# CLEAN ENERGY INCENTIVE PROGRAM AND ENERGY EFFICIENCY POLICY

NV NEITF Clean Energy Sources Subcommittee

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# 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

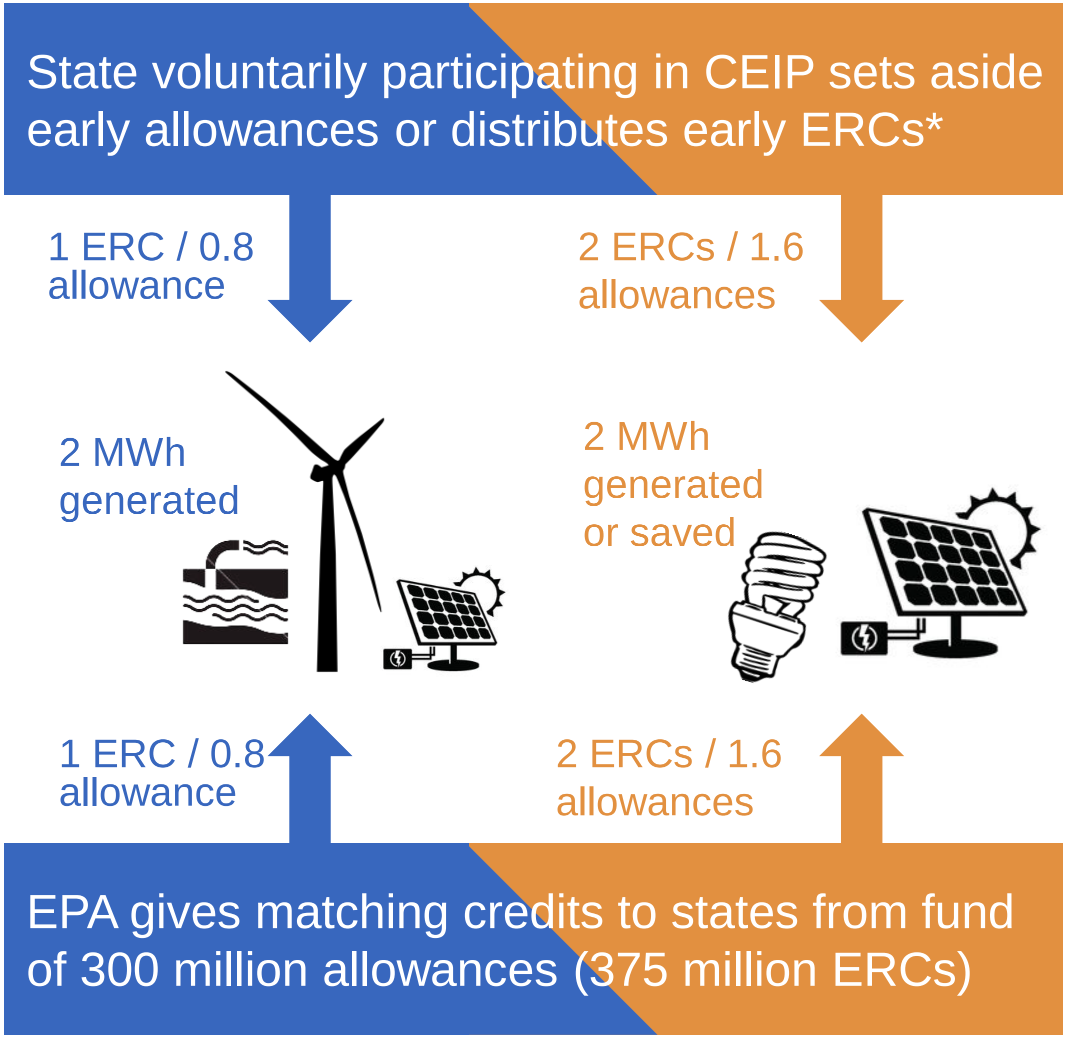
Boost RE and EE as compliance options

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



# EM&V is required for all CEIP-eligible projects

**Rules for Mass & Rate Plans**

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

**Potential Areas for Comment**

- 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

# DoE is funding the development of a tracking system for EE savings

NEER
NATIONAL ENERGY EFFICIENCY REGISTRY

**Purpose:** To streamline administration and tracking of EE for state programs, CPP compliance, voluntary EE, etc.

**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

# 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 Information & Disclaimer

**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.

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**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.

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# 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)

**Federal**

- geographic-based definitions (New Market Tax Credits, HUD Qualified Census Tracts)
- household-based definitions (DOE WAP Income Guidelines, Federal Poverty Level Guidelines)

**State**

- utility program definitions
- eligibility requirements for state tax credits and incentives
- qualification for state benefit programs

**Local**

- utility program definitions (munis, coops)