

March 2, 2016

The Honorable Jeremiah Nixon  
Governor of Missouri  
301 West Capitol Avenue  
Jefferson City, MO 65101

Dear Governor Nixon:

As you know, energy efficiency is the lowest-cost demand side energy resource – cheaper than electric or gas generation or 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 state’s investment in energy efficiency. By reducing the need for 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 and concurrently reduces emissions while mitigating the cost impacts of Clean Power Plan implementation and giving Missouri 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 and the private sector. These programs have been very successful and can be expanded significantly. In addition to these familiar programs, there are opportunities in Missouri 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 generation, adoption of building energy codes that leverage above-code green building certification, residential retrofit financing programs, building benchmarking and disclosure, 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-efficient initiatives Missouri has already put in place, specifically the utility programs pursuant to the Missouri Energy Efficiency Investment Act, loan programs and tax deduction for energy-efficient investments, as well as the energy requirements for government buildings and fleets. While Missouri deliberates on the costs and benefits of the Clean Power Plan, and if it ultimately decides to submit a plan to avoid the imposition of a Federal Plan, we urge you to consider maximizing the use of the least-cost mechanism of energy efficiency by expanding your existing 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 the 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 generation can meet 58 percent of Missouri's 2030 compliance limit under the Clean Power Plan, all while saving customers money, creating jobs, and growing the Missouri economy. In fact, utilizing these policies could save Missourians over \$1.4 billion by 2030 and prevent 13.1 million tons of carbon dioxide emissions, not to mention avoiding emitting hundreds of thousands of tons of other dangerous air pollutants.

Energy efficiency is not a "new" resource; however, applying these policies 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 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 incorporation of energy efficiency into 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 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 because of 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: Missouri Public Utilities Commission; Missouri Department of Economic Development, Division of Energy; Missouri Department of Natural Resources, Division of Environmental Quality Air Pollution

Sincerely,

**ABB Inc.**

Jim Creevy, Senior Director, Government Affairs  
[Jim.creevy@us.abb.com](mailto:Jim.creevy@us.abb.com)

**Alliance for Industrial Efficiency**

Jennifer Kefer, Executive Director  
[jennifer@dgardiner.com](mailto:jennifer@dgardiner.com)

**Alliance to Save Energy**

Kelly Speakes-Backman, Senior Vice President of Policy and Research  
[ksbackman@ase.org](mailto:ksbackman@ase.org)

**Ameresco**

Ashley Patterson, Director of Government Affairs and Public Policy  
[apatterson@ameresco.com](mailto:apatterson@ameresco.com)

**American Chemistry Council**

Rudy Underwood, Vice-President of ACC State Affairs  
[Rudy\\_underwood@americanchemistry.com](mailto:Rudy_underwood@americanchemistry.com)

**American Council for an Energy-Efficient Economy**

Sara Hayes, Senior Manager and Researcher, Air and Climate Policy  
[shayes@aceee.org](mailto:shayes@aceee.org)

**AMSEnergy Corp**

Michael Sams, CEO & President  
[michael.sams@amsenergy.com](mailto:michael.sams@amsenergy.com)

**Bruce Harley Energy Consulting, LLC**

Bruce W. Harley, Principal  
[bruceharleyenergy@gmail.com](mailto:bruceharleyenergy@gmail.com)

**Building Performance Institute (BPI)**

Larry Zarker, CEO  
[lzarker@bpi.org](mailto:lzarker@bpi.org)

**CALMAC**

Mark M. MacCracken, CEO  
[Mm@calmac.com](mailto:Mm@calmac.com)

**Columbia University, School of International & Public Affairs**

Lloyd Kass, Adjunct Faculty, Environmental Science and Policy Program  
[lrk13@columbia.edu](mailto:lrk13@columbia.edu)

**Danfoss**

John Galyen, President, North America  
[johngalyen@danfoss.com](mailto:johngalyen@danfoss.com)

**E4TheFuture**

Stephen Cowell, Executive Director  
[scowell@e4thefuture.org](mailto:scowell@e4thefuture.org)

**Ecothermal Filters**

Darcy McMenamin, President and CEO  
[Darcy@ecothermalfilters.com](mailto:Darcy@ecothermalfilters.com)

**Efficiency First**

Kara Saul Rinaldi, Government Affairs  
[kara@anndyl.com](mailto:kara@anndyl.com)

**Energy Resources Center**

Cliff Haefke, Interim Director  
[chaefk1@uic.edu](mailto:chaefk1@uic.edu)

**Environment Texas**

Sara E. Smith, Staff Attorney  
[sara@environmenttexas.org](mailto:sara@environmenttexas.org)

**Environmental and Energy Study Institute**

Carol Werner, Executive Director  
[Cwerner@eesi.org](mailto:Cwerner@eesi.org)

**Environmental Entrepreneurs (E2)**

Bob Keefe, Executive Director  
[bkeefe@e2.org](mailto:bkeefe@e2.org)

**Hannon Armstrong**

Robert Johnson, Senior Vice President at Hannon Armstrong Sustainable Infrastructure  
[rjohnson@hannonarmstrong.com](mailto:rjohnson@hannonarmstrong.com)

**Home Performance Coalition**

Kara Saul Rinaldi, Vice President of Government Affairs and Policy  
[kSaul-rinaldi@homeperformance.org](mailto:kSaul-rinaldi@homeperformance.org)

**JW Crouse, Inc.**

Jesse Crouse, President  
[jwcincps@verizon.net](mailto:jwcincps@verizon.net)

**Knauf Insulation**

George R. Phelps, Public Affairs Manager  
[George.phelps@knaufinsulation.com](mailto:George.phelps@knaufinsulation.com)

**Lime Energy**

Adam Procell, President and CEO  
[aprocell@lime-energy.com](mailto:aprocell@lime-energy.com)

**NAESCO**

Donald Gilligan, President  
[dgilligan@naesco.org](mailto:dgilligan@naesco.org)

**National Electrical Contractors Association (NECA)**

Marco A. Giamberardino, MPA, Executive Director, Government Affairs  
[mgiamberardino@necanet.org](mailto:mgiamberardino@necanet.org)

**National Housing Trust**

Todd Nedwick, Housing and Energy Efficiency Policy Director  
[tnedwick@nhtinc.org](mailto:tnedwick@nhtinc.org)

**Natural Resources Defense Council**

Dylan Sullivan, Senior Scientist  
[dsullivan@nrdc.org](mailto:dsullivan@nrdc.org)

**North American Insulation Manufacturers Association**

Curt Rich, President and CEO  
[crich@naima.org](mailto:crich@naima.org)

**Ohio Sustainable Business Council**  
Mayda Sanchez, Executive Director  
[Msanchez@ohiosbc.org](mailto:Msanchez@ohiosbc.org)

**Owens Corning**  
John Libonati, Vice President of Government and Public Affairs  
[John.Libonati@owenscorning.com](mailto:John.Libonati@owenscorning.com)

**Powder River Basin Resource Council**  
Bob LeResche, Chair  
[sanderson@powderriverbasin.org](mailto:sanderson@powderriverbasin.org)

**Schneider Electric**  
Anna Pavlova, Vice President, Government Relations  
[Anna.Pavlova@schneider-electric.com](mailto:Anna.Pavlova@schneider-electric.com)

**Siemens Corporation**  
Tom Phillips, Senior Director, State & Local Government Affairs  
[tom.phillips@siemens.com](mailto:tom.phillips@siemens.com)

**Stoney Point Farms**  
Larry Lambeth, President  
[llamrtment@hotmail.com](mailto:llamrtment@hotmail.com)

**TerraShares**  
John Atkins, President  
[jatkins@terrashares.com](mailto:jatkins@terrashares.com)

**The Dow Chemical Company**  
Greg Bergtold, Business Advocacy & Policy Director  
[gsbergtold@dow.com](mailto:gsbergtold@dow.com)

**Trane**  
Douglas M. Young, Energy Services Leader  
[dmyoung@trane.com](mailto:dmyoung@trane.com)

**U.S. Green Building Council**  
Elizabeth Beardsley  
[Ebeardsley@usgbc.org](mailto:Ebeardsley@usgbc.org)

**VEIC**  
Mary Sprayregen, Deputy Director, Policy and Public Affairs  
[msprayregen@veic.org](mailto:msprayregen@veic.org)

**Veolia North America**  
Elinor Haider, Vice President, Market Development

[elinor.haider@veolia.com](mailto:elinor.haider@veolia.com)

**Washington Gas, a WGL Company**

Doreen Hope, Federal Government & Business Relations

[dhope@washgas.com](mailto:dhope@washgas.com)