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**Re: “Issues for Public Comment 111(d) Plan Development”: North Dakota’s
Opportunity for EE in the CPP**

I. Introduction

Members of Dakota Resource Council, along with the American Council for an Energy-Efficient Economy (ACEEE), Ameresco, the Alliance to Save Energy, the Alliance for Industrial Efficiency, E4TheFuture, and the National Association of Energy Service Companies (NAESCO) [hereinafter Commenters] appreciate the opportunity to comment at this early stage on the state’s Clean Power Plan (CPP) state compliance plan. We are encouraged that the state is looking into creative ways to cost-effectively reduce CO₂ emissions and would like to take this opportunity to highlight energy efficiency as the easiest, fastest, and most cost-effective compliance tool available. Though the state’s target under the CPP is high, the state also has much room to grow its energy-efficiency programs and potentially meet a significant portion of its target through energy-efficiency-based compliance options.

Commenters submit to the state that sound energy efficiency policies should be a priority in developing a plan to meet our target under the CPP. In fact, preliminary estimates by ACEEE suggest that North Dakota can meet 25% or more of its 2030 goal through energy efficiency efforts, while saving ratepayers money and producing a number of co-benefits that will help protect our state’s health, air quality, and promote continued economic growth.¹ These comments will highlight four of the areas in which energy efficiency can play a key role in complying with our target under the CPP. Thank you for your consideration of these comments and we look forward to staying involved in the Plan’s development moving forward.

II. Energy efficiency is a resource that can help North Dakota taxpayers save money in the long term.

Energy efficiency is first and foremost about reducing resource waste, and doing more with the same or less energy. It is about using best practices and technology to vary lighting, temperature and other inputs to maintain the same level of service, while using fewer resources. Programs that help North Dakotans upgrade their homes, replace old furnaces, and insulate their walls can help reduce this waste and save those same residents millions of dollars over the term

¹ ACEEE estimate, December 2015.

of the compliance period. Similar upgrades to public buildings and manufacturing facilities can mean fewer taxpayer dollars spent on heating and cooling those buildings. A 2014 ACEEE study estimated that by 2030 a combination of energy savings targets, building codes, combined heat and power (CHP) applications in industry, and equipment standards would avoid a cumulative 7 billion MWh of electricity consumption.² ACEEE estimates that with the adoption of just a 1% energy savings target and updated building energy codes, North Dakota's ratepayers could save 21 million MWh of electricity and actually save money – over \$300 million by 2030.³ These two policies would avoid over 17 million tons of CO₂ by eliminating energy waste. North Dakota can start saving ratepayers and taxpayers money by instituting energy-efficiency targets, building codes, appliance standards, and CHP applications that will move us toward meeting our target under the CPP.

While barriers to energy-efficiency implementation in the state remain, the CPP offers the state an opportunity to eliminate some of these barriers through coordination with the Legislature and the Public Service Commission (PSC). Specifically, these barriers include: misalignment of the utility business model with energy efficiency, participation rate uncertainty for energy-efficiency programs, treatment of energy-efficiency programs as a customer benefit rather than a utility system resource, and cost concerns over building code adoption and enforcement.⁴ Yet, experience has shown that energy-efficiency programs reduce energy costs, improve air quality and increase customer satisfaction. As costs of coal rise over the next several decades, setting the stage to realize these benefits by implementing policies and rate structures that support energy efficiency can help customers and their communities over the long term.

III. Energy efficiency generates local, well-paying jobs.

Energy efficiency creates jobs, particularly through appliance and green building standards. According to a November 2015 Environmental and Energy Study Institute fact sheet, by 2010 federal appliance standards had already generated 340,000 jobs nationally.⁵ The U.S. Green Building Council estimates that by 2018, a third of jobs in construction will be supported by green building standards.⁶ By reducing energy use, energy-efficiency investments like CHP can enhance manufacturing competitiveness for North Dakota businesses. These investments also create job opportunities in the design, construction, installation and maintenance of equipment. North Dakota can harness these opportunities for job growth by instituting energy-efficiency policies that will help transition its economy away from fossil-fuel-dependent—potentially

² Hayes et al., *Change is in the Air: How States Can Harness Energy Efficiency to Strengthen the Economy and Reduce Pollution*, American Council for an Energy-Efficient Economy, April 2014, available at: <http://climateandenergy.org/resources/ACEEE111droleofefficiency.pdf>.

³ ACEEE estimate, December 2015.

⁴ Sciortino et al., *Opportunity Knocks: Examining Low-Ranking States in the State Energy Efficiency Scorecard*, May 2012, ACEEE, available at: <http://aceee.org/sites/default/files/publications/researchreports/e126.pdf>.

⁵ Environmental and Energy Study Institute Fact Sheet: *Jobs in Renewable Energy and Energy Efficiency*, November 2015, available at: http://www.eesi.org/files/FactSheet_REEE_Jobs_110615.pdf.

⁶ *Id.*

volatile—employment, and toward an economy more heavily dependent on conserving the resources we do have. Though we do not underestimate the difficulty many who work in coal-dependent industries face under the CPP, we note that coal-fired power is an inherently inefficient system, and the opportunity to increase heat-rate efficiency is limited. There are opportunities, particularly for industry and commercial end-users, to take advantage of the inefficiencies in this system, ultimately saving money that would otherwise be lost and redirecting it toward growing the workforce and the local economy. There are high-quality, well-paying jobs available through harnessing efficiency opportunities, making it an attractive compliance option for a state faced with the negative impacts of this rule on coal-dependent communities.

IV. Energy efficiency results in myriad health benefits due to the reduction in co-pollutants from coal-fired power generation.

Perhaps some of the best—and free—benefits of reduced CO₂ emissions resulting from stringent energy-efficiency policies are the positive impacts on the health of North Dakotans. By reducing carbon pollution through energy-efficiency policies, the state will also reduce co-pollutants like sulfur dioxide (SO₂), nitrogen oxide (NO_x), and particulate matter. According to the group Physicians for Social Responsibility, pollution from fossil-fuel combustion contributes to four of the leading causes of death in the U.S: cancer, chronic respiratory disease, heart disease, and stroke.⁷ These diseases are all of concern in North Dakota – the incidence of COPD, asthma and lung cancer, coronary heart disease, and stroke are all costly and significant issues in the state, particularly for vulnerable and overburdened communities.⁸ Energy-efficiency policies can therefore save the healthcare system significant costs, protect the health and well-being of North Dakota residents, and improve the livelihood of those who are most at risk.

V. Energy efficiency can help maintain grid reliability and resiliency.

Energy efficiency is an extremely reliable, least-cost and least-risk resource that promotes the reliability and resiliency of the grid. Energy-efficiency policies reduce the need for plant retirements, and therefore for new generation capacity, emission-control technologies, and transmission and distribution infrastructure upgrades and maintenance.⁹ In fact, a study done by ConEd found that one-third of the time, energy efficiency deferred transmission and distribution upgrades that were ultimately never needed.¹⁰ What's more, because a CHP installation can operate independent of the grid, it can make the grid more resilient in the face of extreme weather events. These key considerations, particularly in the face of projected risks to grid

⁷ ACEEE and Physicians for Social Responsibility Fact Sheet: Energy Efficiency and Health, October 2015, available at: <http://aceee.org/sites/default/files/ee-health-1008.pdf>.

⁸ See e.g. Henry J. Kaiser Family Foundation, Health Care Expenditures per Capita by State of Residence, available at: <http://kff.org/other/state-indicator/health-spending-per-capita/>.

⁹ Hayes et. al, 3, citing Lazar, J. and K. Colburn, 2013, Recognizing the Full Value of Energy Efficiency, Regulatory Assistance Project, available at: <http://www.raponline.org/event/recognizing-the-fullvalue-of-efficiency-theres-more-layers-in-the-layer-cake-than-many-account>.

¹⁰ *Id.*

security, make energy efficiency a valuable resource that North Dakota should prioritize moving forward.¹¹

VI. Conclusion

North Dakota's trajectory to meeting its CPP target is indeed a challenge. Yet, the state has an unprecedented opportunity to make significant gains towards meeting this goal through sound energy-efficiency policies that will reduce carbon emissions at the least cost. Along with these savings, the state has the opportunity to build a greener economy, protect the health and safety of its citizens, and promote smarter use and delivery of electricity. Energy efficiency has the potential for many benefits as a least-cost option, and can serve as a primary strategy in building a state plan for the CPP.

Sincerely,

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¹¹ See e.g. 80 Fed. Reg. 64,661, 64,683 (October 23, 2015), available at: <https://www.gpo.gov/fdsys/pkg/FR-2015-10-23/pdf/2015-22842.pdf>.

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