#### **Summer 2018**



# **EESI UPDATE**

A periodic update to EESI's friends on our work in policymaker education, coalition building, technical assistance, and policy development.

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## EESI Touts Beneficial Electrification as Win-Win

THE POWER SECTOR is undergoing significant change. With the retirement of aging, unprofitable, and polluting coal plants and the increasing public interest in renewable energy, utilities are closing existing infrastructure while investing to keep up with market demands. And many utilitiesespecially in rural areas—are also confronted with stagnant or decreasing demand for electricity.

Some utilities may be concerned about their economic viability in the face of such changes. To prevent a backlash against the transition to cleaner energy, EESI is touting a win-win solution: beneficial electrification.

Beneficial-or strategic-electrification is the replacement of on-site combustion of fossil fuels (e.g., propane, heating oil, gasoline) with electricity in a way that reduces overall emissions and energy costs. Utilities, people, and the environment can all benefit from this switch:

- Utilities develop new markets for their electricity and • reverse declining electricity sales.
- Energy consumers often end up saving money and aren't as vulnerable to sudden spikes in the price of oil, propane, and other fossil fuels.
- Greenhouse gas emissions **drop** as the electricity being used increasingly relies more on renewables and less on coal and other fossil fuels.



There are numerous opportunities to transition to electric systems across the residential and commercial sectors. Heating and transportation are two of the most promising focus areas. Indeed, beneficial electrification can be as simple as switching to an electric vehicle or an energy-efficient electric heating system—so long as the end-user and environment both benefit.

Water and space heating systems are prime candidates for electrification. Most heating systems that use oil or propane have higher costs and higher carbon emissions than efficient electrical systems. As of 2015, 10 percent of American house-



A high-efficiency heat pump water heater

holds rely on oil or propane as their primary heating source, primarily in the Northeast and Midwest. Electric heat, dominant in southern states, was traditionally viewed as too inefficient for colder climates. However, advancements in affordable, electric "cold climate heat pumps" are challenging these assumptions. One recent study found that a high-efficiency heat pump could provide 80 percent of a Minnesota household's annual heating needs.

Transportation is now the top contributor to carbon emissions in the United States; electrifying the transportation sector is one key way to tackle those emissions. Granted, the exact carbon sav-

ings from electric vehicles (EVs) depend on how their electricity is generated. Nevertheless, a 2016 National Renewable Energy Laboratory study found that EVs charged with coal-fired electricity still emit less carbon than gasoline-powered vehicles.

Every major automotive manufacturer has pledged to greatly

increase their offering of plug-in hybrid or fully electric vehicles in the coming years to meet regulatory standards and consumer demand. Utilities will need to play an important role in the build-out of



charging infrastructure, especially of the high-powered, fastcharging stations that will be needed for daytime charging. To prepare for (and encourage) the power demand created by EVs, some electric utilities already offer customers financial incentives such as charging station rebates or modified billing rates for EV charging. Additionally, utilities are beginning to support EVs beyond personal vehicles, including electric utility work trucks and school buses.

Thanks to our donors, EESI offers beneficial electrification "mini assessments" for rural electric cooperatives and municipal utilities to help utilities determine the best opportunities in their service territories and offer potential pathways forward. EESI's assistance is available at no charge to eligible utilities and related stakeholders. None of this would be possible without the help from our generous donors. Thank you again! П

## Federal Program Helps Rural Communities Improve Energy Efficiency

creating needed jobs

in rural communities.

A number of these

programs rely on the U.S. Department of

Energy Savings Program (RESP), created

by the 2014 Farm Bill

2016. This Farm Bill

launched

Rural

in

Agriculture's

and

**RURAL ELECTRIC COOPERATIVES** (co-ops) are developing innovative energy efficiency programs for their members, programs that save residents money while also reducing harmful emissions and

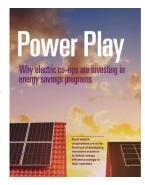


Barbara Rasor and her new high-efficiency HVAC.

program is available to the more than 900 rural electric cooperatives that are found in every state across the United States. But the program faces challenges. One issue is that it is part of the Farm Bill, which must be reauthorized by September 30.

EESI Policy Associate John-Michael Cross penned an article in the Cooperative Business Journal showcasing the Rural Energy Savings Program, detailing the effort underway to renew the program in the 2018 Farm Bill, and describing how RESP-funded, on-bill financing programs benefit electric co-ops and their members. On-

bill financing is one of the more promising energy efficiency programs for rural co-ops: a utility (or other partner organization) pays for home energy upgrades, the cost of which is repaid through a monthly charge on the recipient household's utility bill. Because the approach involves no money down (and can be designed to be cash-flow positive), it can work for lower income families that are unable to take advantage of rebates or other efficiency incentives.



EESI launched its On-Bill Financing Project to help spread this innovative model throughout the United States. We provide free assistance to co-ops and municipal utilities looking to launch their own on-bill financing programs; it is now one of our largest initiatives. Thanks to generous donors, EESI helped utilities implement on-bill financing projects in South Carolina and in Holland, Michigan; we are working on numerous additional projects in several states across the country.

Check out John-Michael Cross's article, "Power Play," for more information: http://bit.ly/jmc-2018. 

### Building Resilience in the Real Estate Sector

CLIMATE CHANGE is making extreme weather more likely. Extreme weather has a devastating impact on communities across the United States, with 2017 being a record year for costly disasters in the United States: 16 of them inflicted \$1 billion or more in damage-much of it involving buildings. Making buildings more resilient is essential to saving money—and lives.

As part of a series on Building Secure and Resilient Infrastructure to help policymakers understand this critical topic, EESI recently held a briefing to explore the climate risks facing U.S. real estate, and the policy solutions that can help protect this crucial piece of the economy. Representatives Lee Zeldin (R-NY) and Charlie Crist (D-FL) spoke about the importance of resilient buildings for their vulnerable coastal districts. It was particularly compelling to hear from a Florida realtor and St. Petersburg Councilmember who urged Congress to reinvest in aging infrastructure and build it to higher standards.

Making buildings more resilient costs money. But according to two National Institute of Building Sciences studies (in 2005 and 2018), every \$1 invested in resilience results in \$4-\$6 of benefits down the road. And, as the briefing noted, one must also take into account the costs of doing nothing: "Can we afford not to plan ahead?"



The 3.2 million residents of St. Petersburg, FL, are very vulnerable to rising seas: 50 percent of them live less than 10 feet above the sea level.

The speakers listed several measures that can make the real estate sector more resilient, including more accurate maps to properly reflect risk, adoption of the latest building codes, and retrofits of existing facilities. Rep. Zeldin (R-NY) is co-sponsoring bipartisan legislation that would provide insurance rate reductions to policyholders who implement specific mitigation methods.

While there is no "one-size-fits-all" solution to the threat of extreme weather and other climate-driven risks, EESI's donors have been critical in helping policymakers from both sides of the aisle understand how to help their communities prepare and become more resilient! П

## Give Today to Defend Clean Energy, Advance Sustainable Solutions

**SHOW YOUR COMMITMENT** to defending clean energy and climate policies – and advancing common sense solutions such as energy efficiency and resilient infrastructure. Please make a tax-deductible gift today! You are making a difference at an important time. You can give the way that works best for you. *Thank you for your commitment to solutions!* 

#### WAYS YOU CAN GIVE

- Online at <u>www.eesi.org/donate</u> or by mail to our *new address:* 1020 19th St. NW Suite 650, Washington, D.C. 20036
- Through a Donor-Advised Fund or Giving Account.
- Become an EESI Associate with a gift of \$1,000 per year (or \$84 a month!).
- Give through your **workplace-giving program**. EESI is in many private-sector workplace giving programs and the Combined Federal Campaign.
- Name EESI as a beneficiary in your 401(k) or IRA. Our EIN is 52-1268030.





## **Celebrating 15 Years of Climate Change News**

**IN 2003**, President George W. Bush was in office, the animated film *Finding Nemo* was hitting theaters, and EESI's first *Climate Change News* (CCN for short) was published. Over these past 15 years, we've seen many changes, ranging from the doubling of America's renewable energy production to the increasing global momentum for climate action. We have also seen increasing impacts from climate change and political threats to action. Through it all, CCN has been a weekly source for climate change related news.

Today, thousands of policymakers, donors, and concerned citizens rely on CCN to stay up-to-date on climate-related issues without being overwhelmed. Indeed, CCN does not aim for exhaustiveness, but for maximum relevance. Over the course of the nearly 700 newsletters EESI has produced over the past 15 years, readers have been able to quickly browse relevant climate news articles, find out about upcoming events, and get climate highlights for that week. As one reader, Mr. Gelvins, noted this year in a GreatNonprofits review, "EESI keeps me updated on climate and other environmental issues in Washington, with just the right amount of depth and breadth. It is absolutely unique—timely, intelligent and focused. I look forward to reading it."

From its inception in 1984, EESI has been committed to providing accessible, fact-based environmental and climate information to policymakers. CCN plays a key role in that process. Carol Werner, EESI's Executive Director, noted that CCN has been incredibly significant from the very start. Indeed, several of the stories from the first issue were used in **Sen. McCain's (R-AZ) opening statement for a hearing on climate change in the Senate Commerce Committee**, which he then chaired. According to Werner, "His committee counsel, Floyd De Champs, called me to say thanks because it was just what he needed! Several Embassy officials also have told me that *Climate Change*  *News* is a great source for them, providing key, timely information in a very concise way." This reflects EESI's goal to educate policymakers and to be an independent source of credible, nonpartisan information on energy and the environment.

Don't already receive this fantastic, free resource? You can subscribe for free in under a minute at: <a href="http://www.eesi.org/subscribe">www.eesi.org/subscribe</a>.

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## Long-Time Congressional Staffer Now Donor

**FORMER CONGRESSIONAL STAFFER** Jim Turner understands the importance of objective, solutions-based information for to legislation and policy. He offers a valuable perspective on the impact EESI has had—for more than 30 years!—in giving Congressional staff the tools and information they need for policymaking.



Turner began working on Capitol Hill as a legislative assistant in 1975, the same year that EESI's predecessor, the Environmental and Energy Study Conference, was founded. He tracked environmental and energy issues and experienced firsthand the overwhelming task of advising members of Congress on highly complex legislation and policies.

Through his time as a legislative assistant and later on as a committee staffer, Turner relied on EESI's work to learn about pressing issues in a limited amount of time. He expressed his gratitude for EESI's efforts, saying "EESI is uniquely positioned to inform each successive Congress on the merits of energy and environmental legislation. There is a lot of information available to staff, but not a lot of objective information that is tailored to helping busy Members and staff understand the importance and consequences of their actions." Turner also emphasized that he was appreciative of EESI's bipartisan approach to environmental policy, offering that "EESI is providing information from a policy perspective rather than a perspective of personal gain." Because of this, Turner cites EESI as an essential tool in fostering sensible environmental policy and has continued to be an avid supporter of EESI's mission. He used to give by check or online, but currently gives to EESI through a Donor Advised Fund (DAF). EESI provides donors with multiple options for giving, including online, by mail, through workplace giving, or by naming EESI as a beneficiary in a will or retirement plan. STAFF

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Turner's story shows one of the many ways that people express their desire for sensible environmental policy—by giving in a way that brings them satisfaction and joy. We are incredibly grateful to Jim and give him our deepest thanks for his long-term commitment to sustainable energy policy. Jim and donors like him are making better environmental policy for the United States possible at a time when so much is at stake!



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