

March 2, 2016

The Honorable John Kasich
Governor of Ohio
77 South High Street
Columbus, OH 43215

Dear Governor Kasich:

As you know, energy efficiency is the lowest-cost demand side energy resource – cheaper than electric or gas generation, or even renewables. Even with the Supreme Court’s recent stay of the Clean Power Plan, the electric power sector is evolving toward a cleaner, more efficient energy system. As Ohio EPA and the PUCO continue their daily work to ensure reliable and affordable electricity to Ohioans, we encourage you to maximize your investment in energy efficiency, which brings countless benefits to the state that include not just emissions reductions, but economic opportunities, lower energy bills for homes and businesses, and healthier communities. By reducing the need for central power generation, energy efficiency provides emissions reductions quickly, locally, and at a lower cost than other carbon-cutting options. It is also the only option that achieves sustained local job creation and concurrently reduces emissions lowering the cost of Clean Power Plan implementation and giving Ohio residents and businesses control over their energy bills. Actions such as improving manufacturing energy efficiency, reducing commercial buildings’ energy use, and delivering residential energy efficiency upgrades are the quickest and cheapest means to meet energy demand within the borders of Ohio, while simultaneously improving air quality.

Today, every state has at least some experience delivering energy-efficiency programs administered by electric and natural gas utilities and the private sector. These programs have been very successful in Ohio over the last five years and, even according to the utilities themselves, can be expanded significantly. Ohio’s state-level energy efficiency resource standard is critical to continuing this success. In addition to these best-practice programs, there are opportunities in Ohio to achieve significant emissions reductions through the implementation of non-utility administered energy-efficiency policies and programs. These can include investments in combined heat and power, adoption of building energy codes that leverage above-code green building certification, residential retrofit financing programs and procurement of energy savings performance contracts to upgrade large buildings and facilities.

We commend your recent comments supporting Ohio’s energy efficiency and renewable energy standards. As you consider the Clean Power Plan, and as Ohio moves down the road to developing its own state plan, we urge you to consider maximizing the use of this least-cost mechanism by expanding your existing energy-efficiency programs, such as the incentive programs and property tax exemption for energy-efficient projects. To maximize cost-effective emissions reductions under the plan, we also recommend that you opt into the Clean Energy Incentive Program.

The attached fact sheet shows how the implementation of a few common energy-efficiency policies, such as your existing energy-savings target, updated building energy codes, and increased use of combined heat and power can meet up to 78% of Ohio’s 2030 compliance goal under the Clean Power Plan, all while saving customers money, creating jobs, and growing the Ohio economy. In fact, putting

these policies in action could save Ohioans nearly \$7.5 billion and avoid 22.4 million tons of carbon dioxide emissions, not to mention preventing hundreds of thousands of tons of dangerous pollutants from reaching our air.

Energy efficiency is not a “new” resource; however, applying these tools to achieve carbon reduction goals under Section 111(d) of the Clean Air Act is an entirely new context. Several resources are available for your staff and agencies to guide your decisions about Clean Power Plan implementation, regardless of whether Ohio pursues a mass-based or a rate-based plan. For further information and to ask questions specifically about incorporation of energy efficiency in your plan, please contact the National Association of State Energy Officials at <http://cpp.naseo.org/asq>, or any of the signatories below.

We are ready to work with you and your state officials to ensure that efforts to reduce emissions via the Clean Power Plan (and beyond) are as cost-effective as possible. **Energy efficiency is the cleanest, fastest, lowest-cost strategy available, and has the most direct impact on controlling Ohioans’ utility bills.** Energy efficiency is also embraced by the private sector, for the operating costs it saves and its value for resilience and risk reduction. Additionally, energy efficiency creates lasting, local, non-exportable jobs and grows the economy while reducing consumer costs. We encourage you to use it robustly, and we stand ready to assist you.

Cc: Ohio Public Utilities Commission; Ohio Development Services Agency, Office of Energy and Redevelopment; Ohio Environmental Protection Agency

Sincerely,

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