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From: Casey Roberts [casey.roberts@sierraclub.org]
Sent: Monday, June 09, 2014 4:46 PM
To: Comments, Urc
Cc: Nachy Kanfer; Jodi Perras; Eva Schueller; Kristin Henry
Subject: Sierra Club comments regarding IURC's EE/DSM Recommendations, GAO 2014-1
Attachments: Sierra Club IURC EE DSM comments_GAO 2014-1_FINAL 6.9.2014.pdf

Ms. Roads,

Please find attached the comments of the Sierra Club regarding the IURC's recommendations to the governor regarding EE and DSM programs following SEA 340. Please let me know if you have any problems viewing this file.

Sincerely,
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Via Electronic Mail

June 9, 2014

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Re: IURC's EE/DSM Recommendations, GAO 2014-1

**COMMENTS OF THE SIERRA CLUB REGARDING RECOMMENDATIONS TO
GOVERNOR PENCE FOR A NEW DEMAND SIDE MANAGEMENT FRAMEWORK
FOR INDIANA**

Following the cancellation of the Energizing Indiana program by the state legislature through Senate Enrolled Act 340, Governor Pence asked the Indiana Utility Regulatory Commission (“IURC”) to make recommendations to him on five topics. The IURC has in turn asked for interested parties to submit comments on those topics. Sierra Club appreciates the opportunity to share its views with the IURC and assist in the formulation of recommendations to the Governor on this extremely important topic.

SEA 340 imposed several major limitations on the Commission’s authority to promote energy efficiency by the state’s investor owned utilities. First, it allows industrial and commercial customers with single-site load of more than 1 MW to opt out of all demand side management (DSM) programs, and avoided being assessed any costs of those programs through rates. Second, it prohibited the Commission from implementing the DSM programs developed under the IURC’s order issued December 9, 2009 (“2009 Order”), and specifically from requiring electricity suppliers to meet the targets established in that order. However, the act allows electricity suppliers to continue to offer a cost-effective DSM portfolio, and allows

recovery of program costs, but not lost revenues or incentive payments that were available under the 2009 Order.

Sierra Club believes that one of the most important objectives for Indiana's new energy efficiency framework is that it be implemented quickly so that the gap between the end of Energizing Indiana programs and the new programs is minimized. Continuity is important so that customers are not discouraged or confused about the availability of incentives, and so that utilities do not lose momentum in achieving higher levels of EE. A gap in program implementation also runs the risk of losing qualified staff and causing the relocation of the small businesses that have benefitted from Energizing Indiana. To that end, we are pleased that the IURC has encouraged the investor-owned utilities to quickly file DSM plans for 2015 to ensure no gap in service, and will be carefully reviewing those plans that have been submitted. We also note that Governor Pence has stated his intent to introduce legislation creating a new EE program in January of 2015.

Sierra Club offers the following comments on the five guidelines put to the IURC by Governor Pence.

A. What are the appropriate energy efficiency goals?

The appropriate energy efficiency goals are the highest goals that have been determined to be technologically and economically feasible. As this Commission has previously recognized,¹ energy efficiency is the least expensive resource to meet electricity suppliers' energy and capacity needs; therefore it is in the best interest of ratepayers to maximize this resource. The cost-effectiveness of demand-side management has been borne out in Indiana's short experience thus far; according to the most recent report evaluating the core programs, Energizing Indiana was reducing energy use at a cost of 3 cents per kilowatt hour (\$0.03).²

All ratepayers benefit when the utility is able to serve its ratepayers using such low cost resources, whether or not they actually participate in any of the DSM programs. DSM programs also help offset rising rates. Electricity prices have been steadily rising in Indiana, and all

¹ 2009 Order, IURC 42693, at 30.

² See 2013 Energizing Indiana Evaluation Report, An Evaluation of the Statewide Core Second Year Energy Efficiency Programs (May 19, 2014).

customers need opportunities to lower their bills. Many cannot afford the upfront capital cost of replacing major appliances with more energy efficient versions – ratepayer-funded energy efficiency programs help families and small businesses make that leap and lower their monthly electric bill.³

Sierra Club therefore believes that the Commission should recommend to the Governor that the targets set in the 2009 Order be maintained at a minimum, and possibly increased.⁴ In the 2009 Order, the Commission established an annual electric savings goal of 2% by 2019, beginning at 0.3% in 2010 and increasing by 0.2% each year.⁵ The Commission considered these goals appropriate based in part of the fact that similar goals had been established in the neighboring states of Illinois, Ohio and Michigan. In addition to these states, these targets are comparable to the 1.5% annual savings that Minnesota utilities are currently achieving.

The U.S. EPA's recent proposal under Clean Air Act Section 111(d) creates new urgency to develop effective, enforceable DSM programs in Indiana. Under EPA's Clean Power Plan, Indiana must reduce the carbon emission rate from electric utility generating units by 20.4%. Energy efficiency is widely acknowledged to be the *least cost* tool for achieving those reductions,⁶ and EPA has included demand-side management as one of four "building blocks" for the Clean Power Plan. Critically, for Indiana to count carbon pollution reductions from energy efficiency towards its obligations under §111(d), the energy efficiency standards for utilities must be enforceable.

EPA's proposed Clean Power Plan allows each state to develop its own plan for achieving the required emission rate from facilities subject to the rule;⁷ Indiana will be required to submit its plan in April 2016. EPA found that it would be cost-effective for states achieve an *annual*

³ See 2009 Order, IURC 42693, at 29. Contrary to the arguments of some, economically optimal energy efficiency investment will not occur without utility programs. If customers bear all the costs of an efficiency measure, then only their own costs and benefits, and not those of the larger system, will be considered, and therefore an economically inefficient level of efficiency will occur.

⁴ Due to the disruption caused by SEA 340, it would be appropriate for the Commission to recommend pushing back the schedule set in the 2009 order by one year, giving the utilities until 2020 to reach the 2% goal.

⁵ See 2009 Order at 31 & Table. Reductions are measured as a percentage of weather-normalized average electric sales for the prior three years.

⁶ See, e.g., Hayes et al., *Change Is in the Air: How States Can Harness Energy Efficiency to Strengthen the Economy and Reduce Pollution* (ACEEE April 2014); see also NARUC "Principles for Including Energy Efficiency in 111(d) of the Clean Air Act, available at <http://naruc.org/Publications/Energy-Efficiency-Principles.pdf>.

⁷ See U.S. EPA Fact Sheet, *The Role of the States*, at <http://www2.epa.gov/sites/production/files/2014-05/documents/20140602fs-states-role.pdf>.

energy efficiency savings rate of 1.5% of 2012 energy sales by 2029, increasing by 0.2% per year beginning in 2017.⁸ (By comparison, the goals set by this Commission in 2009 required Indiana utilities to reach 1.5% annual electric savings by 2016.) While the exact form in which the Clean Power Plan will be finalized is not yet clear, it is extremely likely that energy efficiency will ultimately be one of Indiana's most cost-effective tools for achieving the carbon emission rate as required by federal law. The Commission's recommendations to the Governor should reflect this impending regulatory requirement and urge the Governor to seek statutory authorization for the Commission to set energy savings goals that would allow Indiana to meet its §111(d) obligations at the lowest possible cost to ratepayers, while maximizing utilization of in-state resources.

B. Overall Effectiveness of Current DSM Programs in Indiana

Governor Pence also asked that the IURC's recommendations include an assessment of the effectiveness of current DSM programs in Indiana. Because the core Energizing Indiana Programs had only been implemented for a handful of years, there is a limited amount of comprehensive, verified program evaluation data at this time. For the utilities' core plus programs, the Commission is gathering recent data from the utilities in Docket 42693-S1, but these submissions are not yet complete.

The most recent comprehensive analysis of the core programs was finalized May 19, 2014, in an evaluation, monitoring and verification (EM&V) report for the 2012 and 2013 program years. This report evaluates several different measures of effectiveness, including the final cost-effectiveness calculations for each program, customer satisfaction, and progress towards the energy savings goals set for the core programs.

The report demonstrates that Energizing Indiana's programs were cost-effective by a measure of three to one, meaning that the utility saved three dollars for every dollar spent on implementing the DSM programs and providing incentives. The cost of saved energy under

⁸ See U.S. EPA, Carbon Pollution Emission Guidelines for Existing Stationary Sources: Electric Utility Generating Units (Pre-publication proposed rule), at p. 227, available at <http://www2.epa.gov/sites/production/files/2014-05/documents/20140602proposal-cleanpowerplan.pdf>. Based on these annual performance goals, Indiana would achieve 3.2% cumulative savings by 2020, and 11.1% cumulative savings by 2029. *Id.* at Table 7, pages 229-30.

Energizing Indiana's DSM programs is about 3 cents per kilowatt hour.⁹ This is considerably less than the claim of one utility that the average cost per kWh saved is closer to 15 cents.¹⁰ While this higher estimate may also incorporate core plus DSM programs implemented by the utility, it is also likely that such a high calculation reflects averaging the cost of the measure over only one year, rather than over the life of the measure, which can be considerably longer than a year. For example, a rebate offered now for compact fluorescent lamps should consider that the CFL will save energy over many years, not just in the first year it is installed.

The 2013 Summary Report also notes that consumer satisfaction with the home energy assessment, low-income weatherization was very high.¹¹ While commercial and industrial customers, along with trade allies, had slightly lower customer satisfaction, their ratings aligned with ratings received for similar programs around the country.¹² Trade allies and manufacturers of energy efficiency technologies also reported high levels of satisfaction with the core programs.

The performance results for the second year of core program implementation were generally excellent. The Energy Efficient Schools program achieved 114% of its energy savings goals in 2013, and the Residential Lighting program also exceeded its energy savings goals.¹³ The Low-Income Weatherization program achieved 91% of its energy savings goals. The Home Energy Assessment program achieved 96% of its energy savings goals, and more than doubled its participation rate from the first year of program implementation.¹⁴ In contrast, the Commercial & Industrial Prescriptive Program achieved only 42% of its energy savings goals. The independent evaluator noted that financing mechanisms such as a loan program, would likely

⁹ 2013 Energizing Indiana EM&V Summary Report (May 19, 2014), at 26.

¹⁰ See, e.g., Paul Chodak III, President and Chief Operating Officer, Indiana Michigan Power, *Continue on Path of Energy Efficiency*, The Star Press [Muncie]. 18 March 2014, available at: http://www.thestarpress.com/article/20140319/OPINION03/303190016/Continue-path-energyefficiency?nclick_check=1 ("By comparison, under current statewide energy efficiency programs, it costs I&M and its customers about 15 cents to save about 8 cents per kilowatt hour.").

¹¹ 2013 Energizing Indiana Evaluation Report, supra note 2, at 56, 76.

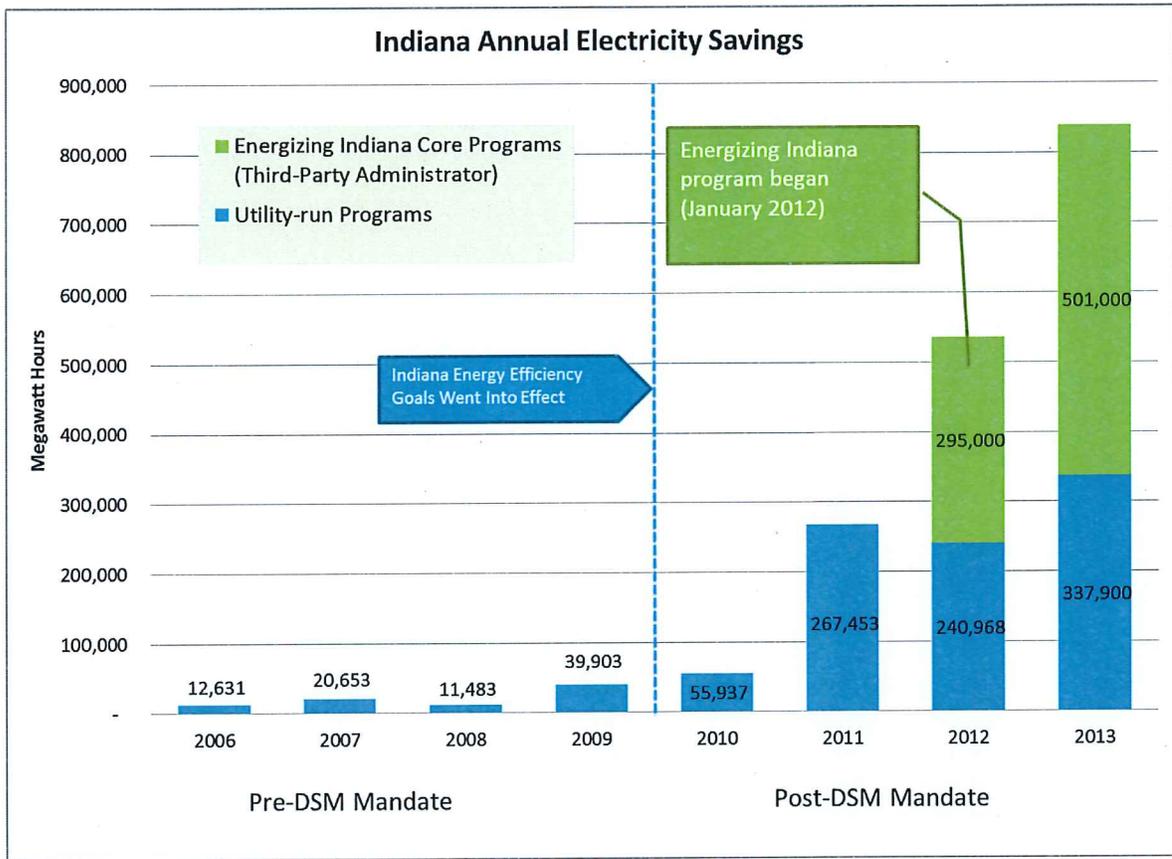
¹² *Id.* at 177.

¹³ *Id.* at 23.

¹⁴ *Id.* at 21.

significantly improve energy savings rates from the commercial and industrial sector.¹⁵ Overall, these core programs resulted in energy savings of 529 million kWh in 2013.¹⁶

The savings achieved through the core programs shows the importance of mandatory statewide energy savings goals. The following figure, developed by ACEEE, demonstrates that utility DSM programs prior to the 2009 order achieved only minimal savings.



Source: American Council for an Energy-Efficient Economy (ACEEE) and Midwest Energy Efficiency Alliance (MEEA).

Note: Sources for spending and savings calculations include docketed reports and plans under Cause 42693 S1, ACEEE Scorecards, and Form EIA-861. Some calculations include planned savings numbers for 2013; actual data has not been released.

¹⁵ *Id.* at 25.

¹⁶ *Id.* at 3, Figure 1. 529 million kWh is the ex ante savings reported by the third party administrator. After verification, the net savings figure is 347 million kWh.

Sierra Club urges the Commission to impress upon the Governor that mandatory statewide energy savings targets were the foundation of the local economic development benefits and systemwide cost savings the state enjoyed under Energizing Indiana. Without mandatory targets, the utilities are unlikely to achieve economically efficient rates of DSM, and the state will be left with only more costly options to comply with the Section 111(d) regulations that will be final in June 2015.

C. Improvements to Current DSM Programs

Governor Pence asked that the IURC's recommendations "reflect any and all issues that may improve current DSM programs." Sierra Club believes that the existing core and core plus programs were generally successful—since the adoption of statewide energy savings targets in 2009—and should provide an important starting point for the design of any follow-on programs. It is important to remember that the Energizing Indiana program was in its first few years of implementation, as were many of the utilities' Core Plus programs, and that stakeholders would likely have developed solutions to some of the frustrations experienced. However, the follow-on program design should reflect some lessons learned from the Energizing Indiana experience.

(1) Who should administer the program?

This Commission selected a hybrid model of program implementation in the 2009 Order, finding that unified statewide implementation of core programs would have many benefits. Statewide, unified programs minimize administrative costs that are ultimately allocated to ratepayers. In addition, consistency across the state makes it easier to communicate with customers, and to market to retailers, equipment suppliers, and upstream market actors that operate across utility service territories. The Commission recognized that many of the benefits of statewide programs could be realized whether administered by a single third-party, or by individual utilities administering a core set of consistent programs.

Although the third-party administrator was just ramping up its programs at the time of SEA 340, many of the benefits of the statewide, unified programs anticipated by the Commission were being realized. However, the involvement of a third-party administrator was a source of

frustration for some parties, as made clear by the Indiana Legislature's specific prohibition on renewal of any contracts with an existing third-party administrator.¹⁷

For the time being, SEA 340 limit DSM programs in Indiana to those administered by the utility, or where the utility voluntarily elects to have a third-party administrator on its behalf. Sierra Club believes that the Commission's prior conclusion that uniform statewide programs would be more effective than piecemeal remains as valid today as it was in 2009. The Commission should recommend to the Governor that the next generation DSM framework provide for a core, uniform set of programs, regardless of who administers them. The state should not revert to the "inconsistent patchwork" present prior to the 2009 order.

As this Commission has previously recognized, there is no particular administrative structure (utility-led, independent administrator-led, or a hybrid) that is clearly superior in delivering programs.¹⁸ Continuity of programs and clarity of goals are far more important indicators of a program's success.¹⁹ However, Sierra Club has concerns about purely utility-administered DSM programs, since the programs that were in place prior to the 2009 Order were not as effective in achieving high levels of efficiency improvements. It is possible that the state's utilities will have gained insight and experience over the last several years that will lead to more effective utility administration of core programs going forward, but oversight should be carefully designed to ensure that the utilities do not revert to their previous lackluster performance.

In making recommendations to the Governor, Sierra Club recommends that the Commission evaluate alternative models of hybrid administration that would retain the administrative savings of a third-party administrator while intruding less on the utility's relationship with its customers. If Indiana wishes to retain hybrid administration, it might consider the approach taken by Maryland and Illinois of providing the government agency with responsibility for administering federal low income energy assistance funds, with responsibility

¹⁷ IC 8-1-8.5-9(k) (as amended, 2014).

¹⁸ 2009 Order at 37-38. In addition to the ACEEE report cited by the Commission in its 2009 order, a recent report by the Regulatory Assistance Project reaches the same conclusion. *See* Richard Sedano, Regulatory Assistance Project, *Who Should Deliver Ratepayer Funded Energy Efficiency?* (Nov. 2011).

¹⁹ *Id.*

for administering programs targeted at low-income customers and government buildings.²⁰ Michigan also provides utilities with the option of allowing a third-party administrator to deliver low-income programs, which allows greater integration of ratepayer-funded low-income programs with state weatherization programs, and thereby creates efficiencies and reduces frustration or confusion for customers.²¹

(2) *What accountability and oversight should be in place?*

Sierra Club strongly supports the continuation of a collaborative oversight structure to promote stakeholder involvement and continuous program review during implementation. In the 2009 Order, this Commission created the Demand Side Management Coordination Committee (DSMCC) to provide oversight of the third-party administrator, and noted the many benefits.²² Such an oversight structure increases the likelihood that utilities will be able to recover the costs of their energy efficiency programs by providing an opportunity for concerns to be expressed while there is still an opportunity to address them, rather than only allowing feedback after the fact in an adversarial setting.

Sierra Club understands that the work of the Demand Side Management Coordination Committee (DSMCC) was time consuming for its members, in part because the DSMCC had several significant start-up tasks such as drafting requests for proposals and initiating relationships with vendors, which would have lessened as program implementation hit its stride. It is our understanding that the workload of the DSMCC could be managed by adhering more closely to the governance procedures regarding the DSMCC's scope of review, and possibly more reliance on subcommittees. In short, Sierra Club believes that an oversight committee that brings the utilities together with outside stakeholders and Commission staff remains the best model for oversight of DSM programs, whether administered by the utilities or a third-party administrator.

²⁰ See RAP, Who Should Deliver Ratepayer-Funded Energy Efficiency at 25.

²¹ *Id.* at 25. RAP notes that these hybrid programs are in the early stages of implementation, so a full assessment of their effectiveness is not yet possible.

²² 2009 Order at 39,

(3) *Reform of Incentive Structure*

SEA 340 did not amend the existing incentive structure for ratepayer-funded utilities, which the legislature has addressed at 170 IAC 4-8-5 through 4-8-7. The lost margin recovery practices currently in place may overcompensate utilities for lost sales and profits due to DSM programs. This could be addressed by switching to a different incentive structure, such as shared savings (also known as shared benefits), or by limiting the time period over which the lost margin can be recovered to two or three years. An advantage of the shared savings incentive structure is that it encourages the utility to implement programs in the most cost-effective way possible, since lower program costs yield higher net benefits. The IURC could look for guidance to Minnesota, which switched from lost margin recovery to a shared savings system in 1999 after finding that the cumulative nature of lost margin recovery was allowing utilities to earn more than their conservation expenditures.²³

(4) *Programs for Government Entities, Schools and Faith-Based Organizations Should be Emphasized*

Sierra Club observes that there is broad interest in DSM measures at schools, universities, municipalities, and civic and faith-based organizations.²⁴ The next phase of energy efficiency programs should contain special outreach and incentives for these customers, who often have constrained budgets that both limit their ability to make upfront capital investments, but would also benefit greatly from lower energy bills. Reduced monthly electric bills will enable these customers to devote more resources to serving their students, communities, and congregations. To the extent that the utility bills for these institutions are paid from general tax revenues, reducing those bills provides an opportunity redirect government revenues to more productive uses. Energy efficiency measures undertaken at these kinds of institutions also have the potential to educate a large number of employees, students, or members who then decide to personally participate in the utility's energy efficiency programs. Such word-of-mouth referrals are far more cost-effective than traditional advertising.

²³ See Hayes et al. (ACEEE), *Carrots for Utilities: Providing Financial Returns for Utility Investments in Energy Efficiency* (2011), at 42.

²⁴ See 2013 Evaluation Summary Report at 22-24. See also Letter from Mark Kruzan, Mayor of Bloomington, IN, to Governor Pence (encouraging veto of SB 340), available at <http://www.citact.org/sites/default/files/SB340%20Kruzan.pdf>; Letter from Jim Brainard, Mayor of Carmel, IN, to Governor Pence (urging veto of SB 340).

One of the existing core programs serving schools is the Building Assessment program, which works with schools to assess their HVAC systems to determine if they are operating efficiently. The results of this assessment are used to guide schools to the appropriate upgrades and rebates that may be available through the Commercial and Industrial (C&I) program or other Core Plus programs. The 2012 EM&V evaluation report identified “[a] lack of funding [a]s *the principal barrier* to participating in the Building Assessment program. The most common suggestion for program improvement was to provide financing options to schools implementing recommended improvements.”²⁵ Sierra Club would urge the Commission to make financing options for schools and other financially constrained community and local government institutions a part of its recommendations to the Governor. This function could, but need not necessarily be, administered by the utilities. It could also take the form of an energy efficiency assistance and award program for local governments and community organizations, administered by the Governor’s office.

Alternatively, an energy savings goal specific to schools, public universities, and state and local government infrastructure could be developed to provide a particular incentive for utilities to address this particular group of ratepayers, where reduced energy bills and improved comfort of the building’s users benefits such a large segment of the public.

D. The Benefits of DSM Programs Far Exceed the Costs

The Governor requested that the IURC’s recommendations reflect a thorough benefit-cost analysis of the cost impact to ratepayers of possible DSM programs. An essential feature of all energy efficiency program design and implementation is that the programs pass a rigorous cost-effectiveness test. Several different cost-effectiveness tests are used in Indiana, many of which look broadly at the benefits to ratepayers and society, and function as a benefit-cost analysis. These tests serve as a built-in protection that any programs implemented will have a positive benefit-to-cost ratio. The independent evaluator’s report of the first and second-year results for the Energizing Indiana programs shows that the core energy efficiency portfolio easily passed the total resource cost test (3.02), the utility cost test (2.94), and the participant cost test (8.24).²⁶ The utility cost test results tell us that over 2012 and 2013 program years, Energizing Indiana’s

²⁵ 2012 Energizing Indiana Programs EM&V Summary Report (June 21, 2013), filed in Cause No. 42693-S1, at 22.

²⁶ 2013 Evaluation Summary Report, at 193, Table 174.

portfolio of programs saved the state's utilities three dollars for every dollar spent. The return on investment for programs for commercial and industrial customers, was five-to-one.²⁷

Another critical fact in any evaluation of the costs and benefits of DSM programs is that those programs keep Indiana ratepayer money in the state, and support local manufacturing and skilled service jobs. A group of Indiana businesses including Honeywell, Johnson Controls, Knauf Insulation, Leidos, Siemens and United Technologies, has estimated that energy efficiency programs in Indiana create at least 381 direct program jobs, over 1,200 indirect jobs and over \$500 million of economic investment each year.²⁸ These jobs include the manufacture of energy efficient equipment such as chillers, air-conditioners, and heaters, making industrial facilities and public buildings more energy efficient, and serving as contractors on job sites and parts manufacturers tied to energy efficiency.

In contrast, reliance on coal, gas, and oil for electric generating sends money out of state. According to a Union of Concerned Scientists evaluation of 2012 data, Indiana sent \$630 million out of state in 2012 for coal purchases.²⁹ An analysis of federal data by ACEEE concluded that Indiana is very dependent on fuels imported from other states and countries, importing 100 percent of the oil and petroleum products used here, 99 percent of the natural gas and 41 percent of the coal.

Energy efficiency keeps Indianan's energy dollars in state, and supports local manufacturing, all the while reducing costs for ratepayers and avoiding the construction of new and expensive coal- or gas-burning power plants.

E. Inclusion of Industrial Customers

The Governor has requested that the recommendations put forward by the Commission “[a]llow for an opt-out whereby large electricity consumers can decide not to participate in a DSM program.” Sierra Club believes that the Governor's concerns about the participation of large electricity customers can be served by a self-direct program rather than an opt-out program. Self-direct customers are not participating in DSM programs in that any fees the customer would

²⁷ 2014 Evaluation Summary Report, at 193, Table 174.

²⁸ March 5, 2014 Letter to State Legislature regarding SB 340.

²⁹ See <http://www.ucsusa.org/assets/images/ce/Indiana-coal-imports-map.jpg>.

otherwise contribute to the program are instead investment in efficiency improvements at the customer's own site.

All ratepayers benefit from energy efficiency programs, regardless of whether they participate in them, because energy efficiency is the least-cost system resource. The utility's overall cost of energy and capacity requirements declines with increasing efficiency targets, which ultimately lowers rates. When industrials or other large electricity customers are allowed to opt out, they are not paying their fair share of this system resource. Because industrial and large commercial customers often present the highest-payback opportunities for energy efficiency, their opting out deprives other ratepayers of the lowest cost energy efficiency available on the system. When industrials and other large customers to opt out and do not pay any part of the DSM programs, this is not a decision that affects only those industrial customers, it shifts the burden of paying for those programs onto all other ratepayers. Individual ratepayers are not allowed to opt out of paying for any other system resource simply because they fail to perceive direct benefit to themselves, and the same equitable standard should be applied to contribution to DSM programs.

In contrast, allowing large electricity customers to undertake self-directed DSM programs provides benefits to the overall system, while still granting those customers a degree of autonomy regarding their operations. This Commission has already received a substantial amount of testimony from the utilities and interested parties regarding the design of appropriate industrial self-direct DSM programs in IURC Docket 44310. In particular Sierra Club wishes to direct the Commission's attention to the testimony and briefing filed by the Citizens Action Coalition in that docket regarding best practices for design of self-direct programs, and the ACEEE report, *Follow the Leaders: Improving Large Customer Self-Direct Programs*.³⁰

Conclusion

Sierra Club appreciates the opportunity to offer comments on the critical task before this Commission. We believe that in order for ratepayers to realize the full benefit of demand-side management, there are several critical features of Indiana's next-generation DSM programs. First, mandatory statewide energy savings targets should be reestablished at the levels set in the

³⁰ Anna Chitum, *Follow the Leaders*, October 2011, ACEEE Report No. IE112

IURC's 2009 order, with some adjustment for the interruption caused by SEA 340. Second, well-designed self-direct programs should be implemented to provide flexibility for large electricity customers. These programs should require verified emission reductions from those customers as a condition of the privileges allowed by self-direct, and to allow the utility to account for these energy savings in future integrated resource planning proceedings. Finally, the Commission should recommend that the Governor retain coordinated stakeholder input into DSM programs, regardless of which entity administers them.

/s/ Casey Roberts

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