March 2, 2016

The Honorable Robert Bentley
Governor of Alabama
600 Dexter Avenue
Montgomery, AL 36130

Dear Governor Bentley,

As you know, energy efficiency is the lowest-cost demand side energy resource – cheaper than electric or gas generation and renewables. Even with the U.S. Supreme Court’s recent stay of the Clean Power Plan, the electric power sector is evolving toward a cleaner, more efficient energy system. As the regulators and energy planners in your state continue their daily work to ensure reliable and affordable electricity to consumers, we encourage you to maximize your investment in energy efficiency. By reducing the need for central power generation, energy efficiency provides emissions reductions quickly, locally, and at a lower cost than other compliance options. It is also the only option that achieves sustained local job creation while also reducing emissions, mitigating the cost impacts of Clean Power Plan implementation, and giving Alabama 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 while simultaneously improving air quality.

Today, every state has at least some experience delivering energy efficiency programs administered by electric and natural gas utilities as well as the private sector. These programs have been very successful and can be expanded significantly. In addition, there are opportunities in Alabama to achieve substantial emissions reductions through the implementation of non-utility administered energy efficiency policies and programs. Such programs 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 (ESPCs) to upgrade large buildings and facilities. Non-utility efficiency programs, taken as a whole, generate as much investment in energy savings as utility programs and should not be underestimated. For example, the ESPC market in the U.S. generates more than $5 billion annually in new investments.

We commend the energy-efficiency investments Alabama has already made, including the funding of two loan programs as well as running the AlabamaWISE Home Energy Program, which offers rebates and loans to consumers. In addition, the recent adoption of modern building energy codes puts Alabama among the leading states on this issue. While Alabama may not be supportive of the Clean Power Plan, if your state ultimately decides to submit a plan to avoid the imposition of a Federal Plan, we urge you to consider maximizing the use of this least-cost mechanism by expanding your existing energy efficiency policies and programs. To maximize cost-effective emissions reductions under the plan, we also recommend that you opt into the Clean Energy Incentive Program (CEIP).

The attached fact sheet shows how implementation of a few common energy efficiency policies - such as adoption of an energy-savings target, updated building energy codes, and increased use of combined heat and power - can meet 25 percent of Alabama’s 2030 compliance goal under the Clean Power Plan, all
while saving customers money and growing the Alabama economy. In fact, utilizing efficiency measures to reach Alabama’s goal could save the people of Alabama over $939 million, not to mention avoiding over 4.6 million tons of carbon dioxide emissions and reducing toxic air pollutants that negatively affect our health.

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 tools are available for your staff and responsible state agencies to guide your decisions about Clean Power Plan implementation options, regardless of whether you pursue a mass-based or a rate-based plan. For further information and to ask questions specifically about incorporating energy efficiency in your plan, please contact the National Association of State Energy Officials at http://cpp.naseo.org/asq, as well as any of the signatories below.

We are ready to work with you and your state officials to ensure that your efforts to reduce emissions via the Clean Power Plan or any other means are as cost-effective as possible. Energy efficiency is the cleanest, fastest, most cost-effective compliance strategy available, and has the most direct impact on controlling consumers’ utility bills. Energy efficiency is also embraced by the private sector for its low operating costs and its resilience and risk reduction value. Additionally, energy efficiency creates lasting, 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: Alabama Public Utilities Commission; Alabama Department of Economic and Community Affairs; Alabama Department of Environmental Management, Air Quality Division

Sincerely,

ABB Inc.
Jim Creevy, Senior Director, Government Affairs
Jim.creevy@us.abb.com

Alliance for Industrial Efficiency
Jennifer Kefer, Executive Director
jennifer@dgardiner.com

Alliance to Save Energy
Kelly Speakes-Backman, Senior Vice President of Policy and Research
ksbackman@ase.org

Ameresco
Ashley Patterson, Director of Government Affairs and Public Policy
apatterson@ameresco.com

American Chemistry Council
Rudy Underwood, Vice-President of ACC State Affairs
Rudy_underwood@americanchemistry.com
American Council for an Energy-Efficient Economy
Sara Hayes, Senior Manager and Researcher, Air and Climate Policy
shayes@aceee.org

AMSEnergy Corp
Michael Sams, CEO & President
michael.sams@amsenergy.com

Bruce Harley Energy Consulting, LLC
Bruce W. Harley, Principal
bruceharleyenergy@gmail.com

Building Performance Institute (BPI)
Larry Zarker, CEO
lzarker@bpi.org

CALMAC
Mark M. MacCracken, CEO
Mm@calmac.com

Columbia University, School of International & Public Affairs
Lloyd Kass, Adjunct Faculty, Environmental Science and Policy Program
lrk13@columbia.edu

Danfoss
John Galyen, President, North America
johngalyen@danfoss.com

E4TheFuture
Stephen Cowell, Executive Director
scowell@e4thefuture.org

Ecothermal Filters
Darcy McMenamin, President and CEO
Darcy@ecothermalfilters.com

Efficiency First
Kara Saul Rinaldi, Government Affairs
kara@anndyl.com

Energy Resources Center
Cliff Haefke, Interim Director
chaefk1@uic.edu

Environment Texas
Sara E. Smith, Staff Attorney
sara@environmenttexas.org
Environmental and Energy Study Institute  
Carol Werner, Executive Director  
Cwerner@eesi.org

Hannon Armstrong  
Robert Johnson, Senior Vice President at Hannon Armstrong Sustainable Infrastructure  
rjohnson@hannonarmstrong.com

Home Performance Coalition  
Kara Saul Rinaldi, Vice President of Government Affairs and Policy  
kSaul-rinaldi@homeperformance.org

JW Crouse, Inc.  
Jesse Crouse, President  
jwcincps@verizon.net

Knauf Insulation  
George R. Phelps, Public Affairs Manager  
George.phelps@knaufinsulation.com

Lime Energy  
Adam Procell, President and CEO  
aprocell@lime-energy.com

NAESCO  
Donald Gilligan, President  
dgilligan@naesco.org

National Electrical Contractors Association (NECA)  
Marco A. Giamberardino, MPA, Executive Director, Government Affairs  
mgiamberardino@necanet.org

National Housing Trust  
Todd Nedwick, Housing and Energy Efficiency Policy Director  
tnedwick@nhtinc.org

North American Insulation Manufacturers Association  
Curt Rich, President and CEO  
crich@naima.org

Ohio Sustainable Business Council  
Mayda Sanchez, Executive Director  
Msanchez@ohiosbc.org

Owens Corning  
John Libonati, Vice President of Government and Public Affairs  
John.Libonati@owenscorning.com
Powder River Basin Resource Council
Bob LeResche, Chair
sanderson@powderriverbasin.org

Schneider Electric
Anna Pavlova, Vice President, Government Relations
Anna.Pavlova@schneider-electric.com

Siemens Corporation
Tom Phillips, Senior Director, State & Local Government Affairs
tom.phillips@siemens.com

Stoney Point Farms
Larry Lambeth, President
llamrtment@hotmail.com

TerraShares
John Atkins, President
jatkins@terrashares.com

The Dow Chemical Company
Greg Bergtold, Business Advocacy & Policy Director
gsbergtold@dow.com

Trane
Douglas M Young, Energy Services Leader
dmyoung@trane.com

U.S. Green Building Council
Elizabeth Beardsley
Ebeardsley@usgbc.org

U.S. Green Building Council, North Carolina
Sara Montgomery, LEED Green Associate, Project Manager
smontgomery@usgbc.org

VEIC
Mary Sprayregen, Deputy Director, Policy and Public Affairs
msprayregen@veic.org

Veolia North America
Elinor Haider, Vice President, Market Development
elinor.haider@veolia.com

Washington Gas, a WGL Company
Doreen Hope, Federal Government & Business Relations
dhope@washgas.com