PSC, Dockets 2008-AD-477 and 2008-AD-158). Another docket was opened in 2010 to consider the development and implementation of energy efficiency programs; one of the issues for consideration is establishing an IRP process with energy efficiency as a priority resource (MS PSC, Docket 2010-AD-2, 1/15/10). The docket was still on-going as of the end of 2010.

TVA, which sells power to municipal and cooperative utilities in MS and covers about 1/3 of the state's land area, was developing an IRP in 2010 which was still underway at the end of the year.

ELECTRIC RECOMMENDATION N

**NATURAL GAS**

There currently is no resource planning process in MS. A docket was opened in 2010 to consider the development and implementation of energy efficiency programs; one of the issues for consideration is establishing an IRP process with energy efficiency as a priority resource (MS PSC, Docket 2010-AD-2, 1/15/10). The docket was still on-going as of the end of 2010.

NATURAL GAS RECOMMENDATION N

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STATE  
Mississippi

POLICY YEAR  
2010

**QUESTION 1.3**

**EE is an alternative to transmission based on a long-term transparent IRP or transmission system plan**

**ELECTRIC**

ELECTRIC RECOMMENDATION N

**NATURAL GAS**

NATURAL GAS RECOMMENDATION N

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**QUESTION 2.2**

**The TRC or Societal Cost Test is used to evaluate EE programs**

**ELECTRIC**

There are no requirements in MS that specify the use of cost-effectiveness tests. A docket was opened in 2010 to consider the development and implementation of energy efficiency programs; one of the issues for consideration is the appropriate cost-effectiveness test to use in screening programs (MS PSC, Docket 2010-AD-2, 1/15/10). The docket was still on-going as of the end of 2010.

ELECTRIC RECOMMENDATION N

**NATURAL GAS**

There are no requirements in MS that specify the use of cost-effectiveness tests. A docket was opened in 2010 to consider the development and implementation of energy efficiency programs; one of the issues for consideration is the appropriate cost-effectiveness test to use in screening programs (MS PSC, Docket 2010-AD-2, 1/15/10). The docket was still on-going as of the end of 2010.

NATURAL GAS RECOMMENDATION N

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**QUESTION 2.3.1**

**Potential for cost-effective EE has been established through a potential study**

**ELECTRIC**

A study of EE opportunities in the southern US was completed by two universities in 2010; an appendix to the report deals with EE savings potential in MS (Duke University/GA Tech, 2010).

ELECTRIC RECOMMENDATION Y-

**NATURAL GAS**

NATURAL GAS RECOMMENDATION N

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STATE  
Mississippi

POLICY YEAR  
2010

**QUESTION 2.5.1**

**Quantitative MW and MWh savings goals have been established and are producing incremental investment.**

**ELECTRIC**

The Commission opened a Docket in 2010 to consider the development and implementation of energy efficiency programs and standards; one of the issues for consideration is the development of energy and demand savings goals and targets (MS PSC, Docket 2010-AD-2, 1/15/10). The docket was still on-going as of the end of 2010.

ELECTRIC RECOMMENDATION N

**NATURAL GAS**

The Commission opened a Docket in 2010 to consider the development and implementation of energy efficiency programs and standards; one of the issues for consideration is the development of energy and demand savings goals and targets (MS PSC, Docket 2010-AD-2, 1/15/10). The docket was still on-going as of the end of 2010.

NATURAL GAS RECOMMENDATION N

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**QUESTION 2.5.2**

**Goals are established: (a) connection with IRP or other planning process; (b) as part of an EEPS or similar system; (c) as part of program approval and budget-setting process; (d) other**

**ELECTRIC**

ELECTRIC RECOMMENDATION N/A

**NATURAL GAS**

NATURAL GAS RECOMMENDATION N/A

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**QUESTION 2.5.3**

**Energy Efficiency can be used to fulfill requirements of an RPS or similar renewable standard**

**ELECTRIC**

ELECTRIC RECOMMENDATION N

**NATURAL GAS**

NATURAL GAS RECOMMENDATION N

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STATE  
Mississippi

POLICY YEAR  
2010

**QUESTION 2.6.1**

**A robust M&V process has been established**

**ELECTRIC**

There are no requirements for M& V. A docket was opened in 2010 to consider the development and implementation of energy efficiency programs; one of the issues for consideration is the development of statewide M& V guidelines (MS PSC, Docket 2010-AD-2, 1/15/10). The docket was still on-going as of the end of 2010.

ELECTRIC RECOMMENDATION N

**NATURAL GAS**

There are no requirements for M& V. A docket was opened in 2010 to consider the development and implementation of energy efficiency programs; one of the issues for consideration is the development of statewide M& V guidelines (MS PSC, Docket 2010-AD-2, 1/15/10). The docket was still on-going as of the end of 2010.

NATURAL GAS RECOMMENDATION N

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**QUESTION 2.7.1**

**EE delivery structure has been established**

**ELECTRIC**

There is no formal delivery structure in MS. Utilities may voluntarily offer their own EE programs, but there are only a small number of minimal programs.

ELECTRIC RECOMMENDATION N

**NATURAL GAS**

There is no formal delivery structure in MS. According to ACEEE, there are no natural gas EE programs (ACEEE, State EE Policy Database).

NATURAL GAS RECOMMENDATION N

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**QUESTION 2.7.2**

**Delivery is via (a) utility administration; (b) third-party administration; or © government agency**

**ELECTRIC**

ELECTRIC RECOMMENDATION -a-

**NATURAL GAS**

NATURAL GAS RECOMMENDATION -a-

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**STATE****POLICY YEAR**

Mississippi

2010

**QUESTION 2.8****Resource plans are regularly updated****ELECTRIC**

ELECTRIC RECOMMENDATION N/A

**NATURAL GAS**

NATURAL GAS RECOMMENDATION N/A

**QUESTION 4.1.1****Cost recovery process exists****ELECTRIC**

There is no cost recovery process for EE programs discussed in state rules. However, the Commission opened a Docket in 2010 to consider the development and implementation of energy efficiency programs and standards; one of the issues for consideration is cost recovery for EE programs (MS PSC, Docket 2010-AD-2, 1/15/10). In comments submitted in the docket, two major utilities proposed an annual rider process for cost recovery. The docket was still on-going as of the end of 2010.

ELECTRIC RECOMMENDATION N

**NATURAL GAS**

There is no cost recovery process for EE programs discussed in state rules. However, the Commission opened a Docket in 2010 to consider the development and implementation of energy efficiency programs and standards; one of the issues for consideration is cost recovery for EE programs (MS PSC, Docket 2010-AD-2, 1/15/10). The docket was still on-going as of the end of 2010.

NATURAL GAS RECOMMENDATION N

**QUESTION 4.1.2****Recovery occurs via: (a) rider; (b) regular rate case; or © system benefits charge****ELECTRIC**

ELECTRIC RECOMMENDATION

**NATURAL GAS**

NATURAL GAS RECOMMENDATION

**STATE**  
Mississippi

**POLICY YEAR**  
2010

**QUESTION 5.1.1**

**Utility throughput incentive is addressed and disincentives are removed**

**ELECTRIC**

The utility throughput incentive is not addressed. However, the Commission opened a Docket in 2010 to consider the development and implementation of energy efficiency programs; one of the issues for consideration is incentives, and stakeholders are asked to provide information on lost revenue adjustments and decoupling mechanisms (MS PSC, Docket 2010-AD-2, 1/15/10). In comments submitted in the docket, two major utilities proposed an annual rider process for net lost revenues. The docket was still on-going as of the end of 2010.

**ELECTRIC RECOMMENDATION** N

**NATURAL GAS**

The utility throughput incentive is not addressed. However, the Commission opened a Docket in 2010 to consider the development and implementation of energy efficiency programs; one of the issues for consideration is incentives, and stakeholders are asked to provide information on lost revenue adjustments and decoupling mechanisms (MS PSC, Docket 2010-AD-2, 1/15/10). The docket was still on-going as of the end of 2010.

**NATURAL GAS RECOMMENDATION** N

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**QUESTION 5.1.2**

**Method used is: (a) decoupling; (b) lost revenue recovery; or (c) non-utility implementaion of EE**

**ELECTRIC**

**ELECTRIC RECOMMENDATION**

**NATURAL GAS**

**NATURAL GAS RECOMMENDATION**

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**STATE**  
**Mississippi**

**POLICY YEAR**  
**2010**

**QUESTION 5.2.1**

**Utility/shareholder EE incentives are provided**

**ELECTRIC**

Performance incentives are not provided. However, the Commission opened a Docket in 2010 to consider the development and implementation of energy efficiency programs; one of the issues for consideration is performance incentives (MS PSC, Docket 2010-AD-2, 1/15/10). In comments submitted in the docket, two major utilities proposed an annual rider process for performance incentives. The docket was still on-going as of the end of 2010.

**ELECTRIC RECOMMENDATION** N

**NATURAL GAS**

Performance incentives are not provided. However, the Commission opened a Docket in 2010 to consider the development and implementation of energy efficiency programs; one of the issues for consideration is performance incentives (MS PSC, Docket 2010-AD-2, 1/15/10). The docket was still on-going as of the end of 2010.

**NATURAL GAS RECOMMENDATION** N

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**QUESTION 1.1**

**EE is established as a high priority resource, equivalent or superior to supply resources**

**ELECTRIC**

The Renewable Energy and EE Portfolio Standard (REPS; Senate Bill 3, 2007) requires electric utilities to obtain a specific portion of retail sales through renewable resources and may use EE to meet up to 25% (through 2020; 40% beginning in 2021) of the requirement. The REPS also states that each electric provider shall implement DSM and EE measures and use supply-side resources to establish the least cost mix of demand reduction and generation measures that meet the electricity needs of its customers.

Pursuant to which was enacted in 2007, each electric power supplier must file a Renewable Energy and EE Portfolio Standard (REPS) compliance plan as part of its IRP filing on or before September 1 of each year. The NCUC also reviews the utilities' compliance reports as part of a separate proceeding. (The REPS compliance plans, which are a part of the IRP process, are separate from the REPS compliance reports, which are reviewed separately.) A utility's IRP filing must include a comprehensive analysis of all resource options considered by the utility for satisfaction of load requirements and other system obligations over the planning period. The plan must also include an assessment of DSM and EE. IRPs must be approved by the NCUC. G.S. 62-133.9(b), added as part of Senate Bill 3, provides that each electric power supplier shall implement demand-side management and energy efficiency measures and use supply-side resources to establish the least cost mix of demand reduction and generation measures that meet the electricity needs of its customers.

ELECTRIC RECOMMENDATION Y-

**NATURAL GAS**

NATURAL GAS RECOMMENDATION

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**QUESTION 1.2.1**

**EE is integrated into an active IRP, portfolio management, or other planning process**

**ELECTRIC**

Under the REPS requirements, electric utilities must file with the Commission each year as a part of the IRP a plan for complying with REPS requirements including a list of planned or implemented EE measures and a description of the measure and projected impacts.

ELECTRIC RECOMMENDATION Y-

**NATURAL GAS**

NATURAL GAS RECOMMENDATION

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**QUESTION 1.3**

**EE is an alternative to transmission based on a long-term transparent IRP or transmission system plan**

**ELECTRIC**

The IRP rules (R8-60) require that a utility consider and compare a comprehensive set of potential resource options, including both demand-side and supply-side options to determine an integrated resource plan that offers the least cost combination of reliable resource options for meeting the anticipated needs of its system, but does not require that EE be considered as an alternative to transmission.

ELECTRIC RECOMMENDATION N

**NATURAL GAS**

NATURAL GAS RECOMMENDATION

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**QUESTION 2.2**

**The TRC or Societal Cost Test is used to evaluate EE programs**

**ELECTRIC**

NC's Electric Rules require utilities to provide economic justification for each proposed EE or DSM measure or program. At a minimum, cost-effectiveness evaluations should include the TRC, Participant Test, Utility Cost Test, and Ratepayer Impact Measure Test. These test are not defined in the rules (R8-68 of Chapter 8 Rules).

ELECTRIC RECOMMENDATION Y

**NATURAL GAS**

NC Rules do not require the use of a cost-effectiveness test for natural gas EE programs. In their 2010 Conservation Program Annual Reports, both Piedmont Natural Gas and PSNC used the TRC, Utility Cost Test, Participant Cost Test, and Ratepayer Impact Test, as defined in the California Standard Practice Manual (Docket No G-9, Sub 550A; Docket No. G-5, Sub 495A).

NATURAL GAS RECOMMENDATION Y-

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**QUESTION 2.3.1**

**Potential for cost-effective EE has been established through a potential study**

**ELECTRIC**

In 2006, the NCUC commissioned La Capra to complete a study on the resource potential of renewables and EE to inform its decision on the REPS (La Capra, 2010).

ELECTRIC RECOMMENDATION Y

**NATURAL GAS**

NATURAL GAS RECOMMENDATION

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**QUESTION 2.5.1**

**Quantitative MW and MWh savings goals have been established and are producing incremental investment.**

**ELECTRIC**

Under the REPS, public electric utilities in the state must obtain renewable energy power and energy efficiency savings of 3% of prior-year electricity sales in 2012, 6% in 2015, 10% in 2018, and 12.5% in 2021 and thereafter. Energy efficiency is capped at 25% of the 2012-2018 targets and at 40% of the 2021 target.

ELECTRIC RECOMMENDATION Y

**NATURAL GAS**

NATURAL GAS RECOMMENDATION

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**QUESTION 2.5.2**

**Goals are established: (a) connection with IRP or other planning process; (b) as part of an EEPS or similar system; (c) as part of program approval and budget-setting process; (d) other**

**ELECTRIC**

ELECTRIC RECOMMENDATION -b-

**NATURAL GAS**

NATURAL GAS RECOMMENDATION

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**QUESTION 2.5.3**

**Energy Efficiency can be used to fulfill requirements of an RPS or similar renewable standard**

**ELECTRIC**

The REPS requires investor-owned utilities in North Carolina to meet up to 12.5% of their energy needs through renewable energy resources or EE measures. Rural electric cooperatives and municipal electric suppliers are subject to a 10% REPS requirement. See 2.5.2 above. Energy efficiency is capped at 25% of the 2012-2018 targets and at 40% of the 2021 target.

ELECTRIC RECOMMENDATION Y

**NATURAL GAS**

NATURAL GAS RECOMMENDATION

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**QUESTION 2.6.1**

**A robust M&V process has been established**

**ELECTRIC**

NC Rules state that a utility is responsible for M& V and may use an independent third party. The utility must describe the industry-accepted methods and methodologies and identify any third party as well as provide a schedule for reporting savings to the Commission (R8-68©(2)(iii)g).

ELECTRIC RECOMMENDATION N

**NATURAL GAS**

NATURAL GAS RECOMMENDATION

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**QUESTION 2.7.1**

**EE delivery structure has been established**

**ELECTRIC**

NC's REPS requires that electric public utilities requires electric utilities to obtain a specific portion of retail sales through renewable resources and may use EE to meet up to 25% (through 2020; 40% beginning in 2021) of the requirement (SB 3, 2007).

ELECTRIC RECOMMENDATION Y

**NATURAL GAS**

The delivery structure for gas utility conservation programs in NC is evolving. Some gas utilities, like Piedmont, have been running conservation programs since 2005. Others are just now developing conservation programs.

NATURAL GAS RECOMMENDATION N

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**QUESTION 2.7.2**

**Delivery is via (a) utility administration; (b) third-party administration; or © government agency**

**ELECTRIC**

ELECTRIC RECOMMENDATION -a-

**NATURAL GAS**

NATURAL GAS RECOMMENDATION -a-

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**QUESTION 2.8**

**Resource plans are regularly updated**

**ELECTRIC**

According to NC Rules, each utility must file an integrated resource plan every two years, the first being due September 1, 2008. In years in which the biennial report is not due, an annual report shall be filed with any significant amendments or revisions. Under the REPS requirements, electric utilities must file with the Commission each year as a part of the IRP a plan for complying with REPS requirements including a list of planned or implemented EE measures and a description of the measure and projected impacts (NC Rule R8-68).

ELECTRIC RECOMMENDATION Y

**NATURAL GAS**

NATURAL GAS RECOMMENDATION

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**QUESTION 4.1.1**

**Cost recovery process exists**

**ELECTRIC**

NC's REPS requires the Commission to, upon petition of an electric utility, approve an annual rider to the electric utility's rates to recover costs incurred for adoption and implementation of DSM and EE measures (SB 3, 2007). Duke recovers its program costs through its Save a Watt program, discussed in 5.2.1.

ELECTRIC RECOMMENDATION Y

**NATURAL GAS**

The Commission directed Piedmont Natural Gas to contribute \$500,000 per year toward conservation programs for each of three years in which the experimental Customer Utilization Tracker margin decoupling mechanism was in effect, plus an additional \$750,000 per year for three years. Piedmont has not currently spent all of these funds (Docket No. G-9, Sub 499). PSNC is also required to spend \$750,000 annually on conservation programs (Docket No. G-5, Sub 495).

NATURAL GAS RECOMMENDATION N

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**QUESTION 4.1.2**

**Recovery occurs via: (a) rider; (b) regular rate case; or © system benefits charge**

**ELECTRIC**

ELECTRIC RECOMMENDATION -a-

**NATURAL GAS**

NATURAL GAS RECOMMENDATION N/A

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**QUESTION 5.1.1**

**Utility throughput incentive is addressed and disincentives are removed**

**ELECTRIC**

The disincentive to reduce sales through EE measures is addressed for Duke (Docket No. E-7, Sub 831) and Progress (Docket No. E-2, Sub 931) through the recovery of lost revenues. Each utility may recover net lost revenues for a period of 36 months for each vintage year .

ELECTRIC RECOMMENDATION Y-

**NATURAL GAS**

Both gas companies have used a customer utilization tracker that decouples profits from sales since 2005. Differences between authorized and actual revenues are trued-up twice annually (Docket No. G-9, Sub 499).

NATURAL GAS RECOMMENDATION Y-

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**QUESTION 5.1.2**

**Method used is: (a) decoupling; (b) lost revenue recovery; or (c) non-utility implementaion of EE**

**ELECTRIC**

See 5.1.1 above

ELECTRIC RECOMMENDATION -b-

**NATURAL GAS**

See 5.1.1 above

NATURAL GAS RECOMMENDATION -a-

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**QUESTION 5.2.1**

**Utility/shareholder EE incentives are provided**

**ELECTRIC**

Senate Bill 3 allows the Commission to approve incentives for adopting and implementing EE measures (SB 3, 2007). Duke received a modified version of its proposed Save a Watt plan that allows it to earn 50% of the net present value of avoided costs for EE measures and 75% of avoided costs for DSM measures. There is an earnings cap that increases with the percentage of target achievement (Docket E-7, Sub 831). Progress may earn 13% of net savings provided by its measures (Docket E-2, Sub 931).

ELECTRIC RECOMMENDATION Y-

**NATURAL GAS**

NATURAL GAS RECOMMENDATION

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QUESTION 1.1

EE is established as a high priority resource, equivalent or superior to supply resources

ELECTRIC

State policy regarding EE is codified at SC Code section 48-52-10 et seq. Subsection 48-52-210 (A) provides in part that "[i]t is the policy of this State to have a comprehensive state energy plan that maximizes to the extent practical environmental quality and energy conservation and efficiency, and minimizes the cost of energy throughout the State." Subsection 48-52-210 (B) (3) provides that the purpose of the plan is to "[e]nsure that demand-side options are pursued whenever economically and environmentally practical." In the Order of June 26, 2009 in Progress' Docket No. 2008-251-E, the PSC made a finding that "South Carolina's utilities should aggressively pursue and implement cost effective DSM/EE programs for the benefit of their customers." South Carolina has an IRP process, as described under 1.2.1 below.

ELECTRIC RECOMMENDATION Y

NATURAL GAS

State policy regarding EE is codified at SC Code section 48-52-10 et seq. Subsection 48-52-210 (A) provides in part that "[i]t is the policy of this State to have a comprehensive state energy plan that maximizes to the extent practical environmental quality and energy conservation and efficiency, and minimizes the cost of energy throughout the State." Subsection 48-52-210 (B) (3) provides that the purpose of the plan is to "[e]nsure that demand-side options are pursued whenever economically and environmentally practical."

NATURAL GAS RECOMMENDATION N

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QUESTION 1.2.1

EE is integrated into an active IRP, portfolio management, or other planning process

ELECTRIC

"IRP" is defined at SC Code, subsection 58-37-10 (2). SC Code section 58-37-40 requires electric utilities to prepare IRPs, which are submitted to the State Energy Office. The State Energy Office has no regulatory control over the IRP process, and the PSC reviews the IRPs only. DSM is included in the IRPs, but minimally. Each jurisdictional electric utility must submit an IRP every three years and plans must be updated annually. The four investor-owned utilities in the state are required to file integrated resource plans with the Public Service Commission. Some of the utilities are incorporating DSM and energy efficiency programs, although such programs are not required in South Carolina. Progress Energy Carolinas and Duke Energy, for example, provide energy to both North Carolina and South Carolina and are subject to North Carolina's combined renewable and energy efficiency portfolio standard. As a result, the DSM and energy efficiency programs required for North Carolina will probably have an effect on South Carolina customers. The State Energy Office prepares a Demand-Side Management Report covering all utilities on an annual basis. ☐

ELECTRIC RECOMMENDATION Y-

NATURAL GAS

Gas utilities are not obligated to develop an IRP

NATURAL GAS RECOMMENDATION N

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**QUESTION 1.3**

**EE is an alternative to transmission based on a long-term transparent IRP or transmission system plan**

**ELECTRIC**

ELECTRIC RECOMMENDATION N

**NATURAL GAS**

NATURAL GAS RECOMMENDATION

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**QUESTION 2.2**

**The TRC or Societal Cost Test is used to evaluate EE programs**

**ELECTRIC**

The definition of IRP includes requires that the plan include a brief description and description cost-benefit analysis, if available, of each option. (See SC Code subsection 58-37-10 (2)). The PSC does not currently require any particular test. The SCE& G potential study discussed below used the TRC to estimate DSM potential.

ELECTRIC RECOMMENDATION N

**NATURAL GAS**

NATURAL GAS RECOMMENDATION

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**QUESTION 2.3.1**

**Potential for cost-effective EE has been established through a potential study**

**ELECTRIC**

In 2008, Progress Energy Carolinas was in the process of developing a portfolio of EE programs. As part of that activity, Progress commissioned a DSM and EE potential study. As discussed in 2.3.2 below, the PSC approved EE programs for Progress Energy in 2009 (See Docket No. 2009-190-E). In addition, ACEEE conducted a potential study for the entire state of SC in November 2009. In 2009, Georgia Tech and Duke University conducted a study of EE opportunities in the South. Appendix G to the regional study relates specifically to SC. SCE& G recently completed a potential study.

ELECTRIC RECOMMENDATION Y

**NATURAL GAS**

NATURAL GAS RECOMMENDATION

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**QUESTION 2.5.1**

**Quantitative MW and MWh savings goals have been established and are producing incremental investment.**

**ELECTRIC**

SEEA noted that Duke's modified Save-a-Watt program was approved by order of January 27,2010 in Docket No. 2009-26-E. This program includes quantitative MW and MWh savings goals.

ELECTRIC RECOMMENDATION N

**NATURAL GAS**

NATURAL GAS RECOMMENDATION

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**QUESTION 2.5.2**

**Goals are established: (a) connection with IRP or other planning process; (b) as part of an EEPS or similar system; (c) as part of program approval and budget-setting process; (d) other**

**ELECTRIC**

As discussed in 2.3.1 above, ACEEE conducted a potential study for the entire state of SC in November 2009. In that study, ACEEE recommended that SC adopt an EERS.

ELECTRIC RECOMMENDATION N

**NATURAL GAS**

NATURAL GAS RECOMMENDATION

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**QUESTION 2.5.3**

**Energy Efficiency can be used to fulfill requirements of an RPS or similar renewable standard**

**ELECTRIC**

ELECTRIC RECOMMENDATION N

**NATURAL GAS**

NATURAL GAS RECOMMENDATION

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**QUESTION 2.6.1**

**A robust M&V process has been established**

**ELECTRIC**

As discussed in 2.3.2 above, Duke Energy Carolina's applied to the SC PSC for approval of an EE plan (called Save-A-Watt ) that includes an EE efficiency rider and a portfolio of EE programs. Duke's filing was assigned Docket No. 2007-358-E. M& V issues are being considered in that docket. The PSC issued a Directive on February 25, 2009 in Docket No. 2007-358-E in which it referred to its concern with M& V regarding Duke's Save-A-Watt plan. See Directive at page 4.

In Docket No. 2009-261-E, SCG& E was ordered to implement EM& V done by an independent third party using nationally accepted protocols and reviewed by an ongoing stakeholder advisory group, with results to be filed in 2011

ELECTRIC RECOMMENDATION Y-

**NATURAL GAS**

NATURAL GAS RECOMMENDATION N

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**QUESTION 2.7.1**

**EE delivery structure has been established**

**ELECTRIC**

As discussed in 1.2.1, SC's four jurisdictional electric utilities are required to file IRPs and some of those plans include DSM and EE programs.

The Commission approved the suite of energy efficiency programs approved the cost recovery mechanism for Duke in Order No. 2010-79 (Docket No. 2009-226-E).

In Order No. 2009-373, the PSC approved Progress Energy's initial suite of energy efficiency programs as well as their proposed cost recovery mechanism (Docket No. 2008-251-E).

SCE& G's proposal was approved in Docket No. 2009-261-E.

ELECTRIC RECOMMENDATION N

**NATURAL GAS**

The Commission approved a suite of energy efficiency programs proposed by Piedmont Natural Gas Company, and the associated cost recovery mechanism, in Order No. 2010-390 (Docket No. 2009-411-G).

NATURAL GAS RECOMMENDATION N

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STATE  
South Carolina

POLICY YEAR  
2010

**QUESTION 2.7.2**

**Delivery is via (a) utility administration; (b) third-party administration; or © government agency**

**ELECTRIC**

ELECTRIC RECOMMENDATION -a-

**NATURAL GAS**

NATURAL GAS RECOMMENDATION -a-

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**QUESTION 2.8**

**Resource plans are regularly updated**

**ELECTRIC**

Pursuant to SC Code section 58-37-40, IRPs must be submitted to the State Energy Office every 3 years and updated annually.

ELECTRIC RECOMMENDATION Y

**NATURAL GAS**

NATURAL GAS RECOMMENDATION

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**QUESTION 4.1.1**

**Cost recovery process exists**

**ELECTRIC**

SC Code section 58-37-20 requires that any procedures adopted by the Commission to encourage utility investment in conservation also include cost-recovery provisions, allow a return on investment at least as high as supply side measures, and ensure that utility net income is at least as high as it would have been without the demand-side measures. As a practical matter, cost recovery is done on a case-by-case basis during regular rate cases. As discussed in 2.3.2 above, Duke, Progress Energy and SC Electric & Gas have all proposed EE programs to the PSC.

Progress Energy's programs and cost recovery mechanism were approved in 2009 (See Docket Nos. 2009-190-E and 2008-251-E). The Progress Energy plan allows Progress to recover through a retail rate rider up to 3 years of net loss revenue associated with its DSM and EE programs. Under the plan, Progress would be permitted to recover actual costs, plus a return on that investment and incentives equal to 8% of the net present value of the net benefits of each DSM program and 13% of the NPV of the net benefits of each EE program. (See June 26, 2009 Order in Docket No 2008-251-E.)

In Order No. 2010-79 (Docket No. 2009-226-E), Duke was permitted to collect sufficient revenues to cover the Company's energy efficiency and demand side management program costs, lost revenues, and an incentive, including the program costs deferred pursuant to Order No. 2009-336 in Docket No. 2009-166-E.

SCE& G filed a settlement agreement providing a process for recovery of these three elements on March 31, 2010 in Docket No. 2009-261-E.

ELECTRIC RECOMMENDATION Y

**NATURAL GAS**

The Commission approved a suite of energy efficiency programs proposed by Piedmont Natural Gas Company, and the associated cost recovery mechanism, in Order No. 2010-390 (Docket No. 2009-411-G). The programs are: (1) a Residential Low-Income Program;(2) a High Efficiency Equipment Rebate Program; and(3) a Customer Education Program. The programs have a fixed budget of \$350,000 and Piedmont is authorized to recover that amount from its residential and commercial customers.

NATURAL GAS RECOMMENDATION Y

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**QUESTION 4.1.2**

**Recovery occurs via: (a) rider; (b) regular rate case; or © system benefits charge**

**ELECTRIC**

See 4.1.1 above.

ELECTRIC RECOMMENDATION ab

**NATURAL GAS**

NATURAL GAS RECOMMENDATION

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**QUESTION 5.1.1**

**Utility throughput incentive is addressed and disincentives are removed**

**ELECTRIC**

SC Code section 58-37-20 requires that any procedures adopted by the Commission to encourage utility investment in conservation also include cost-recovery provisions, allow a return on investment at least as high as supply side measures, and ensure that utility net income is at least as high as it would have been without the demand-side measures. See 2.3.2 and 4.1.1 above.

The PSC approved a lost revenue recovery mechanism for Progress Energy as part of their cost recovery mechanism. Net lost revenues for each annual period are recovered over 3 years and are determined by multiplying lost sales by a net lost revenue rate. True-ups occur annually. This mechanism is set to expire in 2012. See June 29, 2009 Order in Docket No. 2008-251-E.

In Order No. 2010-79 (Docket No. 2009-226-E), Duke was permitted to collect sufficient revenues to cover the Company's energy efficiency and demand side management program costs, lost revenues, and an incentive, including the program costs deferred pursuant to Order No. 2009-336 in Docket No. 2009-166-E.

SCE& G filed a settlement agreement providing a process for recovery of these three elements on March 31, 2010 in Docket No. 2009-261-E.

ELECTRIC RECOMMENDATION Y-

**NATURAL GAS**

The Piedmont programs have a fixed budget which is recovered, but there are no incentives.

NATURAL GAS RECOMMENDATION

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**QUESTION 5.1.2**

**Method used is: (a) decoupling; (b) lost revenue recovery; or (c) non-utility implementation of EE**

**ELECTRIC**

ELECTRIC RECOMMENDATION -b-

**NATURAL GAS**

NATURAL GAS RECOMMENDATION

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**STATE**  
South Carolina

**POLICY YEAR**  
2010

**QUESTION 5.2.1**

**Utility/shareholder EE incentives are provided**

**ELECTRIC**

SC Code, Section 58-37-20, authorizes the PSC to adopt procedures that encourage electric utilities ...to invest in cost-effective energy efficient technologies and energy conservation programs. As discussed in 4.1.1 and 5.1.1 above, the PSC approved Progress Energy Carolinas' incentive mechanism that allows for an incentive of 8% of NPV of benefits from DSM programs and 13% of NPV from EE programs. See Orders in Docket Nos. 2008-251-E and 2009-190-E. The Commission also approved incentive mechanisms for Duke and SCE& G.

**ELECTRIC RECOMMENDATION** Y-

**NATURAL GAS**

**NATURAL GAS RECOMMENDATION**

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**STATE**  
Tennessee

**POLICY YEAR**  
2010

**QUESTION 1.1**

**EE is established as a high priority resource, equivalent or superior to supply resources**

**ELECTRIC**

TVA undertakes integrated resource planning (see 1.2.1).

ELECTRIC RECOMMENDATION Y-

**NATURAL GAS**

NATURAL GAS RECOMMENDATION N

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**QUESTION 1.2.1**

**EE is integrated into an active IRP, portfolio management, or other planning process**

**ELECTRIC**

TVA provides almost all the electricity in TN, and is not regulated by the TN Regulatory Authority. As a result of the large scale of TVA in TN, this analysis is based on TVA's actions, rather than the requirements of the state.

TVA adopted an IRP in 1995; and issued a new draft IRP in 2010 (TVA, Draft Integrated Resource Plan, 9/10). In the new draft IRP, TVA states that their process considers a broad spectrum of feasible supply and demand-side options and assesses them against a common set of planning objectives and criteria, including environmental impact. TVA states in the new draft IRP that it will start the next IRP process in 2015.

ELECTRIC RECOMMENDATION Y

**NATURAL GAS**

NATURAL GAS RECOMMENDATION N

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**QUESTION 1.3**

**EE is an alternative to transmission based on a long-term transparent IRP or transmission system plan**

**ELECTRIC**

ELECTRIC RECOMMENDATION N

**NATURAL GAS**

NATURAL GAS RECOMMENDATION N

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**QUESTION 2.2**

**The TRC or Societal Cost Test is used to evaluate EE programs**

**ELECTRIC**

TVA's draft IRP issued in 2010 uses the TRC, UCT, and RIM tests to evaluate scenarios (TVA, Draft Integrated Resource Plan, 9/10). According to a TVA contact, TVA has used the TRC test prior to 2010 as one of the tests to evaluate programs (Martin, 2009).

ELECTRIC RECOMMENDATION Y-

**NATURAL GAS**

NATURAL GAS RECOMMENDATION N

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**QUESTION 2.3.1**

**Potential for cost-effective EE has been established through a potential study**

**ELECTRIC**

In 2009, a study was conducted of EE potential in the South; an appendix of that report addressed potential in TN (Georgia Tech and Duke University, 2009).

According to TVA, an assessment of cost-effective EE and DR potential of the TVA service territory was conducted by EPRI, and completed in March 2010 (Martin, 2009).

ELECTRIC RECOMMENDATION Y

**NATURAL GAS**

NATURAL GAS RECOMMENDATION N

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**QUESTION 2.5.1**

**Quantitative MW and MWh savings goals have been established and are producing incremental investment.**

**ELECTRIC**

TVA has set internal EE goals; however, these goals do not seem to be strongly binding. They are more akin to utilities' internal goals. In 2008, TVA stated in its Environmental Policy that it had a goal of reducing load growth by 1,400 MW by the end of 2012. In a 2009 report, TVA referred to its peak reduction goal of an incremental 1,400 MW by 2012 and lowering electricity capacity requirements by nearly 4% by 2012 (TVA, 2009). TVA set a new goal in 2010 to achieve 3.5 percent of sales in energy efficiency savings by 2015 (TVA, Integrated Resource Plan, March 2011).

TVA also released a draft IRP in 2010 that proposed a range of MW savings be achieved by EE by 2020 (TVA, Draft Integrated Resource Plan, 9/10).

ELECTRIC RECOMMENDATION N

**NATURAL GAS**

NATURAL GAS RECOMMENDATION N

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**QUESTION 2.5.2**

**Goals are established: (a) connection with IRP or other planning process; (b) as part of an EEPS or similar system; (c) as part of program approval and budget-setting process; (d) other**

**ELECTRIC**

ELECTRIC RECOMMENDATION

**NATURAL GAS**

NATURAL GAS RECOMMENDATION

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**QUESTION 2.5.3**

**Energy Efficiency can be used to fulfill requirements of an RPS or similar renewable standard**

**ELECTRIC**

ELECTRIC RECOMMENDATION N

**NATURAL GAS**

NATURAL GAS RECOMMENDATION N

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**QUESTION 2.6.1**

**A robust M&V process has been established**

**ELECTRIC**

According to TVA, KEMA developed a M& V reference guide for TVA in July 2010, and staff are incorporating the M& V standards into operational manuals for EE and DR programs (TVA contact, 2010).

ELECTRIC RECOMMENDATION N

**NATURAL GAS**

NATURAL GAS RECOMMENDATION N

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**QUESTION 2.7.1**

**EE delivery structure has been established**

**ELECTRIC**

TVA delivers EE programs through a partnership with its local municipal and cooperative utility distributors. TVA has committed to provide EE programs (TVA, Integrated Resource Plan, 2011).

ELECTRIC RECOMMENDATION Y

**NATURAL GAS**

Natural gas utilities undertake EE programs on a voluntary basis.

NATURAL GAS RECOMMENDATION N

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**QUESTION 2.7.2**

**Delivery is via (a) utility administration; (b) third-party administration; or © government agency**

**ELECTRIC**

ELECTRIC RECOMMENDATION -c-

**NATURAL GAS**

NATURAL GAS RECOMMENDATION -a-

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**QUESTION 2.8**

**Resource plans are regularly updated**

**ELECTRIC**

TVA adopted an IRP in 1995; and issued a new draft IRP in 2010 (TVA, Draft Integrated Resource Plan, 9/10). TVA states in the latest IRP that it will start the next IRP process in 2015.

ELECTRIC RECOMMENDATION Y-

**NATURAL GAS**

NATURAL GAS RECOMMENDATION N

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**QUESTION 4.1.1**

**Cost recovery process exists**

**ELECTRIC**

TVA can adjust rates as often as monthly to assure (a) revenues to TVA are adequate to meet the requirements of the TVA Act and the tests and provisions of TVA's bond resolutions and (b) revenues to TVA's distributors are adequate to compensate for any corresponding changes in the distributor wholesale power costs.

ELECTRIC RECOMMENDATION N

**NATURAL GAS**

TN statute states that the TRA should implement a general policy that ensures that utility financial incentives are aligned with helping their customers use energy more efficiently and that provides timely cost recovery (TN Code Annotated 65-4-126).

NATURAL GAS RECOMMENDATION N

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**QUESTION 4.1.2**

**Recovery occurs via: (a) rider; (b) regular rate case; or © system benefits charge**

**ELECTRIC**

ELECTRIC RECOMMENDATION

**NATURAL GAS**

NATURAL GAS RECOMMENDATION

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STATE  
Tennessee

POLICY YEAR  
2010

**QUESTION 5.1.1**

**Utility throughput incentive is addressed and disincentives are removed**

**ELECTRIC**

In 2009, the TVA Board adopted the PURPA standard 17 (rate design modifications to promote EE).

ELECTRIC RECOMMENDATION N

**NATURAL GAS**

The TRA rejected a proposed decoupling mechanism by Piedmont Natural Gas in 2010 (Docket 09-00104), but approved a decoupling mechanism for Chattanooga Gas in 2010 as a three-year pilot on residential and small commercial customers (TRA, Docket 09-00183, Order on 11/8/10). (While Chattanooga Gas's mechanism is called decoupling, it appears to be mostly an increase in the fixed charge.)

TN statute states that the TRA should implement a general policy that ensures that utility financial incentives are aligned with helping their customers use energy more efficiently and that provides timely cost recovery (TN Code Annotated 65-4-126).

NATURAL GAS RECOMMENDATION Y-

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**QUESTION 5.1.2**

**Method used is: (a) decoupling; (b) lost revenue recovery; or (c) non-utility implementaion of EE**

**ELECTRIC**

ELECTRIC RECOMMENDATION

**NATURAL GAS**

NATURAL GAS RECOMMENDATION

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**STATE**  
Tennessee

**POLICY YEAR**  
2010

**QUESTION 5.2.1**

**Utility/shareholder EE incentives are provided**

**ELECTRIC**

ELECTRIC RECOMMENDATION N

**NATURAL GAS**

Piedmont Natural Gas requested decoupling and incentives in a recent case before the TRA, but the proposal was rejected by the TRA in 2010 (Docket 09-00104).

NATURAL GAS RECOMMENDATION N

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