



Testimony on Behalf of the Midwest Energy Efficiency Alliance

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WI Senate Committee on Natural Resources and Energy

February 19, 2015

Good morning Senator Cowles and members of the Senate Committee on Natural Resources and Energy.

Thank you very much for the opportunity to testify today and for the committee's interest in energy efficiency. Energy efficiency is the lowest cost resource for Wisconsin and has brought many positive impacts over the years. My name is Stacey Paradis and I am the Interim Executive Director of the Midwest Energy Efficiency Alliance, also known as MEEA. The Midwest Energy Efficiency Alliance is a non-profit, membership organization based in Chicago, Illinois and was founded in 2000. MEEA covers 13 states in the Midwest and our members include investor-owned, cooperative, and municipal utilities; energy efficiency service and technology providers; manufacturers; state energy office representatives and other state and local government representatives; and, academic, advocacy and research organizations. With our more than 150 members, including more than 20 members in Wisconsin, we work to advance energy efficiency policies, facilitate energy efficiency program creation and delivery, provide trainings and workshops to industry stakeholders, evaluate and promote emerging technologies, and share best practices to all key stakeholders.

Looking across the Midwest, it is clear that Focus on Energy has positioned Wisconsin as a leader in energy efficiency for the last fifteen years. Focus on Energy is the largest administrator of Industrial sector energy efficiency programs, the fourth largest provider of residential sector energy efficiency, and the fourth largest provider of commercial sector energy efficiency in the WI region. Across its entire portfolio, it is the third largest energy

efficiency program administrator in the Midwest (all sector total 588 GWh) behind Commonwealth Edison in Illinois and DTE Energy in Michigan.

Since 2000, Focus on Energy has delivered energy savings to customers. In 2013 alone, the annual electricity savings from Focus on Energy were equivalent to the yearly electricity use of 71,400 Wisconsin households. That equals providing all the electricity needs for the cities of Racine, La Crosse, and Fond du Lac for a year.¹ Since Focus on Energy was restructured in 2005, electric energy efficiency savings have increased nearly ten-fold from 63.2 GWh in 2005 to 619.4 GWh in 2013. It should be noted that over that same period, Focus' spending on electric energy efficiency increased by a mere factor of 1.3 from \$63.5 million in 2005 to \$85.6 million in 2013. These numbers demonstrate that Focus on Energy's programs were scaled and delivered in an increasingly cost effective manner over time. This is something that I want to discuss in more detail.

Since its inception, Focus on Energy's energy efficiency programs for residential, commercial, and industrial customers have been cost effective. Over time, these programs have become even more cost-effective, providing higher returns on investments made in energy efficiency. From 2001 – 2009, Focus on Energy's entire portfolio of programs earned 1.9 dollars in benefits for every one dollar spent on energy efficiency programs. In 2013, the portfolio returned 3.41 dollars in benefits for every one dollar spent. Commercial and industrial energy efficiency programs performed even better that year, accruing 3.8 dollars in benefits for every dollar spent on energy efficiency.

These programs and the verified results have led to regional and national recognition. Every year, MEEA hosts the Inspiring Efficiency Awards. These awards recognize Midwest leaders who deliver groundbreaking advancements in energy efficiency in five categories: Leadership, Education, Impact, Marketing and Innovation. In 2014, Focus on Energy earned the Innovation

¹ US Energy Information Administration, US Census Bureau, WI Department of Administration – Demographic Services Center, Focus on Energy.

award for its small business program. Small businesses are traditionally difficult customers to reach and an underserved segment of the energy efficiency marketplace. The innovative use of a tablet based application known as Energy SnapShot allowed Focus on Energy to decentralize the delivery of energy efficiency programs using local contractors and bring local economic development to communities throughout Wisconsin. In its first year, the program achieved more than three times the anticipated energy savings for both electricity and natural gas and reached nearly 4,500 small businesses across the state. This represents more than twice the anticipated level of participation. From an economic development perspective, the program brought training and new business opportunities to 147 local contractors across the state and has received a steady 4.8 out of five customer satisfaction rating since it began.

In closing, I'll return to my original point. As I mentioned earlier, energy efficiency is Wisconsin's cheapest energy resource. At \$19 per megawatt hour, energy efficiency is three times cheaper than new natural gas and coal fired power plants and two times cheaper than wind generation.² Focus on Energy's programs not only avoid more costly investments in supply-side energy resources, but they bring improved air quality, comfort, water savings, job creation to Wisconsin residents and businesses.

Thank you for your time and I am happy to answer any questions that you may have.

² ACEEE 2014, Lazard 2013