

Energy Efficiency and Conservation – Working Group Meeting #2

April 5, 2016; 1:00 pm – 3:00 pm

Meeting Summary

I. Meeting Objectives

- To **dive deeper** into the conversation and continue to **develop current challenges and areas of opportunity** and organize them by topic area.
- To **share expertise** around topic areas and frame the issues associated with that topic.
- To **gather more information** and facts on issues and opportunities.

II. Summary of Key Comments

The following topic areas were discussed as they related to Energy Efficiency and Conservation. The summary captures issues brought forward by working group members.

Building Codes

- Iowa's current energy code is the IECC 2012 and the state is currently working on adopting the 2015 version.
- Iowa is on the leading edge of considering and adopting new codes.
- The IECC 2015 code is outcome-focused and will be great for supporting building efficiency.
- The IECC 2015 is easier from a training and enforcement perspective.
- Simpler codes are better as codes are inherently complicated.
- Some states have auto-update provisions for energy codes which may be an opportunity in Iowa.
 - o Consider the amount of time needed for cities and contractors to learn and understand new codes.
 - o If city councils are unaware of codes now they will remain unaware under an auto-update framework.
 - o An auto-update framework could help contractors understand current standards.
- Education on codes and code enforcement is critical.
- Training and enforcement continues to be an issue regardless of the code in place.
 - o Staffing and resources are limited
 - o Some communities have memorandums of understanding around training and compliance.
 - o Community leaders cannot be responsible to stay on top of guidelines – staff and inspectors must be trained.
- Statewide codes are different than community-based decisions.
 - o Iowa traditionally favors local control.
 - o Local codes should be at or better than state codes.
- Do we know how many Iowa communities are actually following and enforcing the current code?

- How do we encourage adoption of more energy-efficient practices and technologies through use of existing buildings codes?
- How do we consider grandfathering issues?

Building Energy Usage

- Being involved early in the design process is one of the best ways to promote high-performance building design.
 - o Some utility new construction programs apply this approach.
 - o Model energy usage at the design stage to make better decisions.
- Building energy usage is more than just energy efficiency but involves optimizing all of a building's attributes including energy efficiency, overall lifecycle, and occupant productivity and comfort.
- Procurement methods focus on first cost but should consider an operational assessment.
- Benchmarking is particularly powerful when you have a portfolio of buildings and you need to determine which buildings to make improvements in.
- Benchmarking buildings should be expanded and some organizations (e.g., schools) are currently doing this.
 - o Tracking building energy usage is critical to strategic, statewide planning efforts.
 - o Benchmarking needs to be further promoted and possibly incentivized.
 - o Benchmarking enforcement may create burdens.
- Benchmarking efforts are often not fully embraced.
 - o An opt-in system would gather those entities that are interested.
 - o It is difficult for building owners/operators to keep up with benchmarking data collection and entry.
- How have other cities and states moved from voluntary to mandatory benchmarking?

Energy Programs

- Centralized planning and implementation of energy programs could allow for consistency throughout Iowa.
 - o Perhaps apply to certain customer types.
- There is a centralized energy program planning process in the state as it relates to how utilities connect with stakeholders.
 - o The Iowa administrative code is a centralized guide for planning.
 - o This is a robust and collaborative process.
 - o Utilities have different customer needs and the current structure allows utilities to design and manage programs that best meet those needs.
- The statewide potential study will inform future utility plans.
- Municipal utilities and cooperatives could coordinate with other utilities to expand programs and leverage economies of scale.
 - o Some utilities currently have joint offerings
- New programs that leverage new technologies are a future opportunity.
- Need to focus on Iowa's low income population.
 - o Tools to reduce energy costs are helpful but hard to implement.
 - o Additional education and outreach efforts would be helpful.
 - o Home weatherization continues to represent a large opportunity for energy savings.
- The balance of funding between commercial/industrial offerings and residential offerings is a challenge.
 - o Commercial/industrial programs provide more savings per dollar

- Low income residents cannot implement all measures that would be beneficial due to upfront costs.
- A list of current efficiency program offerings that are shared across utility territories will be shared for the group to review.

Energy Affordability and Equity

- A state energy plan could go beyond federal eligibility requirements for various programs.
 - o Weatherization programs have a long-term impact but are costly.
- Equity should be considered in terms of energy program design.
- Schools and other tax-payer supported institutions need affordable program opportunities.
- Municipal utilities do not participate in state programs.
- Municipal utilities need resources for infrastructure and maintenance and are not often focused on energy efficiency and conservation.

Financing and Capital Needs

- Savings from energy efficiency is not always enough motivation and financing should be targeted to those who cannot do energy efficiency without incentives or capital.
- PACE and performance contracting are potential opportunities for the state to consider, particularly for customers who can afford upfront costs, but won't make upgrades without additional incentive.
- Approximately 25% of policies address financial barriers but only five address upfront financing and capital, and those have limitations.
- Low interest rates have reduced participation in utility financing and performance-based program mechanisms.
- There are a number of legal and regulatory barriers for public entities including Dillon's Rule, which is the theory of state preeminence over local government.
- Public and non-profit entities cannot take advantage of tax credits.

Grid Modernization

- The more that a customer knows about their energy usage the greater the likelihood that a customer will make changes.
- Smart grid and smart meters can provide new opportunities for energy efficiency efforts.
- Smart meters could be detrimental to low-income families and disconnection for failure to pay
- Training and enforcement continues to be an issue regardless of the code in place.
- Who should invest in and own modern grid infrastructure?
- How are issues of cost going to be resolved?
- Do we know how many Iowa communities are actually following and enforcing the current code?

Energy Policies

- The working group decided to discuss this topic on Basecamp.
- Example energy plans should be posted for working group member review.

III. Comments and Questions Received from the Public

- Part of efficiency is proper lighting... using less light to intentionally light only areas that need lighting. <http://darksky.org/resources/research/>
- Should policies & recommendations be revisited every 5 years by Lieutenant Governor? First time around likely won't be perfect.