



**MEEA**  
Midwest Energy Efficiency Alliance

# ENERGY EFFICIENCY IN INDIANA AFTER REPEALING THE STATEWIDE STANDARD

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April 24, 2015

*The Source On Energy Efficiency*

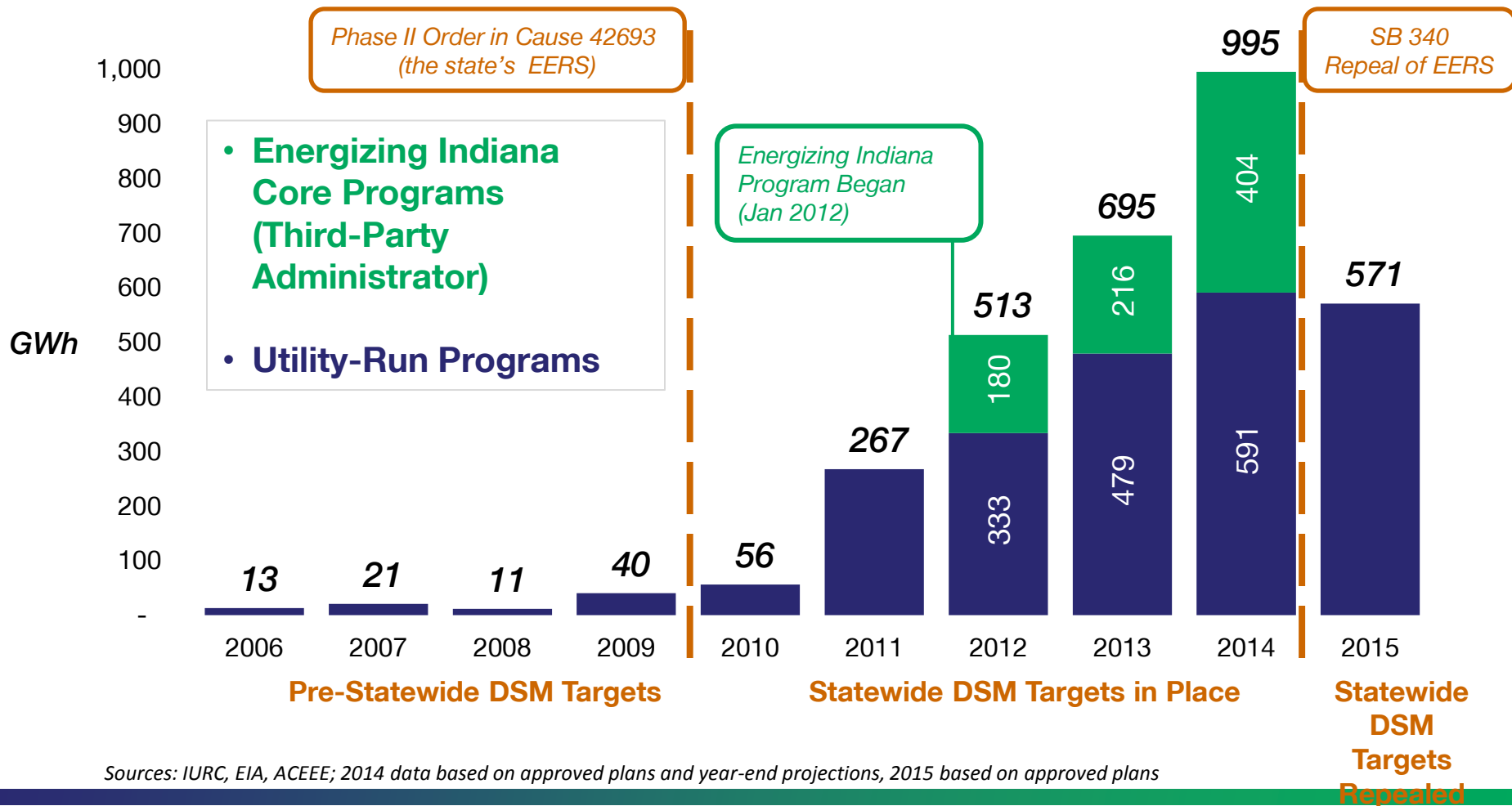
# Indiana Policy Changes

- March 2014
  - SB 340 passed:
    - Repealed the state's energy efficiency standard
    - Eliminated the statewide energy efficiency program, Energizing Indiana, after December 31, 2014
    - Created a large energy user (1 MW or more) opt-out
- May 2014
  - All IOUs file demand-side management (DSM) plans with the Indiana Utility Regulatory Commission (IURC) for 2015
- August 2014
  - Pursuant to SB 340, the IURC submitted a report to the legislature illustrating cost-effectiveness of Energizing Indiana's 2 years of programming. At the time SB 340 was passed, the Energizing Indiana programs were earning \$3 in benefits for every \$1 spent.
  - [http://www.in.gov/iurc/files/DSM\\_Report\\_to\\_General\\_Assembly\\_w\\_Cover\\_Letter\\_8-15-2014%281%29.pdf](http://www.in.gov/iurc/files/DSM_Report_to_General_Assembly_w_Cover_Letter_8-15-2014%281%29.pdf)
- December 2014
  - Energizing Indiana ends
  - All filings for 2015 DSM plans approved by the end of the year

# Impacts of SB 340

- The following slides illustrate the impacts of repealing the state's energy efficiency standard.
- Energizing Indiana was the statewide energy efficiency program administered by a third party using ratepayer funds.
- Utilities also ran their own energy efficiency programs.
- Combined, Energizing Indiana and utility-run programs met the statewide efficiency target.
- 2015 data reflect 1-yr DSM filings by the utilities.
- 2015 filings came in around 1% of the load remaining after the large consumer opt-out. Savings will be well under 1% of the total load.
- Utilities should have been at 1.3% of total load under the former statewide efficiency target.

# Electric Energy Efficiency Savings in Indiana



# Changes in Energy Efficiency Investment and Electric Savings from 2014 to 2015

- Total efficiency budgets decreased by 30%.
- Total savings decreased by 47%.
- As savings decreased more than spending, we can conclude that the overall cost-effectiveness of program delivery has gone down.
- A significant driver of the lowered cost-effectiveness comes from the residential sector as residential budgets decreased only 6% but savings decreased 37%.
- Due to the large energy user opt-out (users over 1MW), there is a 57% decline in C&I savings and a 47% decline in C&I efficiency investment.

# Indiana Electric Efficiency Spending and Savings by Customer Class



Source: Utility Filings in IURC Causes 42693-S1, 43955-DSM 02, 44486, 44495, 44497, and 44501.

# Large Consumer Opt-Outs

## Duke

- Approved plan estimates 71% of eligible customers will opt-out by the end of 2015.

## Indiana Michigan Power

- C&I Savings reduced approx. 10% from 2014 to 2015 approved plans. Unclear how much of that is due to opt outs (which are not quantified in plan documents)

## Indianapolis Power & Light

- Approved plan estimates 28 opt-outs (reduction of approx. 20% of C&I savings)
- Total eligible = 150 customers/200 sites, equaling 25% of C&I load

## NIPSCO

- Approved plan estimates that largest 16 + South Shore Line will opt-out, equaling 54% of C&I load, 43% of total load
- Total eligible = 200 customers/235 accounts

## Vectren

- Assumed 50% opt-out rate for initial filing; approved revised plan estimates 80% opt-out

# Questions?

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