The CEIP is an early action program during the two years prior to the start of the CPP

- The CEIP allows certain eligible clean technologies to earn **early action credits** (ERCs or allowances)
- Crediting includes limited pool of **free “matching” credits** from EPA
- The crediting is effectively **doubled** for certain projects benefiting low income communities
- Projects credited for MWh created/saved for the **two years** leading up to the start of the compliance period
- The CEIP is a **voluntary program** for states that choose to participate

**Note on the Stay:** States may continue planning, and EPA has authority to work with them
Overall goals and basic structure of CEIP have not changed

- Incentivize generators and project developers to act early
- Boost RE and EE as compliance options
- Minimize rate impacts for low-income communities

The CEIP adds flexibility and helps states start along their ‘glide path’ prior to 2022
RE projects get single credit, and low-income projects get double credit

- 50/50 split of matching credits between RE and low-income
  - No re-designation between pools
  - Unused matching credits retired Jan. 1, 2023

State voluntarily participating in CEIP sets aside early allowances or distributes early ERCs*

- 1 ERC / 0.8 allowance
- 2 ERCs / 1.6 allowances

2 MWh generated

EPA gives matching credits to states from fund of 300 million allowances (375 million ERCs)
EM&V is required for all CEIP-eligible projects

- Eligibility applications must include EM&V plans
- Regular M&V reports required
- CEIP credits issued based on quantified & verified MWh

Rules for Mass & Rate Plans

- EM&V under mass-based plans: is EM&V requirement a disincentive to participate for states not doing set-asides?
- Reference to EM&V Guidance for EE: acknowledge comments on issues facing states/project providers raised in EM&V Guidance
  - e.g., California doesn’t use CPB and would have to 1) pursue separate EM&V protocols for CEIP projects and 2) establish a CPP-specific administrative process for CEIP participation

Potential Areas for Comment
DoE is funding the development of a tracking system for EE savings

**Initial Partners Include:** States of Tennessee, Georgia, Michigan, Minnesota, Oregon, Pennsylvania; The Climate Registry; and the National Association of State Energy Officials

**Initial Funding:** Department of Energy

**Capabilities:** Consolidated EM&V, transparent tracking of EE

**Purpose:** To streamline administration and tracking of EE for state programs, CPP compliance, voluntary EE, etc.
When complete, NEER will ease tracking & administration of EE savings

NEER will handle administration and tracking of EE savings along the entire lifecycle of a project, program, or measure.

NEER will be transparent, web-based, national, and built on best practice for EE accounting and registry design.

NEER will support a range of EE project and program types, ranging from ratepayer-funded programs to ESCO projects.
Specifically, NEER will streamline EM&V and provide transparent tracking infrastructure.

Streamlining EM&V:
- Set consistent standards for documentation (to fit state or other requirements) without prescribing specific protocols
- Aggregate data in a central location for evaluation and exchange
- Straightforward one-stop portal for EE providers

Transparent tracking of verified savings:
- Unique ID numbers for units of savings
- Tracking along full chain of custody (project registration, verified savings, trading, retirement)
- Support the development of financial instruments that can be traded and retired for compliance purposes
For the CPP, NEER will enable EE deployment, lowering compliance costs.

- NEER will ensure that EE is trusted by EGUs as a reliable compliance measure.
- NEER will ease EE crediting and credit trading for rate and mass.
- NEER will provide infrastructure for EE crediting under the CEIP and set-asides.

NEER will therefore facilitate EE deployment, in addition to tracking existing EE deployment, enabling least-cost compliance outcomes.
Background: A project to develop Model Principles and Operating Rules for NEER is supported by the Department of Energy, Office of Energy Efficiency and Renewable Energy (EERE), under Award Number DE-EE0007219, CFDA No. 81.119. This project is led by the TN Energy Office and a steering committee with representatives from GA, MI, MN, OR & PA. NASEO and The Climate Registry are project partners.

Disclaimer: The information in this presentation has been prepared by and is the sole responsibility of AEE. AEE is not a project partner and does not represent the views of DOE and/or the six steering committee states (TN, GA, MI, MN, OR & PA) or the project partners. As such, the views expressed in the presentation are strictly those of AEE and may not coincide precisely with information provided by the project, participating states, or project partners.

Disclosure: Malcolm Woolf, Senior Vice President, Policy and Government Affairs at AEE serves as a voluntary and unpaid advisor to the steering committee for the Model Principles and Operating Rules project supported by DOE.
Contact

Maria Robinson
mrobinson@aee.net
617.600.8325
For low-income eligibility, states can choose from multiple existing definitions

- States can choose multiple existing definitions (established prior to Oct. 23, 2016) to encompass different program types (e.g., residential, commercial) and scales (e.g., household, geographies)

<table>
<thead>
<tr>
<th>Federal</th>
<th>State</th>
<th>Local</th>
</tr>
</thead>
<tbody>
<tr>
<td>geographic-based</td>
<td>utility program definitions</td>
<td>utility program definitions</td>
</tr>
<tr>
<td>definitions (New Market</td>
<td>eligibility requirements for</td>
<td>(munis, coops)</td>
</tr>
<tr>
<td>Tax Credits, HUD</td>
<td>state tax credits and</td>
<td></td>
</tr>
<tr>
<td>Qualified Census Tracts)</td>
<td>incentives</td>
<td></td>
</tr>
<tr>
<td>household-based</td>
<td>qualification for state benefit</td>
<td></td>
</tr>
<tr>
<td>definitions (DOE WAP</td>
<td>programs</td>
<td></td>
</tr>
<tr>
<td>Income Guidelines,</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Federal Poverty Level</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Level Guidelines)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Munis, Coops)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>