THE NEVADA ENERGY EFFICIENCY STORY
A Commentary by SWEEP for Legislators
January 2010

A robust state energy efficiency policy and accompanying program could save Nevadans the 20% to 30% of energy that they waste. Achieving this 20% to 30% reduction in energy use requires a comprehensive energy program that reaches for improved energy efficiency in virtually every energy use.

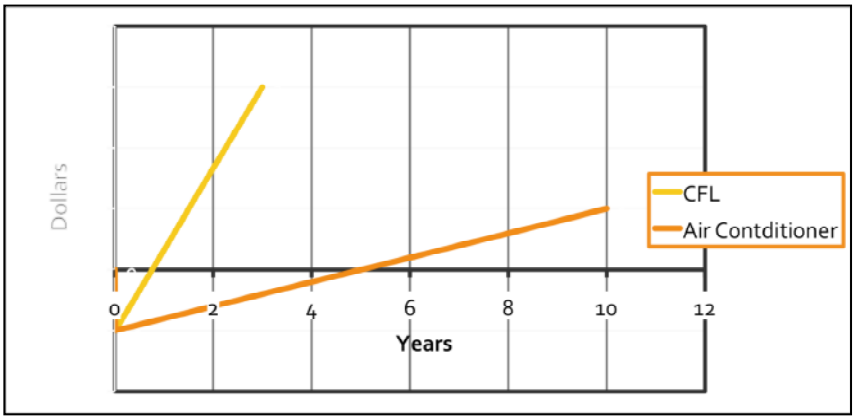
THREE BASIC FACTS THAT NEVADA POLICY MAKERS SHOULD KNOW

1. Energy Efficiency Is an Investment: Pay Now, Save Later

Efficiency benefits accrue over a long time. It requires an up-front investment to pay for extra energy efficient features (e.g., better insulation in refrigerator door). The savings accrue over the life of the product from reduced energy bills. The payback for different products varies widely. It can be big -- up to 8 times the investment over 20 years.

Investments in energy efficiency also reduce carbon emissions, air pollution impacts, and water use associated with the combustion of fossil fuels.

The government portion to pay for the implementation of an energy efficiency policy can be small, just enough to induce private investment. For example, the federal government spent $2 per household over the period 1987 to 2001 adopting appliance standards that save the average household $1,500 over time. Because it takes a long time, if we don't do it now, we won't ever have a truly economically efficient state economy.

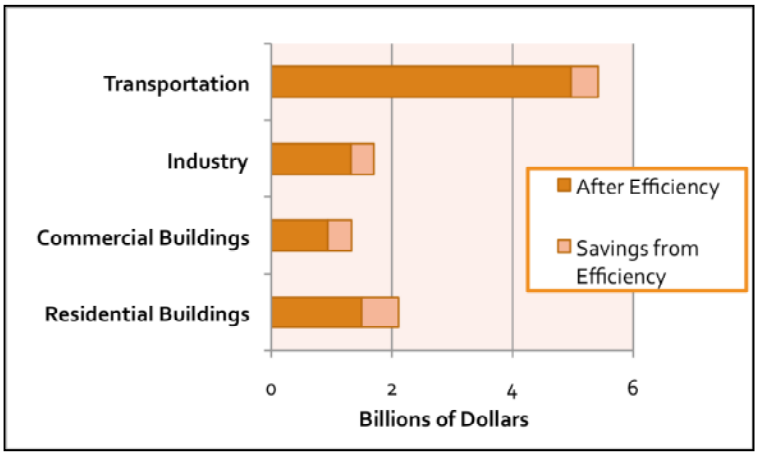


2. Nevada Spends $10.6 B/yr on Energy – and Wastes $1.8 B/yr! [1]

There are cost-effective energy efficiency opportunities in all sectors. This is true in private homes, multifamily dwellings, small businesses, large corporations, schools, government agencies, and industrial enterprises – that is, everywhere that energy is consumed. We waste

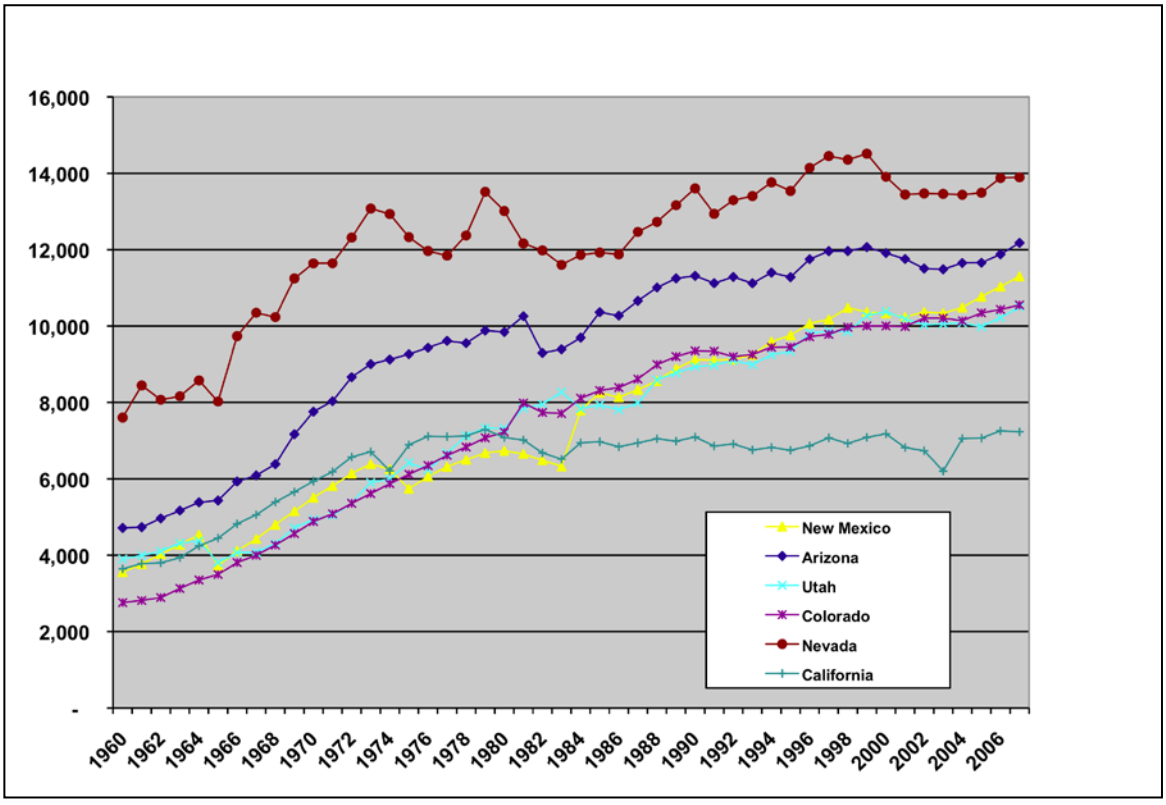
[1] Sources: *EIA 2008 Reference Case projection for 2020* for Nevada cost estimates and the National Academy of Sciences, *Real Prospects for Energy Efficiency in the United States.* http://www.nap.edu/catalog/12621.html

20%-30% of the energy we use in buildings and industry. We waste 5%-10% of the energy we use in transportation.



3. Nevada Wastes More Energy than Its Neighbors

Nevadans use more energy per capita than any neighbors except Wyoming. While there are many structural differences among states (e.g., climate, industrial intensity, distance between population centers and level of tourism), it's possible to lower our energy intensity.



GOVERNMENT POLICIES ARE AVAILABLE AND PROVEN EFFECTIVE

Nevada has no comprehensive energy plan. In 2001 the Nevada legislature amended NRS 701.190 to mandate an energy plan calling for comprehensive measures to enhance the economic development of the State (renewable energy, energy efficiency and conservation). The plan was to include provisions for analysis, education, incentives, grant, codes and standards, and accountability. In 2009 the legislature added recycling provisions to the mandate and transferred responsibility for the plan from the Director of the Governor's Office of Energy to the Commissioner of the new Renewable Energy and Energy Efficiency Authority. The legislature has never funded the preparation of such a plan and such a plan has never been prepared.

SWEEP suggests that Nevada develop a comprehensive energy plan and adopt an aggressive state-wide portfolio of energy-efficiency programs that focus on the following11 energy-efficiency policies described in more detail in subsequent paragraphs.

- Energy Codes
- Residential Energy Conservation Ordinances
- Appliance and Lighting Standards
- Utility Demand-Side Management
- Energy Pricing Policies
- Financial Incentives
- Low Income Weatherization
- Government Sector Efficiency
- Industry Sector Efficiency
- Transportation Sector Efficiency
- Education and Training

Comprehensive Statewide Energy Plan

A comprehensive energy program starts with energy efficiency (the part of the program that pays for itself and reduces the cost of the rest of the program). To be successful, the program needs to focus on long-term energy-reduction targets, either in the form of energy efficiency goals or as greenhouse gas emission reduction goals (the GHG reduction goals include separate energy efficiency and renewable energy targets).

Nevada is the only western state besides Wyoming that hasn't set such targets. In 2006, Arizona Governor Janet Napolitano established a statewide goal to reduce Arizona's future greenhouse gas (GHG) emissions to year 2000 levels by 2020, and to 50% below the 2000 level by 2040. In November 2007, Colorado Governor Bill Ritter unveiled the Colorado Climate Action Plan as a call to action. It sets out measures to reduce emissions of greenhouse gases by 20 percent by 2020, and makes a shared commitment with other states and nations to even deeper emissions cuts by 2050. In 2006, New Mexico Governor Bill Richardson established statewide goals to reduce New Mexico's future greenhouse gas (GHG) emissions to year 2000 levels by 2012, to 10% below 2000 levels by year 2020, and to 75% below the 2000 level by year 2050. Governor John Huntsman issued Executive Order 2006-004, which established a goal of increasing energy efficiency in the state of Utah by 20% by year 2015.

No new authority from the legislature is needed for the Nevada Governor to take such action.

Building energy codes

Building energy codes specify minimum energy efficiency requirements for *new buildings* or existing buildings undergoing a major renovation.

The Nevada legislature has mandated building codes for new residential and commercial buildings since 1985 in NRS 701.220 with many updates over the years as the International Energy Conservation Code (IECC) has evolved. Local jurisdictions in Nevada are allowed to adopt energy codes that are more up-to-date and more stringent than the statewide code and most local and county bodies in the Reno and Las Vegas metropolitan areas have done this.

The 2009 model code was released in early 2009 and the various responsible local and county jurisdictions in Nevada are in the process of updating their codes. It is on the agenda for the new state Energy Authority. All jurisdictions are already up to date with the 2006 model code. . The 2009 IECC reduces energy use in new homes by 10-15% relative to the 2006 version.[2] In 2009 the legislature transferred responsibility for the regulation from the Director of the Governor's Office of Energy to the Commissioner of the new Renewable Energy and Energy Efficiency Authority.

The adoption of building codes is one area where Nevada is already doing what a comprehensive energy plan would call for.

Residential Energy Conservation Ordinances

Until recently, approximately 75,000 *existing homes* were sold each year in Nevada, compared to construction of about 40,000 new homes (single family, multi-family, and mobile homes combined). Inducing owners to invest in retrofitting existing housing with energy efficiency upgrades is one of the hardest challenges for a comprehensive energy program. The difficulty in obtaining reliable information about energy efficient products, the larger up-front cost often including demolition of portions of existing buildings, and the disruption of the lives of the occupants all have to be overcome with some positive incentives.

A number of jurisdictions in the United States have adopted and successfully implemented residential energy conservation ordinances (RECOs) for the purpose of upgrading the energy efficiency of existing housing. RECOs require homeowners and landlords to implement specific energy efficiency measures, if appropriate, at the time a house or rental property is sold or renovated. RECOs are designed to bring the existing housing stock up to a minimum level of energy efficiency.

Nevada has already taken a major step in this direction when the legislature in 2007 mandated that anyone selling a home after the end of 2010 be required to present the results of an energy audit to the buyer. The details of the regulation are still being worked out. The next steps would be to 1) require basic energy efficiency measures be installed such as a minimum level of attic insulation, duct sealing and insulation, water heater tank and pipe insulation wrap, programmable thermostat, and water saving measures and 2) to provide incentives for owners to implement more than the basic energy efficiency measures identified by the audit.

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[2] EECC 2009. "An Analysis Prepared for the Energy Efficient Codes Coalition (EECC) by ICF International." Washington, DC: Energy Efficient Codes Coalition. http://www.thirtypercentsolution.org/solution/EECC-Savings_Analysis-Jan-2009.pdf

Appliance and Lighting Standards

The federal government has adopted minimum energy efficiency standards on a wide range of *appliances, equipment and lighting products*. States are preempted from adopting efficiency standards on products already regulated by the federal government, but states can adopt efficiency standards on products not covered by the national standards. Nevada can enhance its overall energy efficiency by enacting minimum energy efficiency standards for products not covered by federal standards.

Twelve states currently have state energy performance standards for non-federally regulated appliances[3]. California has energy efficiency standards for eight non-federally regulated products, including pool pumps and spas, portable light fixtures, and televisions.

In 2007, the Nevada legislature specified its first appliance standard – a performance standard for general service light bulbs. NRS 701.250 mandates a minimum efficiency standard of 25 lumens per watt for general service light bulbs effective Jan 1, 2012. Nevada was the first state to adopt such a lighting standard. The Energy Office has not yet developed the necessary regulation to implement the standard. This year (2009) the legislature transferred responsibility for the regulation from the Director of the Governor's Office of Energy to the Commissioner of the new Renewable Energy and Energy Efficiency Authority. SWEEP plans to work with the new Commissioner to develop the lighting regulation in 2010.

The legislature in 2009 failed to go the next step. It removed efficiency standards for TVs, pool pump motors and controls, and portable spas from the draft Senate energy bill.

The Appliance Standards Awareness Project (ASAP) estimated that adopting new appliance standards in Nevada for televisions; portable light fixtures; residential pool pumps, motors, controls; and portable electric spas would reduce Nevada's annual electricity use in 2020 by a total of 480 Gigawatt-hours. This is equivalent to the electricity use of 40,000 typical households in Nevada. The corresponding reduction in carbon dioxide emissions is the equivalent of removing 64,000 passenger cars from the road. ASAP estimates that the payback period for any increase in first cost for most of the products in its model bill is two years or less.

Utility Demand-Side Management

Most major utility companies conduct programs to help their customers implement cost-effective energy efficiency and peak load reduction measures. These are called demand-side management (DSM) programs, and they provide education, rebates, energy audits, and technical assistance. Effective utility DSM programs significantly reduce energy waste and lowers utility bills paid by customers. They also create jobs, since the implementation of energy efficiency measures is more labor intensive that the generation of electricity.[4]

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[3] www.standardsasap.org/state/index.htm

[4] See, for example, H. Geller and M. Goldberg, Energy Efficiency and Job Creation in Colorado. Boulder, CO: SWEEP. April 2009. http://www.swenergy.org/pubs/EE_and_Jobs_Creation_in_Colorado-April_2009.pdf. Also, see D. Roland-Host. 2008. Energy Efficiency **Policies**, Innovation, and Job Creation in California. Center for Energy, Resources, and Economic Sustainability. University of California, Berkeley. Oct. http://are.berkeley.edu/~dwrh/CERES_Web/Docs/UCB%20Energy%20Innovation%20and%20Job%20Creation%2010-20-08.pdf

Leading electric utilities and third party DSM program implementers in the United States are saving at least 1% of electricity sales through DSM programs implemented each year.[5] The leading states also have adopted decoupling of energy sales from their recovery of fixed costs, as well as performance-based incentives for utility shareholders.

Nevada Power Co. and Sierra Pacific Power Co., operating as NV Energy, implement a wide range of cost-effective DSM programs for their customers, and Southwest Gas is just beginning to develop a DSM program. In 2008, the budget for Nevada Power's four largest DSM programs combined was $35.5 million, 79% of its total DSM budget. And the four programs combined had a weighted-average benefit-cost ratio of 4.1, meaning they yielded economic benefits for customers of almost $150 million that were over four times the costs of the programs including participant costs.[6]

NV Energy's very successful DSM programs in recent years have yielded energy savings equal to about 1.3% of total retail electricity sales from programs and measures implemented in 2008 alone.[7] The potential for large DSM savings persists into in the future. A May 2009 study prepared for Nevada Power Co. looked at the market potential for electricity savings through utility-sponsored efficiency programs targeting the utility's residential and small and medium sized commercial customers.[8] The study estimated that 15.6 percent of the forecasted 2030 baseline energy consumption for these customer groups could be met through utility-sponsored DSM and demand-response programs. Despite this potential, Nevada Power Co. has shown signs over the past year of cutting back on its commitment to DSM.

For the past nine years the Nevada Legislature and the Public Utility Commission of Nevada (PUCN) have been wrestling with incentive regulation to encourage utilities to conduct all cost-effective DSM. Various combinations of decoupling and incentives have been applied to electric and gas utilities. A rulemaking docket is currently open at the PUCN addressing this issue for electric utilities. SWEEP has studies that show that a combination of decoupling *plus* performance incentives align all parties' interests – providing the lowest bills for ratepayers as well as yielding the highest profit for shareholders.

Energy Pricing

In concert with their DSM programs, electric utility companies can also adopt electricity rate structures that encourage customers to be more energy efficient. These are usually in the form of inverted block rates, time-of-use rates, or cost-differentiated retail prices.

Tiered, inverted block rates are one pricing option that promotes energy efficiency and conservation. Inverted block rates increase the amount charged per kWh as electricity use increases, usually for residential customers only. This means that most customers see higher rates for their last unit of energy use per month than they would with flat rates. The higher rate

[5] M. Eldridge, et al., The 2009 State Energy Efficiency Scorecard. Washington, DC: American Council for an Energy-Efficient Economy. Oct. 2009. http://aceee.org/pubs/e097.pdf

[6] The average benefit-cost ratio was calculated by weighting the benefit-cost ratio for each program by its portion of the budget for the four programs combined. The benefit-cost ratio for the four programs ranged from 2.31 to 8.15.

[7] H. Geller. Update on Utility Energy Efficiency Programs in the Southwest. Presentation at the 2009 Southwest Regional Energy Efficiency Workshop, Phoenix, AZ, Nov. 9, 2009. http://www.swenergy.org/events/annual/2009/presentations/Geller_SWEEP_110909.pdf

[8] PA Consulting Group, NV Energy Demand Side Management and Demand Response Potential Study Final Report, May 29, 2009. (part of NV Energy July 2009 IRP filing)

is intended to discourage increased use of electricity. Inverted block rates have the advantage of not requiring new meters. A number of utilities in the region including Rocky Mountain Power in Utah and Public Service Company of New Mexico have inverted block rates in effect for residential customers.

Seasonally differentiated time-of-use (TOU) rates and interruptible tariffs have been the status quo with Nevada Power Co. and Sierra Pacific Power Co. for medium and large commercial customers and all industrial customers for both utilities for many years. In 2003, both utilities initiated voluntary TOU rates for residential single family and multifamily customers. Since then, the utilities have experimented with Critical Peak Pricing (CPP), a tariff that provides increased prices during critical peak periods and reduced prices during non-critical-peak periods, and a Demand Bidding Program (DBP) that provides opportunities for customers to reduce their electricity use during critical periods in exchange for a financial incentive offered by the utility or at a bid price offered by the customer.

Such incentive pricing allows customers to participate directly in electric markets by reducing and/or shifting usage in response to high market prices, generally during peak periods. Customers can control their costs, while utilities gain a long-range and/or short run dynamic resource for cost-effectively addressing their system needs.

Financial Incentives

Financial incentives in addition to the incentives paid through utility DSM programs can complement the strategies described above. They may take the form of tax relief or direct subsidies. For example, the American Reinvestment and Recovery Act of 2009 (ARRA) instituted the State ENERGY STAR Appliance Rebate Program. Using these stimulus funds, the Nevada Governor's Office of Energy is conducting a rebate program for ENERGY STAR refrigerators, freezers, dishwashers, and clothes washers. This is in addition to any utility company DSM program rebates for these products and is designed to accelerate the turnover of inefficient appliance models.

In 2005, the state instituted a property tax abatement program for efficient commercial buildings, in which energy-efficient buildings certified by the U.S. Green Building Council's Leadership in Energy and Environmental Design (LEED) program to the Silver level or better receive up to 50% property tax relief for up to 10 years.

Other states have created revolving loan funds, often with subsidized interest rates, to help overcome the "first-cost" barrier to the implementation of energy efficiency measures. Nevada will establish such a fund in 2010 using ARRA funds. Some cities including Berkeley, CA and Boulder, CO have instituted a creative approach to such loans targeted at the residential sector by allowing them to become a lien on the property and paid back through property taxes, rather than a personal debt of the owner.

Low Income Weatherization

Low-income residents generally aren't able to spend even modest up-front costs to weatherize their homes, even with the support of a utility's DSM programs. In many cases, low-income families rent rather than own their property, and the landlord does not have an incentive to make energy upgrades since he/she does pay the utility bills. Recognizing these facts, the federal government has established a national program of low-income home weatherization. The 2001

Nevada Legislature created a special revenue fund – The Nevada Fund for Energy Assistance and Conservation, to further assist eligible Nevadans in maintaining essential heating and cooling in their homes. The fund augments the federal Low-Income Home Energy Assistance Program (LIHEAP), administered by the State Welfare Division, and Weatherization Assistance Program (WAP), run by the State Housing Division, with money received through a state Universal Energy Charge (UEC). This enables the state agencies to expand the energy bill assistance and energy efficiency services offered to low-income households.

ARRA provides substantial one-time funding for low-income home weatherization. Nevada is receiving a total of about $37 million to expand home weatherization over a roughly a three-year period. This is adequate to weatherize about 9,000 households at an average cost of around $4,000 per household.

Government Sector Efficiency

Governments can generally reduce electricity consumption in two ways – they can improve the energy efficiency of their buildings and they can buy more efficient energy-consuming appliances, equipment and lighting products. State, county and local governments in Nevada spend a significant amount on energy – likely well over $100 million per year (there is no official accounting). Hence, reducing government use of energy by improving energy efficiency is an important component of the effort to achieve statewide energy efficiency and greenhouse gas reduction targets.

Public sector energy efficient building programs in Nevada focus on state agencies that are housed in facilities owned or leased by the state comprising over 22 million square feet of floor area statewide. One key to financing energy efficiency improvements to government buildings is performance contracting. This allows governments to enter into contracts in which the contractor pays for the energy efficiency improvements and is repaid from the savings in the utility bills. There is no increase in the government budget, either in the year of the project or in any subsequent years. Nevada has been promoting the use of this tool since 1997. In June of 2001, Governor Guinn issued the *Nevada Energy Conservation Plan for State Government* (NECP) to guide agencies in energy conservation measures. In 2003, the Nevada legislature passed AB 398 which was intended to remove barriers and facilitate use of performance contracting for implementation of energy efficiency projects by both state and local governments. There is opportunity to further facilitate the retrofit of existing government buildings by streamlining this contracting process.

Besides making its buildings more efficient, a 2009 Nevada state law requires that all purchases of energy-consuming products by the state government be from the among the most efficient products on the market. The law specifies that all state agencies shall procure energy efficient products that are Energy Star or equivalent. The Housing Division is currently developing regulations for this program.

Industry Sector Efficiency

There is considerable room for improving the energy efficiency of Nevada's small and medium-sized manufacturers, light industries, and mining industry, and doing so cost-effectively. In 2002, SWEEP estimated that widespread adoption of cost-effective energy efficiency measures in the

industrial sector in Nevada could result in up to 34% electricity savings by 2020.[9] Likewise, energy audits in some of Nevada's mining operations indicated 18-37% cost-effective electricity savings potential.[10] Reducing energy use in manufacturing and mining facilities can increase profits and enhance competitiveness, thereby helping to keep these companies in business and contributing to the state's economic viability and diversity.

There are a number of ongoing and emerging federal government, local agency, utility, and industry partnerships providing energy efficiency education and training to manufacturing, agriculture ventures and mining companies in Nevada. Besides the utility DSM programs, broad financial incentives, and training described above, we are not aware of any state government involvement in education, training and audit activities in the industrial sector or of any financial incentives to manufacturers, agricultural ventures and mining companies. Nevada could implement specific financial incentives targeted to all or part of the industrial sector to augment financial and technical assistance to industry provided by the federal government. It might also develop challenge and recognition programs to bring positive public attention to companies that achieve exemplary energy efficiency.

Transportation Sector Efficiency

SWEEP has just prepared a blueprint for transportation efficiency in Colorado. We have only just begun to look into transportation efficiency in Nevada. The Colorado study showed significant potential in four areas:

1. Promotion of fuel-efficient vehicles through feebates, incentives for plug-in hybrid electric vehicles, and accelerated retirement of inefficient vehicles
2. Reduction in vehicle miles traveled (VMT through public transportation, urban design, user fees, and pay-as-you-drive auto insurance
3. Vehicle enhancements & operating conditions through speed limits and efficient tires
4. Improvement in heavy-duty truck efficiency through efficiency standards, incentives for diesel hybrid, incentives for longer heavier trailers, and clean car standards

We have to conduct a little research to learn what, if anything, has been done in Nevada in any of these areas. Meanwhile, we believe that initiating feebates and a revolving loan fund for heavy-duty truck improvements would be clearly beneficial for Nevada.

Education and Training

Public education is vital for the widespread adoption of cost-effective energy efficiency measures as well as energy-conserving behavior. At the national level, the U.S. EPA and DOE implement the ENERGY STAR product labeling and consumer education program. Many states and utilities including NV Energy promote ENERGY STAR-labeled products as part of their efficiency programs. Nevada's citizens receive additional information on energy efficiency options from utility companies, product vendors, community events, and periodic media coverage. While these efforts are of some help, more can and should be done to educate Nevadans about energy efficiency and conservation opportunities.

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[9] *The New Mother Lode: The Potential for More Efficient Electricity Use in the Southwest.* Boulder, CO: SWEEP, Nov. 2002.

[10] Personal communication with Douglas Prihar, Management Assistance Partnership (MAP) program, Reno, NV, Dec. 2004.

Training and assisting architects, builders, contractors, and code officials is critical to the successful implementation of new building codes, energy retrofits, and utility DSM programs. Likewise, the training and certification of facility managers, building operators, and energy auditors on energy efficiency and energy management techniques is critical to the success of commercial building maintenance and retrofitting in both the public and private sectors. There are many efforts underway throughout Nevada in all of this training, some of which are receiving funding through ARRA.

In order to facilitate job creation in our state, SWEEP has helped to spawn the Nevada Voluntary Alliance for Efficiency and Training (NV-A-ET). This new non-profit organization aims to create a long-term market transformation in all areas of energy efficiency and relevant training by filling in gaps in education/training, industry development, and consumer awareness. By drawing expertise from a coalition of construction engineers, energy auditors, scientists, real estate agents, commercial building owners, residential developers, urban and land use planners, and educators, its goal is to transform the Nevada market for energy efficient buildings, products and techniques through creating consumer demand, ensuring products and services are available, and ensuring industry has capability and capacity.

Adding It All Up

How much energy savings could Nevada achieve if it vigorously implemented all of the energy efficiency strategies listed above? While we have not performed a detailed analysis of this issue specifically for Nevada, a number of other studies address the *electricity portion* for either the Western region or nearby states. First, an Energy Efficiency Task Force convened by the Western Governors' Association (WGA) determined in 2006 that the combination of utility DSM programs, building energy codes, state appliance and lighting standards, and a few other policies/programs implemented during 2006-2020 could reduce electricity use in the western states 20% by 2020, meaning a reduction in electricity use of about 1.5% per year from a business-as-usual forecast.[11] The WGA study also estimated that achieving this electricity savings would result in $53 billion in net economic benefits for consumers and business throughout the 18 western states that belong to the WGA.

At the state level, a New Mexico Energy Efficiency Strategy: Policy Options prepared for the state energy office in November, 2008 estimated that expanded utility DSM programs, building code upgrades, lighting efficiency standards, and other initiatives could save 9.5 TWh of electricity savings by 2025.[12] The electricity savings initiatives limit demand growth to 0.2% per year on average during 2005-2025, compared to demand growth of 1.9% per year on average in a baseline scenario. Thus the electricity savings initiatives taken together save about 1.7% per year according to this analysis.

A similar study titled Utah Energy Efficiency Strategy: Policy Options estimated that expanded utility DSM programs, building code upgrades, appliance standards, a statewide industrial efficiency program, and other initiatives could save 10.3 TWh of electricity by 2020.13 In this

[11] Energy Efficiency Task Force Report. Clean and Diversified Energy Initiative. Western Governors' Association, Denver, CO. Jan. 2006. http://aceee.org/pubs/e097.pdf

[12] H. Geller, et al. *New Mexico Energy Efficiency Strategy: Policy Options.* Report prepared by SWEEP, ETC Group, and ACEEE for the New Mexico Energy, Minerals and Natural Resources Department, Nov. 2008. http://www.swenergy.org/publications/documents/NM_Strategy-November_2008.pdf

[13] H. Geller, et al. *Utah Energy Efficiency Strategy: Policy Options.* Report prepared by SWEEP, Utah Clean Energy, ETC Group, and ACEEE, Oct. 2007. http://www.swenergy.org/publications/documents/UT_Energy_Efficiency_Strategy.pdf

case the electricity savings initiatives limit demand growth to 1.2% per year on average during 2005-2020 compared to demand growth of 3.2% per year on average in a baseline scenario. The electricity savings initiatives taken together save about 2.0% per year in the Utah study.

Looking across these studies, it is reasonable to conclude that robust energy efficiency policies and programs can save 1.5-2.0% of total electricity sales each year, meaning saving of 15-20% after ten years of effort.

RECOMMENDATIONS FOR NEW LEGISLATION

SWEEP's top five legislative initiatives for the Nevada 2011 legislative session are:

1) Set a goal for future energy efficiency and for reductions in greenhouse gas emissions and fund the development and implementation of a statewide plan for accomplishing this policy that addresses all sectors of the economy, addresses all uses of energy, and involves all Nevadans.

2) Require that each electric and natural gas utility company conducts all cost-effective DSM and provide enough cost sharing of the benefits created by that DSM to make it the utility company's most profitable course of action.

3) Adopt the cost-effective appliance and lighting minimum energy efficiency standards approved by other states but not yet adopted as national standards by the U.S. Department of Energy, including televisions, residential pool pumps & controls, residential spas, and portable light fixtures.

4) Adopt a revenue neutral feebate policy that assigns fees or rebates on a sliding scale to new vehicles based on their fuel efficiency to provide a financial incentive for the purchase of a fuel-efficient vehicle.

5) Establish a low-interest loan program for truck drivers and truck owners to purchase equipment recognized by the EPA SmartWay program.