



NAESCO State Advocacy

ESC Market Transformation

Louisville, KY

August 24, 2016



Presentation Overview

- NAESCO Approach to Advocacy
- Current State Issues
- Conclusion

NAESCO Advocacy



- Limited Budget – Can't Cover Everything
- Work with EE and Enviro Coalitions
- Take “Rifle Shots” at Issues
- Involve Members on Major Issues
- Hire Local Lobbyists When Necessary

2016 State Issues



- Defensive
 - Kansas, Illinois, Michigan, North Carolina, Wyoming and Utah
- Offensive – long term market growth
 - California – rework the EE programs
 - New York REV – change the utility business model

Kansas – HB 2418



- Introduced by a legislator who is a contractor
- Would outlaw ESPC in K-12 schools
- NAESCO rallied KS ESCOs
- Hired an experienced Topeka lobbyist
- Killed the bill in committee

Illinois – SB 341



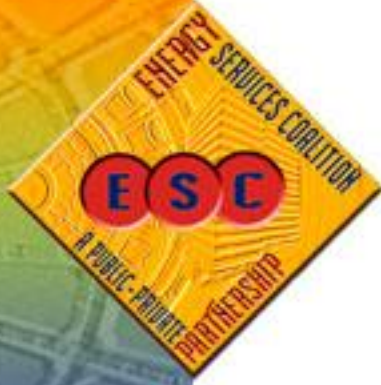
- Sneak attack on ESPC by the AIA
- Amendment to a placeholder bill
- Filed Friday afternoon
- Passed Wednesday
- NAESCO organized ESCOs/lobbyists
- Calls and visits to House sponsor
- Killed the bill, but it will be back next year

Michigan -- S 437 and 438



- Massive bill on utility competition
- In discussion for a year
- Schools and colleges want into the competitive supply market
- Late amendment by utilities to allow special utility rates and EE services
- NAESCO letter + ESCO/lobbyist work
- Pulled the troublesome language

North Carolina – H 1030



- State budget bill
- Provision requiring legislative approval of projects \$5 million or larger
- NC already has rigorous project approval
 - Council of State + DEQ + State Treasurer
- NAESCO worked with ESCOs and lobbyists and SEO
 - Clarified language to exclude ESPC

Wyoming and Utah



- Assistant AGs have declared ESPC multi-year financing unconstitutional
- Won't accept standard annual appropriations language
- Origins not clear
- NAESCO researching and contacting ESCOs

California – R1311005



- EE program revision – multi-year proceeding
- Potential to grow program from \$1B/year
 - MA spends about 5x per capita
- Savings baselines = existing conditions
- New M&V system – IPMVP Option C?
- Move to 100% 3P implementation
- Re-start statewide SPC programs?



New York REV Proceeding

- Transform utility business model
- Make utilities friendly to DERs
- Change utility revenues from kWh throughput to incentives for DER implementation
- Pilot programs underway
- Multi-year transition

Conclusion



- We live in interesting times
- Significant challenges from contractors and A/E firms to current ESCO offerings
- Major new opportunities as the utility industry evolves
- Will require the ESCO industry to develop new service models



Questions?

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