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April 12, 2023

Nebraska Public Power District (NPPD)

RE: 2023 Draft Integrated Resource Plan Stakeholder Input

Dear NPPD's Resource Planning and Risk Managers,

Thank you for the opportunity to comment on NPPD's draft 2023 Integrated Resource Plan (IRP). The Midwest Energy Efficiency Alliance (MEEA) is a member-based, nonprofit collaborative network, promoting energy efficiency (EE) to optimize energy generation, reduce consumption, create jobs and decrease carbon emissions in all Midwest communities, including Nebraska, where 54 of our 160+ members are headquartered or operating. At MEEA, we leverage our expertise to be the Midwest's leading resource for our members, allies, policymakers and the broader sector to promote energy efficiency as the essential pathway to achieve a clean, affordable, equitable and sustainable future.

We see energy efficiency as the least-cost foundation of the clean energy economy, creating immediate energy savings, providing career pathways, reducing emissions, improving new and existing buildings and boosting Midwest business and industries. MEEA develops connections and engagement opportunities for a diverse group of organizations to collaboratively create practical solutions. MEEA serves as a technical resource and promotes program and policy best practices and emerging technologies, all to maximize energy savings, reduce costs, improve resiliency and lower energy burden.

MEEA supports NPPD's IRP process to include and increase energy efficiency projects to help NPPD meet its goal of achieving net-zero carbon emissions from its generation resources by 2050. We are glad to see the alternate "High Energy Efficiency" sensitivity included in NPDD's IRP analysis and support further evaluation of enlarging the district's EE portfolio to reduce system costs, enhance resilience efforts and reduce carbon and other emissions. We commend the District for committing to a carbon reduction goal but would note that such a goal can only be achieved by including energy efficiency efforts in the mix of solutions. While NPPD already runs on 62% carbon-free, achieving that final 38% of carbon reduction will bring challenges. Energy efficiency can help right-size the grid, especially as demand is expected to increase with electrification and electric vehicles. Increasing energy efficiency can also help reduce the amount of power the District must purchase and decrease its reliance on additional energy production to meet the District's needs.

We encourage the District to look for ways to model EE as a selectable resource for capacity expansion modeling in future IRPs, rather than continuing the current practice of treating EE as a load reduction before implementing supply-side resource optimization. We have seen this change successfully implemented by utilities in Indiana and Michigan.

One of the best resources in the Midwest for learning about advancements in IRPs is the Indiana Utility Regulatory Commission's annual <u>IRP Contemporary Issues Technical</u>



<u>Conference</u>. Some notable presentations on the integration of demand-side management into IRPs include:

- Dr. Fredrich Kahrl, The Future of Electricity Resource Planning (2017)
- Anna Sommer, Using IRPs to Develop Avoided Costs for Energy Efficiency (2018)
- Sydney Forrester and Andy Satchwell, <u>DERs in Indiana IRPs</u> (2020)

In Michigan, the <u>Energy Waste Reduction Potential Study</u> working group provides some additional useful materials including:

• Tom Eckman, Natalie Mims and Andy Satchwell, Berkeley Labs Presentation to IRP Stakeholder Group Meeting (2017), <u>slides</u> (p. 42, 75+), <u>recording</u>

Including all cost-effective EE as a selectable resource in optimization modeling lets the demand side compete fairly against supply-side options and helps demonstrate the system value of expanding energy efficiency to customers and decision makers. Energy efficiency is a valuable investment in Nebraska's communities, businesses and homes.

We also support efforts to expand demand response to help mitigate the need for transmission and distribution upgrades to meet customer peaks. Finally, future IRPs should consider federal funds, particularly from the Bipartisan Infrastructure Law and the Inflation Reduction Act as full details of their programs and funding streams become available. These federal funds could be used to further reduce the costs of demand-side energy resources for NPPD, making them an even more cost-effective part of the utility portfolio.

We appreciate the opportunity to comment on this important proceeding. An integrated resource plan is a critical document, outlining accessible supply and forecasted demand. This IRP is especially critical for NPPD as the District develops strategies to reach its carbon reduction targets. We believe energy efficiency can and should be a part of the solution, and we encourage the District to consider how increased energy efficiency can bring environmental and economic benefits to NPPD's customers.

We are prepared to provide support to the NPPD in any way we can. If you have any questions or need additional information, please contact Policy Manager Arlinda Bajrami at <u>abajrami@mwalliance.org</u>. Thank you.

Sincerely,

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William Angelos, Interim Executive Director Midwest Energy Efficiency Alliance

These comments reflect the views of the Midwest Energy Efficiency Alliance – a Regional Energy Efficiency Organization as designated by the U.S. Department of Energy – and not the organization's members or individual entities represented on our board of directors.