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November 7, 2020

**Dear Members of the 21<sup>st</sup> Century Energy Policy Development Task Force:**

Thank you for the work you have done over the past year with the 21<sup>st</sup> Century Energy Policy Task Force. As you consider Indiana's current energy sources, we hope that you consider both the current and future economic, customer and environmental impacts. Currently Indiana's electricity generation primarily comes from coal (68%) with additional generation from natural gas (24%), wind (4.8%), other fossil fuels (2.2%) solar (0.3%), hydroelectric (0.2%) and all other renewables (0.7%). As the costs increase on traditional generation, the costs associated with renewable energy continue to decrease – but the cheapest energy asset is energy efficiency.

As you review and contemplate all of the presentations, reports and expert testimony that you have received, the Midwest Energy Efficiency Alliance (MEEA) would like to take the opportunity to highlight the value and impact of energy efficiency in managing Indiana's future energy needs. Currently, energy efficiency supplies about 0.7% of Indiana's total electricity resources, compared with 1.2%-1.6% in the leading states in the Midwest. This demonstrates that Indiana still has substantial untapped efficiency potential that isn't being pursued. Indiana's utilities, with analysis and regulatory support and planning, could easily reach 1% or higher of total electric needs met through energy efficiency. Aside from being the lowest cost energy resource, utilities can use efficiency to mitigate risk, increase resilience and flexibility, and lower customer costs by investing first in the demand-side reduction of energy usage.

Energy efficiency is also a job creator – there were over 55,000 energy efficiency jobs in Indiana in 2019 representing 64% of the state's clean energy workforce. According to recent analysis, 7,770 of those efficiency jobs were lost since March 2020 with the onset of the COVID-19 pandemic, but the need for efficiency improvements has not gone away. In fact, energy efficiency investment should be part of a pathway to economic recovery. Energy efficiency programs directly benefit residents, businesses and building owners to reduce energy consumption while improving their homes, offices, stores and manufacturing plants. As utilities redesign program portfolios and find safe ways to get back into the field, efficiency jobs and correlated cost savings and reduced energy use can play a substantial role in improving the economy, increasing resiliency and reducing emissions while improving the environment.

Energy efficiency already has an important role in energy planning in Indiana. Since 2012, energy efficiency has been a required component of integrated resource plans (IRP) that the utilities file with the IURC, and utilities' voluntary demand-side management plans are required by statute to be consistent with their IRP. The integrated resource planning & energy efficiency policy framework in *IC 8-1-8.5* and *170 IAC 4-7* and *4-8* has placed Indiana at the forefront of non-mandated energy efficiency states in the Midwest. As the legislature considers future energy policy, Indiana has the opportunity to continue to support and grow the energy efficiency investment and the corresponding benefits.



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Energy efficiency, alongside other distributed energy resources (DERs) like demand response, distributed generation, distributed storage and electrification are essential components of the energy landscape and they continue to increase. Without concerted attention to the integration and interaction of all energy resources, the costs associated with the future energy system could increase and potentially drive industrial and commercial businesses out of state or unduly burden Indiana's most vulnerable communities. This Task Force provides an excellent opportunity to update policies to benefit Hoosiers in the coming years and throughout the 21<sup>st</sup> century.

Attached, you will find the following resources for your reviews:

- MEEA's roadmap to energy efficiency, which details a variety of energy efficiency policy options and achieved impact
- A summary of the National Standards Practice Manual for Distributed Energy Resources, a new guidance document that presents a framework for determining how a state can value DERs, including EE, in a consistent manner that aligns with state policies
- A 2019 MEEA white paper that highlights the value of industrial energy efficiency in the Midwest
- A 2016 Cadmus report on the economic impact of energy efficiency policies in Indiana

Thank you again for your work on the 21<sup>st</sup> Century Energy Task Force and consideration of these materials. Please let me know if you have any questions or want further information. I can be reached at [sparadis@mwalliance.org](mailto:sparadis@mwalliance.org) or 312-784-7267.

Sincerely,

Stacey Paradis

Executive Director