

Energy Efficiency Resource Standard (EERS) for West Virginia

Why Energy Efficiency in West Virginia?

Energy efficiency will save residents and businesses money.

- Appalachian Power's residential rates have increased more than 50% since 2006. Mon Power and Potomac Edison residential rates have increased about 30% in the last three years. **Increasing energy efficiency will cut electric bills in West Virginia.**
- The benefits of investing in energy efficiency far outweigh the costs. Our proposed energy efficiency resource standard is estimated to save West Virginians between \$200 and \$500 million by 2025.
- There is huge potential to save energy and money through efficiency. West Virginia's residential electricity consumption per household is 25% higher than the national average.
- Saving energy through efficiency will be cheaper for customers than paying for expensive new power plants.

West Virginians should have the same opportunities for saving money through efficiency as residents of other states.

- **AEP (the parent company of Appalachian Power) and FirstEnergy (the parent of Mon Power and Potomac Edison) are already offering energy efficiency programs in other states where they operate, including Ohio, Pennsylvania and Maryland.** There is no reason the same opportunities shouldn't be available to West Virginians.
- Targets in nearby states are comparable to what is being proposed in West Virginia. Ohio has set increasing annual energy efficiency targets for their utilities with a goal of 22% savings by 2025; most major utilities are exceeding the targets.

Energy efficiency creates jobs that cannot be outsourced.

- Investing in weatherization and other efficiency measures will create new jobs and an industry in West Virginia communities that cannot be outsourced.
- The first two years of energy efficiency programs in Pennsylvania created 4,000 jobs. In 2010 and 2011, an estimated 1,700 jobs were created because of utility energy efficiency programs in Ohio.



Energy Efficiency Resource Standard for West Virginia

An Energy Efficiency Resource Standard would require our utilities to meet targets for energy efficiency through 2025. An Energy Efficiency Resource Standard would:

- Require reductions in electricity consumption by 15% of 2010 sales by 2025 and peak electricity demand by 15% of 2010 peak demand by 2025.
- Require utilities to develop plans to meet efficiency targets every three years and submit them to the Public Service Commission (PSC) with annual progress reports to the PSC.
- Require the PSC to report annually to the legislature on the impact of energy efficiency programs.
- Require the PSC to study the feasibility of setting energy savings targets for natural gas utilities.
- Require the PSC to evaluate whether “smart meter” and “smart grid” technology are good ways to cut electric consumption.
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- Allow the PSC to approve financial incentives for utilities that meet or exceed targets.
- Authorize the PSC to fund compliance with this bill through a special license fee.
- Allow large industrial energy consumers to direct 80% of the money that they would otherwise pay to utilities for energy efficiency programs towards their own energy efficiency programs.