

Sponsors: Michigan Municipal Electric Association; Colorado Association of Municipal Utilities; NMPP Energy; California Municipal Utilities Association; Imperial Irrigation District

In Support of Energy Efficiency

1 Energy efficiency is the ability to maximize energy use via more efficient technologies throughout the
2 electric utility system, as well as for electric customers to minimize their energy use via a variety of tools,
3 technologies, and behaviors. Energy efficiency is one of the most important, cost-savings tools available
4 to utilities to meet energy demand, defer generation investment, increase reliability by minimizing grid
5 stress, and reduce greenhouse gas and other emissions. The American Public Power Association (APPA)
6 and public power utilities strongly support efforts to improve energy efficiency across multiple sectors,
7 including the electric, commercial, and industrial, and transportation sectors.

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9 Congress and the federal government have promoted energy efficiency through several pieces of
10 legislation with efficiency provisions, including the National Appliance Energy Conservation Act of 1987,
11 Energy Policy of 1992, and Energy Independence and Security Act of 2007, and most recently, through
12 the Infrastructure Investment Jobs Act (IIJA) and Inflation Reduction Act (IRA). The Energy Policy Act
13 of 2005 also provided several tax incentives to improve efficiency of buildings and vehicles standards.
14 The federal government creates incentives through legislation, regulations, the tax code, and executive
15 orders. The federal government promotes energy efficiency through:

- 17 • Promoting energy efficiency standards for buildings and appliances;
- 18 • Promoting energy efficiency resources standards;
- 19 • Investing in research and development of energy efficiency technologies;
- 20 • Providing tax incentives and rebates through recent legislation including the IRA;
- 21 • Providing grants such as the Energy Efficiency and Conservation Block Grant Program in the
22 IIJA; and
- 23 • Investing in rural electrification and renewable energy resources through the Powering Affordable
24 Clean Energy Program in the IRA.

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26 Energy efficiency benefits public power utilities because it can provide capacity and energy savings;
27 lower fuel costs; reduce required reserves; and, given the high costs and lengthy timeline of building new
28 generation, provide flexibility in resource planning. These benefits are passed onto customers largely
29 through low-cost rates and energy bill savings and boosts in their community’s economy.

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31 The federal government supports efforts to conserve energy through grants, tax credits, and rebates. The
32 federal government can improve access to future energy efficiency programs by making the application

33 process for grants easier; improve coordination between relevant federal government partners; and
34 increased transparency where funding is available through state partners.

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36 Many public power utilities have taken steps through federal incentives, state funds, or local initiatives to
37 improve energy efficiency for their customers and communities. Public power utilities support energy
38 efficiency through education campaigns with their customers; have leveraged grants made available in
39 IJJA and IRA programs; and have established innovative energy efficiency programs through government
40 partnerships.

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42 APPA generally supports federal efforts to encourage energy efficiency programs. The association
43 believes these programs should be cost effective for consumers, have a reasonable payback period, and be
44 designed to ensure rebates are not considered taxable income. In addition, the federal government should
45 continue to incentivize, but not require, improved energy efficiency, as demonstrated in federal programs,
46 such as the Weatherization Assistance Program and Low-Income Home Energy Assistance Program. It
47 should also ensure its programs are helpful to individuals who have a higher energy burden.

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49 Many states have implemented their own energy efficiency standards or goals, some of which apply to
50 public power utilities. To best accommodate geography and differences in generation resource mixes and
51 economies, APPA believes that Congress and the federal government should continue to provide
52 incentives and tax credits rather than a national energy efficiency standard. If a national standard is ever
53 considered, it should recognize the progress of individual states and not punish states that were early
54 adopters of efficiency standards or goals.

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56 **NOW, THEREFORE, BE IT RESOLVED:** That the American Public Power Association (APPA)
57 strongly supports public power utilities' efforts to improve energy efficiency; and

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59 **BE IT FURTHER RESOLVED:** That APPA believes Congress should continue to provide incentives,
60 grants, rebates, and federal support for energy efficiency research and development to encourage
61 achieving improved energy efficiency rather than imposing mandates; and

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63 **BE IT FURTHER RESOLVED:** That APPA believes that any federal incentives for energy efficiency,
64 whether they utilize the tax code or direct spending, must be available to public power utilities and their
65 customers; and

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67 **BE IT FURTHER RESOLVED:** That APPA believes any proposed legislation, standards, or initiatives
68 related to energy efficiency should minimize net energy use measured on the system and not just at the
69 point of use, be fuel neutral, technologically feasible in light of the realistic application of the technology
70 in practice rather than the laboratory, economically justified in light of real-world application of the
71 technology, demonstrate a clear benefit to consumers, support the efficient and reliable operation of the
72 grid, and have a clear horizon in terms of long-term stability and predictability; and

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74 **BE IT FURTHER RESOLVED:** That APPA supports federal energy efficiency programs that provide
75 economic and environmental benefits to disadvantaged communities, that promote economic
76 development, deployment of efficient technologies, and provide sufficient, stable funding; and

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78 **BE IT FURTHER RESOLVED:** That APPA recognizes progress made by individual states that have
79 implemented their own efficiency goals or standards and believes that a national energy efficiency
80 standard is not necessary to achieve improved energy efficiency across the country.

Adopted at the Legislative & Resolutions Committee Meeting

February 27, 2024

Sunsets in March 2032