



Background: Tennessee, five other states -- Georgia, Michigan, Minnesota, Oregon, Pennsylvania, and partners The Climate Registry (TCR) and the National Association of State Energy Officials (NASEO) won a competitive funding award from the U.S. Department of Energy (DOE) to develop a roadmap for a National Energy Efficiency Registry (NEER). Under this award, the states and their partners are facilitating a two-year, state-driven stakeholder process to develop the NEER's Principles and Operating Rules. *[Office of Energy Efficiency and Renewable Energy (EERE), Award Number DE-EE0007219, CFDA No. 81.119.]*

About the National Energy Efficiency Registry

- The NEER is a central repository that will allow the public and private sectors to transparently track energy efficiency attributes associated with energy efficiency initiatives, as well as help demonstrate progress towards energy goals and potential compliance with existing and future state and federal environmental regulations.
- The NEER will also be able to track energy conservation and other types of reduction efforts.

Why track energy efficiency?

- Energy efficiency is generally the easiest and cheapest way for states to reduce GHG emissions and criteria pollutants.
- Energy efficiency offers states maximum flexibility to take advantage of their own resources.
- Energy efficiency can reduce power needs and help to contribute to increased grid reliability.
- Energy efficiency saves consumers and businesses money, creates jobs, and benefits the economy.
- There are currently a number of issues associated with how energy efficiency data is tracked and reported:
 - Different jurisdictions measure energy savings in different ways.
 - It is not always clear how estimates of energy that will be saved during the lifetime of energy efficiency projects are being calculated.
 - The level of rigor associated with and the results of evaluation, measurement and verification (EM&V) for energy efficiency projects are frequently not cited or transparent.

Potential NEER Applications

- Electric and Fossil EE:
 - Tracking for state EE programs
 - Support multi-state EE collaboration
 - Compliance: other environmental or energy policies
 - Performance-based EE procurement
- Electric EE only:
 - Clean Energy Incentive Program (CEIP)

- Clean Power Plan (CPP)
- Fossil Fuel EE only:
 - Non-electric carbon regulation

Benefits of a NEER (general)

- The NEER has the potential to catalyze new levels of voluntary public and private investment in energy efficiency.
- NEER Objectives:
 - Provide a consistent, robust framework for energy efficiency to be included as “eligible resources” in federal and state plans.
 - Demonstrate the eligibility and verification of energy efficiency projects, particularly voluntary private sector efficiency actions, according to eligibility standards proposed by individual states, a group of states, or the U.S. Environmental Protection Agency.
 - Facilitate the opportunity for inter- and intrastate trading.
 - The NEER will not prescribe EM&V but will outline consistent requirements for what types of data will be required.
 - Aggregate both rate payer and non-rate payer programs (e.g., ESCO delivered efficiency and building energy codes).
 - Support the development of financial instruments representing verified energy efficiency savings. These instruments can be used to demonstrate compliance with energy and environmental regulations.
 - Be flexible enough to support a range of energy efficiency project and program types, implemented by varied private, utility, and public sector parties to address state and federal GHG and air quality goals.

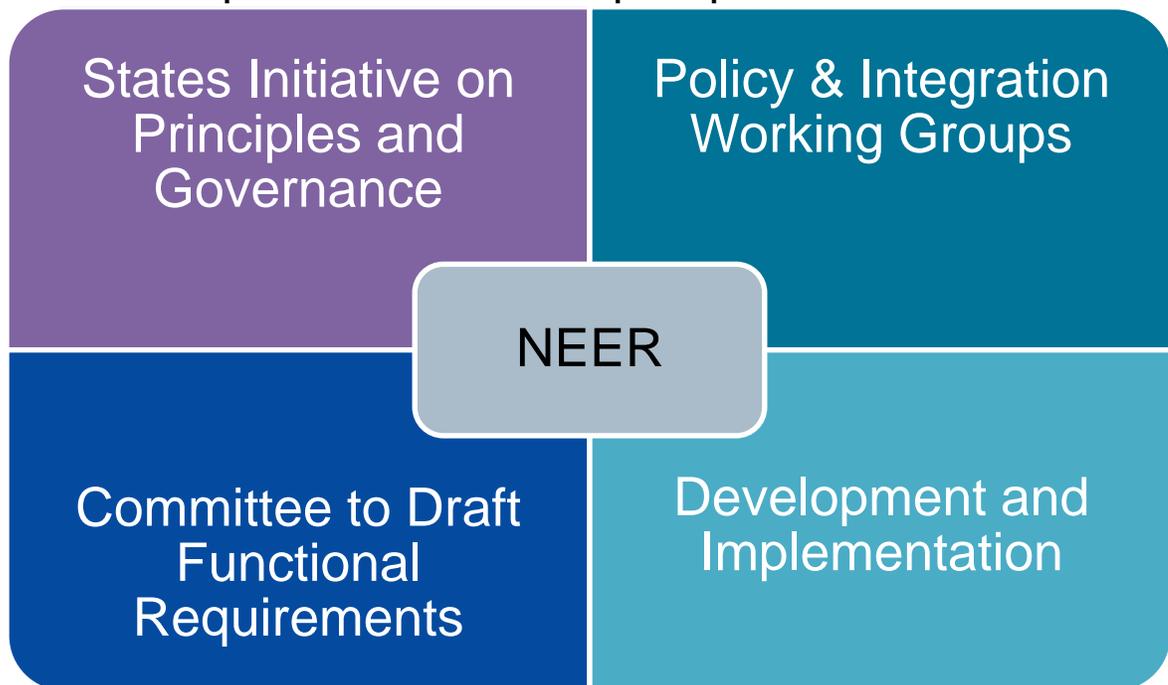
NEER Support of State Efforts

- To support compliance with existing and future state and federal environment regulations, the NEER will:
 - Lower the costs associated with administering energy efficiency programs and policies by streamlining and automating processes that might otherwise be completed manually. Additional savings and efficiencies will result from the costs being shared across multiple participating states.
 - Streamline energy efficiency project EM&V by setting consistent standards for the documentation required by states or EPA and aggregating data in a central location for evaluation.
 - Support state energy and environmental planning efforts (e.g., resiliency planning, electric reliability projections and/or utility integrated resource plan).
 - Address concerns about potential double counting of energy savings.
 - Create greater transparency of energy efficiency programs and impacts.
- To support CPP compliance:
 - The introduction of the CPP has led to the realization that there is a need for consistent, transparent reporting of savings from energy efficiency projects. The NEER will have utility for both federal and state energy efficiency programs, and will help to advance energy efficiency in the U.S. regardless of the future of the CPP. Should the CPP move forward, the NEER will:
 - Support rate- based state and federal plans.
 - Support mass-based state and federal plans by:

- Demonstrating the eligibility and verification of energy efficiency projects according to standards proposed by individual states, a groups of states or U.S. EPA under the Clean Energy Incentive Program.
- Tracking energy efficiency to support output-based allowance allocation approaches or energy efficiency allowance set-aside approaches (allocating allowances to energy efficiency providers), and allowance proceed project tracking.
- Ensuring that complementary energy efficiency programs are accurately projecting savings and meeting targets so that you understand the impact that energy efficiency will have on your target and mass-based budget. Energy efficiency lowers demand for electricity and allowances, which should lower allowance prices and reduce costs of complying with the policy.

NEER Development

1. There are four components to the NEER development process:



- **State Initiative on Principles and Governance.** During this component of the NEER development process, the following activities will be/have been undertaken:
 - Principles and Operating Rules identified
 - TCR and partners are facilitating a two-year, state-driven stakeholder process to develop the NEER’s principles and operating rules
 - Drawing on a preliminary survey of existing registries, tools and standards, TCR using its subcontractor E4TheFuture has identified common elements and best practices and developed draft NEER principles and operating rules. These initial principles and rules are not meant to be prescriptive, but are

highlighting the key issues areas for discussion and guiding the conversation in the multi-stakeholder meetings.

- Timeline:
 - March-April 2016: Formation of Multi-stakeholder Working Group and Steering/Advisory Committee
 - April 2016 – February 2017: Steering/Advisory Committee and Multi-stakeholder Working Group draft NEER Principles and Operating Rules
 - March 2017: Steering/Advisory Committee review
 - April - May 2017: Public Comment Period
 - October 2017: Key platform functional requirements
- State adoption and implementation roadmap will be/are being developed.
- Key functional platform components will be/are being identified.
- Separately, but in parallel with the DOE award, software provider APX will develop/is developing a demonstration of NEER platform functionality informed by the draft NEER Principles and Operating Rules.
- **Policy and Integration Working Groups**
 - The working groups are organized by sector and/or topic and will:
 - Assist the Project Team in the development of more detailed procedures and protocols that will be contained in the Appendices of the NEER Principles and Operating Rules.
 - Provide state and federal agencies with ready access to robust, transparent and verified documentation of projects and verified savings.
- **Committee to Draft Functional Requirements**
 - A committee of software development experts will translate the output of the State Initiative on Principles and Governance and Policy and Integration Working Groups into the complete functional requirements for the development of NEER software and protocols.
- **Development and Implementation**
 - During this component of the NEER development process, operational duties will be identified and addressed, including:
 - Software development and maintenance
 - Account management and support
 - State relations
 - Training
 - Ongoing rules and protocol development

2. Funding for the NEER development process

- Funding for the first component of the NEER development process, the State Initiative on Principles and Governance, is from the U.S. Department of Energy (DOE), which is providing its largest award in the 2015 State Energy Program Competitive Award cycle to Tennessee, five other states – Georgia, Michigan, Minnesota, Oregon, Pennsylvania – and partners The Climate Registry (TCR) and the National Association of State Energy Officials (NASEO) - to create the foundation for a NEER.
 - NOTE: TN and the other participating states are leading the project, while TCR and NASEO are project partners or supporting organizations. Additional project support provided by E4TheFuture and APX.
 - NOTE: the funding is a competitive award and not a grant.

- TCR is seeking funding for the other three components of the development process.

3. Governance and oversight of the NEER development process

- Project Team
 - The Project Team is responsible for developing and finalizing the draft principles and operating rules and implementation roadmap.
 - It is comprised of Tennessee and its project partners Georgia, Michigan, Minnesota, Oregon, Pennsylvania, TCR and NASEO.
- Steering/Advisory Committee
 - The Steering/Advisory Committee will provide technical input and aid to the project team. It will support the identification and resolution of governance and design barriers, respond to the team, and contribute to work products. Specifically, the committee will aid in developing and finalizing the registry principles and operating rules.
 - The Steering/Advisory Committee is comprised of the project team plus select technical advisors.
- Multi-stakeholder Working Group
 - The working group will ensure that the principles and operating rules support all stakeholders and will make recommendations to the Steering/Advisory Committee. Issues-specific sub-groups will dig deeper into complex issues.
 - The working group is open to all willing participants pending the sector balance of the group, and will be convened through a series of national webinars and state-specific meetings.