

# NEEA Strategic Planning Outreach: Key Issue Brief

*Should NEEA be Involved in Coordinating Activities for “Local”  
Efficiency Programs?*

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## Key NEEA 2010-2014 Strategic Plan

### Key Issues Brief:

### Should NEEA be involved in coordinating activities for “local” efficiency programs?

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#### Summary Recommendation:

NEEA should be engaged with local program delivery where:

- 1) Aggregation of market power can leverage upstream market actors;
- 2) Coordination of local program activities facilitates accomplishment of regional market transformation goals; or
- 3) Coordination brings economies of scale or other value not achieved by local programs acting alone.

#### Current Context:

- **Market:** Market actors are being bombarded with messages and offers from accelerated local efficiency programs, state and federal tax credits, national initiatives from the USDOE, EPA and other agencies, potential carbon taxes or credits, sustainability initiatives and a host of “green” product marketing. While choice is generally good, it can also be confusing to market actors who are trying to decide where to focus limited resources. This confusion can inhibit increasing market adoption of efficiency. Conversely, where messages and offers are coordinated, the combined market power can yield substantial results.
- **Policy:** While the current mission covers a very broad range of activities, NEEA has historically deliberately minimized its activities in local program coordination in order to focus on upstream market actors (manufacturers, distributors, retailers, and service providers) or corporate level decision makers that own facilities or businesses across service territory and state boundaries. It has worked together with local programs to coordinate market activities as part of an overall market transformation effort. Examples include:
  - manufacturer buy-downs (e.g. the “Change-A-Light” CFL promotions) targeted to specific products (100 watt equivalents), markets (grocery stores) or barriers (consumer awareness)
  - created common branding platforms (e.g. ENERGY STAR Homes NW)
  - harmonizing local program requirements in order to make it possible for market actors to respond cost-effectively to utility program needs (e.g. Green Motors)

#### What we heard:

We received very mixed input from stakeholders on this issue including:

- NEEA should stay completely out of local “incentive” programs; this comment was made primarily by a few large utilities with significant efficiency program resources.

- NEEA should help local programs work with the market to achieve their goals; this comment was noted by several smaller utilities and some of the stakeholders in the eastern portion of the region who do not have access to large efficiency program resources.
- NEEA should focus on upstream market actors to increase supply/delivery chains and leverage national
- NEEA has to deliver cost-effective energy savings within utility service territories; this comment was voiced primarily by eastern region regulatory commissions
- NEEA should work where opportunities exist to exercise market power with national markets through aggregation of local programs

***Recommendations:***

Given the diversity of opinions expressed by stakeholders, it seems clear that NEEA will need to have a flexible approach. In order to fulfill the mission and return benefits to the whole region, NEEA should implement the following recommendations:

- NEEA should work with local programs where doing so can provide some advantage either through economies of scale or other value not achieved by local programs acting alone. The local utility should “own” the customer relationship, however.
- NEEA should coordinate the development of comprehensive market strategies that identify roles and responsibilities for national, regional, and local programs and entities that maximize market impacts and accelerate market adoption. To the extent that coordinating local programs makes sense within the overall market strategy, NEEA should help engage local programs to achieve the goals in the strategy.
- Where it can advance both regional and local efficiency goals, NEEA should work with local programs to accelerate local acquisition of cost-effective energy savings. Examples include coordinating manufacturer buy-downs (as in the 2006-2007 CFL promotions) and creating a marketing platform with common technical requirements (such as ENERGY STAR Homes Northwest).
- Work with regional stakeholders to identify gaps in energy efficiency, develop and maintain comprehensive market strategies, and assist in dissemination of initiatives throughout the region
- NEEA should offer resources (e.g., marketing platforms; market research; information on best practices) that local utilities or other entities can access as desired.