

# The Clean Energy-Environment State Partnership Program: Collaborating for Clean Energy & Clean Air

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# Outline

- The Time is Right for Clean Energy
- States & Locals are Taking Action and Reaping Benefits
- The Clean Energy-Environment State Partnership
  - About Our Partners
  - What is the State Commitment?
  - What Does EPA Provide?
    - Guide to Action
    - Tools & Analysis
  - What can this mean for Municipal Governments?
- Summary & Next Steps



# Why Clean Energy Now?

## Factors converging in favor of clean energy:

- Energy Markets
- Air Quality
- Electricity Policy
- Climate Policy

***Clean energy = cost-effective energy efficiency, renewables, and clean distributed generation such as combined heat and power.***



# States are talking the talk...(1)

- *By reducing our dependence on foreign energy sources we can [not only] stop sending our energy dollars to unstable parts of the world, but we can become a world leader in clean energy technologies, from wind and solar power to geothermal and fuel cells.*
- **New York** – Governor Pataki's 2004 State of the State



## States are talking the talk...( 2)

- *Utilizing homegrown renewable fuels is good for our farmers, it's good for rural economic development, it's good for national security, and it's good for the environment. I would much rather have the fuel in our cars come from the Midwest than from the Middle East. Let's make [our state] the Saudi Arabia of Renewable Fuels.*
- **Minnesota** – Governor Pawlenty's 2005 State of the State



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## States are talking the talk...( 3)

- *...we share the goals to build energy capacity, reduce our dependence on foreign oil, keep our environment clean, and create high-wage jobs in the energy industry.*
- **New Mexico** – Governor Richardson's 2005 State of the State



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# States are talking the talk...( 4)

- *I intend to show the world that economic growth and the environment can coexist.*
- **California** – Governor Schwarzenegger's 2004 State of the State



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# ...Walking the Walk...

## Examples of State experience with clean energy policies:

- **EE and other demand-side measures**
  - 7 states have EE portfolio standards (direct or indirect)
  - 10 states have appliance standards complete or in progress
- **Energy supply measures**
  - 22 states with renewable portfolio standards (RPS)
  - 15 states have standard interconnection rules for DG
  - 12 states have output-based emission regulations
- **Financial strategies**
  - 18 states have EE public benefits funds, 15 for clean supply
- **Power market rules and regulations**
  - Multiple states pursuing: decoupling utility profits from sales, portfolio management, integrated resource planning, and incorporating clean energy into transmission and reliability planning





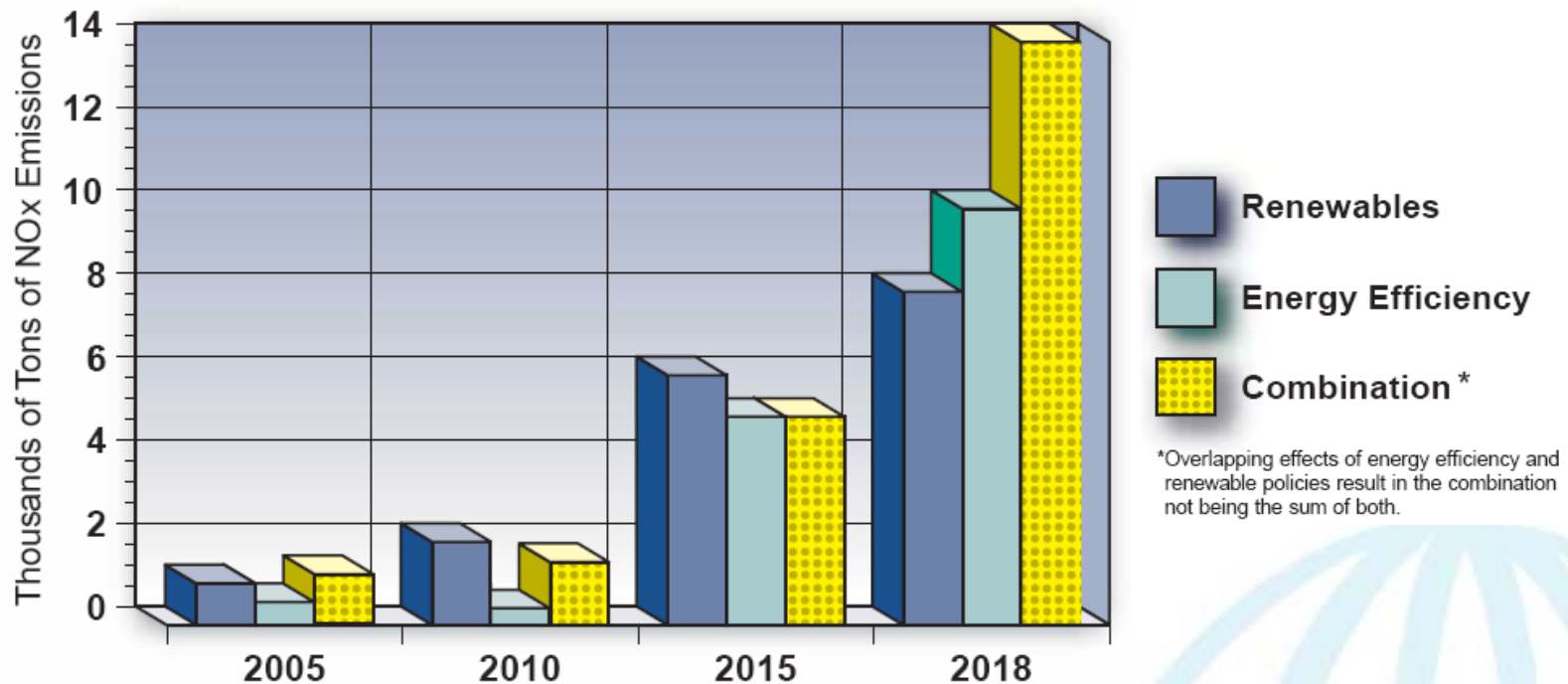
# ... and Reaping Multiple Benefits

- **Environmental and health benefits** include reducing emissions of air pollutants and greenhouse gases that pose risks to public health and the environment
- **Energy benefits** include reducing energy demand, stabilizing energy prices, improving electric system reliability, and promoting energy independence
- **Economic benefits** include job creation and lower total energy costs for consumers, who currently spend \$700 billion each year on energy bills



# Clean Energy Improves Air Quality...

Potential NO<sub>x</sub> Reductions from EE and RE in WRAP States\*

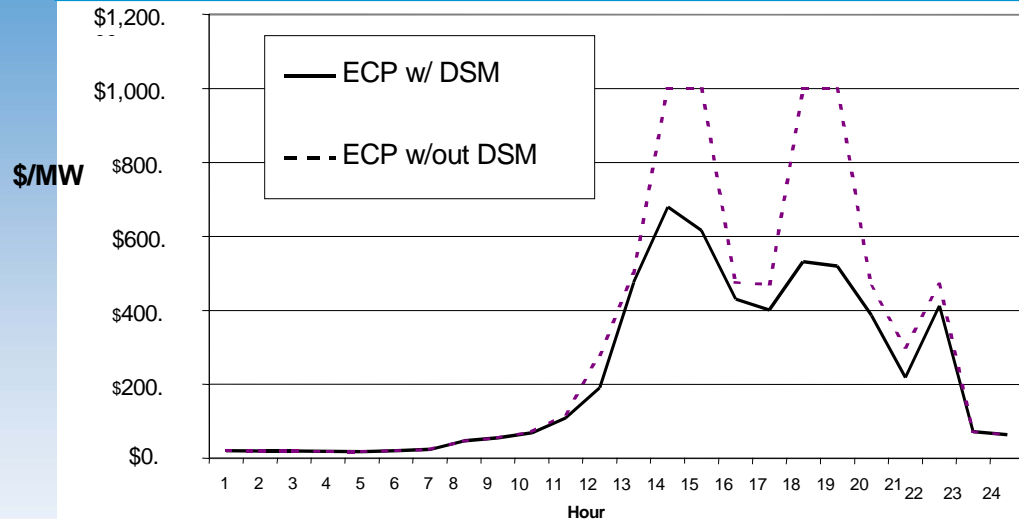


WRAP States are: Alaska, Arizona, California, Colorado, Idaho, Montana, New Mexico, North Dakota, Oregon, South Dakota, Utah, Washington, and Wyoming

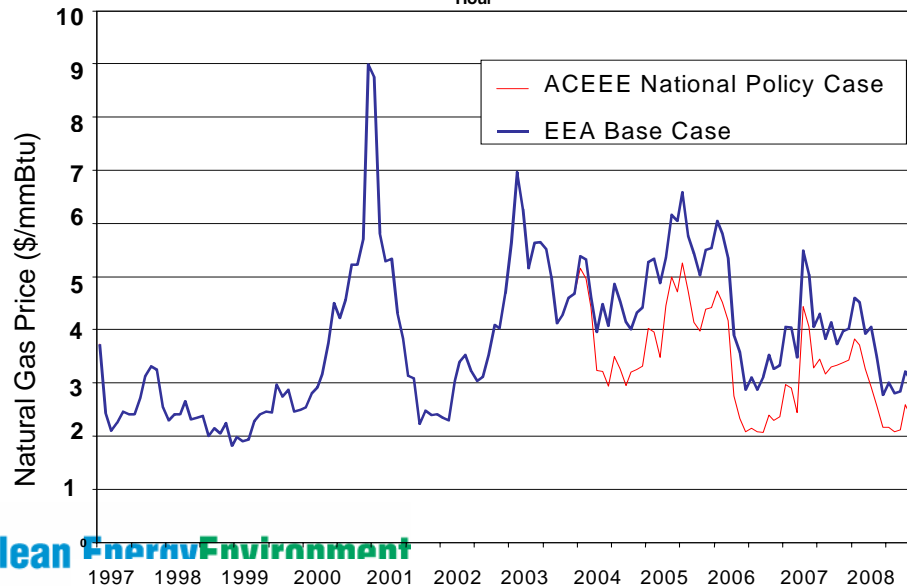


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# ...and Lowers Energy Prices



- DSM programs reduced price of peak power by 30 to 40%
  - Impact of Massachusetts DSM on Spot Market Clearing Price, June 7, 1999 (NEDRI Final Report, July 2003)



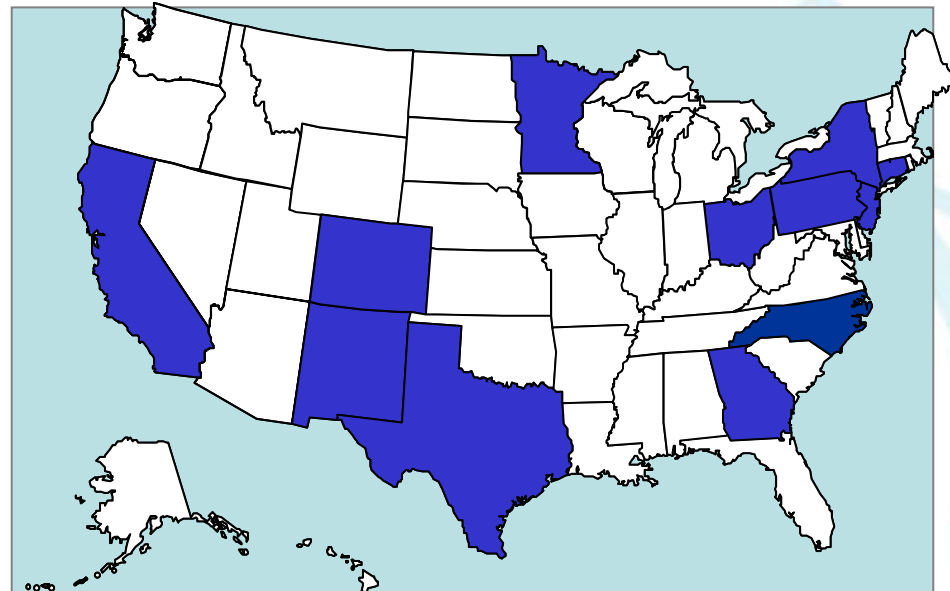
- Strong EE/RE Programs could reduce gas prices
  - 2-4% reduction in demand reduces prices by 20% and reduces air emissions



# The Clean Energy-Environment State Partnership Makes the Connections

- A voluntary state-federal partnership with leading states:
  - Develop cost-effective clean energy resources
  - Achieve economic, public health, environmental goals
  - Inform other energy-environment policies
- The Partnership provides a platform for promoting clean energy policies
- EPA provides hands on analytical support at all stages

■ Participating States:  
CA, CO, CT, GA, MN,  
NC, NJ, NM, NY,  
OH, PA, TX



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# About Our Partners

## Together, EPA's 12 Partner States Represent...

- 46% of total U.S. energy consumption
  - 6 of 10 highest ranked states by overall energy consumption (TX, CA, NY, OH, PA, GA)
- 44% of total U.S. GHG emissions from fossil fuel combustion
- 49% of total U.S. population
- 51% of total U.S. GSP
- 50%+ of both ozone (8hr) and PM 2.5 non-attainment counties

## Each Partner State Presents Unique Challenges and Opportunities

- CO gets 81% of its electricity from coal, compared with 52% nationally
- TX and CA are the two highest GHG emitters in the US
- NJ has highest population density in US (13X national average)



# Clean Energy-Environment State Partnership – *Key Program Elements*

## Partners take action:

- Sign MOU with EPA
- Foster collaboration among state agencies
- Establish 1 or more clean energy goals
- Conduct analyses, evaluate options and measure benefits
- Develop and implement clean energy-environment action plan

## EPA provides:

- Access to tools, analysis and expertise
- Clean Energy-Environment Guide to Action
- State-to-state peer exchange and communication support
- Information about funding opportunities and related clean energy resources
- National recognition



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# EPA Resources for States – *The “Guide to Action”*

- **Contains descriptions, lessons learned, links to resources for 16 “Best Practice” Clean Energy policies:**
  - **State Opportunities to Support Clean Energy**
    - Energy planning, funding and incentives, lead by example, environmental benefits of clean energy
  - **Energy efficiency**
    - EE portfolio standards, public benefit funds, building codes, appliance standards
  - **Energy supply**
    - RE portfolio standards, public benefit funds, interconnection, output-based standards, green power, utility rates
  - **Utility Planning**
    - Decoupling and utility incentives, portfolio management



# EPA Resources for States – *Tools, Analysis, Expertise, Peer Exchange, Federal Resources*

## Tools and Analyses Helps States...

### (1) Understand State Emissions:

- State GHG Inventory Tool
- STAPPA ALAPCO Clean Air and Climate Protection Software

### (2) Evaluate Clean Energy Policy Options:

- Clean Energy potential studies
- CACPS Policy Assessment Module
- SEP Toolkit
- SIP Guidance for EE/RE Actions
- Access to Economic Models
- Co-Benefits Risk Assessment (COBRA)
- Mitigation Impact Screening Tool (MIST)

### (3) Make Informed Policy Decisions





# EPA Resources for States – *Tools, Analysis, Peer Exchange, Federal Resources*

- **State-to-State Peer Exchange ...**
  - EE/RE State Technical Forums
  - Conferences and training sessions
  - Reports and white-papers
- **Leveraging Federal Resources**
  - CPPD partnerships
    - Green Power – CT
    - Change a Light – Partner states
  - DOE alignments
    - Clean Energy training – 3 Partner trainings, thus far
    - Building Code Assistance Project – hands on training, keyed to partner states



# EPA Resources for States – *Linking to Related Partnership Programs*



## ENERGY STAR®

***EPA-DOE program that offers organizations energy efficient solutions to save money while protecting the environment***



## Green Power Partnership

***Voluntary program that boosts the market for clean, RE power sources***



## CHP Partnership Program

***Partnership that reduces the environmental impact of electricity generation by fostering CHP development***



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# Examples of State Partnership Actions

- Georgia
  - energy and air collaborative meets monthly-- have identified 5 key actions and are primed to provide input to state energy plan
- Texas
  - formalizing additional agency participation, identified 3 clean energy priorities
- Ohio
  - identified building code training and enforcement as key opportunity, assessing other low hanging fruit, working to help implement NO<sub>x</sub> set aside
- Connecticut
  - refining and analyzing options identified in state climate action plan



# Expanding to Municipal Governments

## Two Fold Approach:

- Encourage States to work more closely with their local governments
  - Funding/incentives
  - Education
  - Recognition
- Establish a more comprehensive method for EPA to support clean energy development at the municipal level
  - Parallels to State Partnership
  - Continue and expand peer exchange among local governments



# Summary & Next Steps

## Clean energy is a critical resource

- EE, RE energy, and clean DG
- Multiple benefits: Environment, Energy, Economic

## ■ The time is right for clean energy

- Factors converging in favor of clean energy
- Integration of energy-AQ strategies, collaboration among state agencies both key

## ■ EPA's new Clean Energy-Environment State Partnership helping implement and determine the best policies

### ■ Next:

- Formalize collaboratives
- Assess options and develop clean energy policies
- Determine best, most cost-effective approaches
- Engage municipal governments



# For More Information

## How Do I Get More Information?

- For more information about EPA's State Clean Energy-Environment Partnership Program contact:  
**Julie Rosenberg, Chief**  
State and Local Branch  
phone: 202-343-9154  
e-mail: [Rosenberg.Julie@epa.gov](mailto:Rosenberg.Julie@epa.gov)
  
- Web site:  
[www.epa.gov/cleanenergy/stateandlocal/partners.htm](http://www.epa.gov/cleanenergy/stateandlocal/partners.htm)
  
- For general information about clean energy, visit EPA's Clean Energy Web site:
  - <http://www.epa.gov/cleanenergy>



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