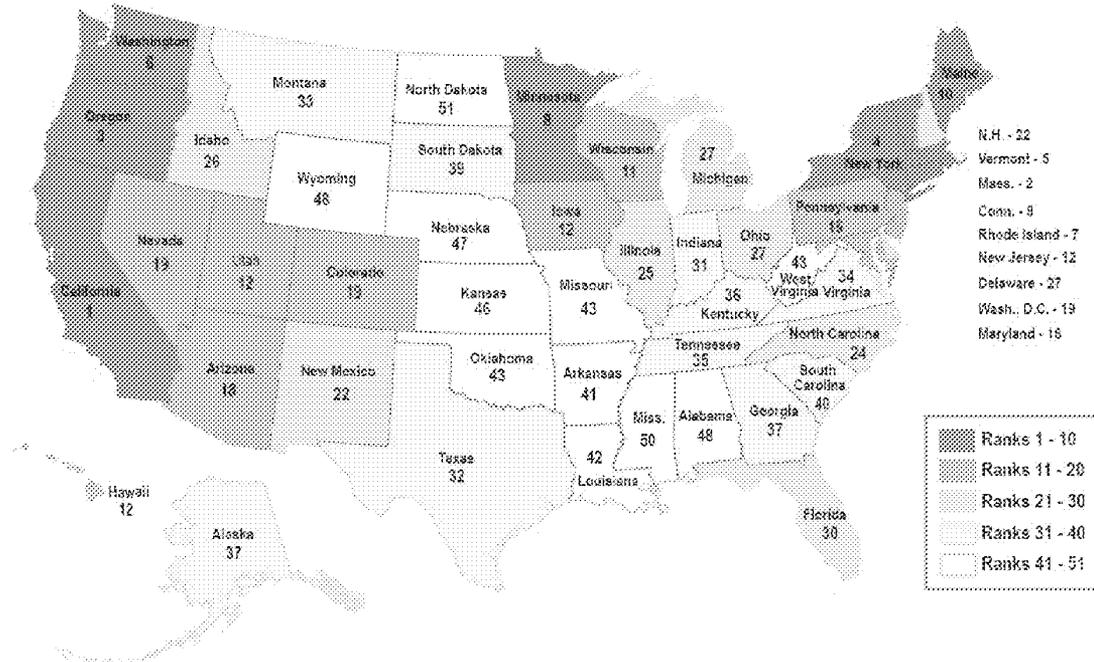


THE 2010 STATE ENERGY EFFICIENCY SCORECARD

EXECUTIVE SUMMARYⁱ

October 2010

Figure 1. Energy Efficiency Rankings: All U.S. States and District of Columbia



Note: Several states have the same score and tie in the rankings, including: 8, 12, 15, 19, 22, 27, 37, and 43.

Introduction

In 2010, states are again demonstrating their growing interest in energy efficiency as a means to bolster the economy, improve energy security, and drive technology innovation. Governors, state legislators and officials, and citizens increasingly recognize energy efficiency — the kilowatt-hours and gallons of gasoline that we *don't* use thanks to improved technologies and practices — as the cheapest, cleanest, and quickest energy resource to deploy. While the national economy slowly recovers from a recession, Congress continues to move at a glacial pace on major energy and climate legislation, which numerous studies have shown could help to stimulate the economy. Other major national issues have also forced energy and climate into the back seat. In the face of federal inaction, states are adopting aggressive and innovative policies to encourage investments in energy efficiency. As they have over the past few decades, **states will continue to guide our nation's direction toward a clean energy future to help save consumers money, boost local economies by creating jobs, and improve the environment.**

In this fourth edition of ACEEE's *State Energy Efficiency Scorecard*, we present a comprehensive state energy efficiency policy scorecard to document best practices, recognize leadership among the states, and provide a roadmap for other states to follow. This *Scorecard* can serve as a means of benchmarking state efforts on energy efficiency policies and programs with the goal of encouraging states to continue to raise the bar in their efficiency commitments. While several states have been pursuing energy efficiency for decades and are leading the way, several new leaders are quickly emerging by adopting and

implementing innovative new efficiency policies. Still, many states can accomplish much more to encourage energy efficiency and cannot afford to be left behind.

Key Findings

- Despite federal government inaction on climate and energy policy, states are moving forward and advancing energy efficiency policies and programs in an effort to create jobs and stimulate their economies during a period of considerable economic uncertainty.
- States' initiative is evident in our four most-improved states — Utah, Arizona, New Mexico, and Alaska — which have climbed at least eight spots since last year's *Scorecard*. The Southwest region of the U.S. has demonstrated considerable progress. These states and several more that have improved their rankings have made progress in increasing investments in utility energy-saving programs, expanding state government initiatives, and adopting better building codes.
- California has retained its #1 ranking for the fourth year in a row, outpacing all other states in its level of investment in energy efficiency across all sectors of its economy.
- Massachusetts has edged closer to the top spot after improvements in utility efficiency programs, transportation efficiency, availability of state-sponsored initiatives, and major plans to increase the breadth of its efficiency efforts in the next few years.
- State budgets for energy efficiency in 2009 are almost double the level of spending in 2007, increasing from \$2.5 billion to \$4.3 billion. Reported electricity savings from energy efficiency programs across all states increased 8% between 2007 and 2008 (the most recent available data).
- Twenty-seven states have adopted or have pending Energy Efficiency Resource Standards (EERS) that establish long-term, fixed efficiency savings targets — double the number of states in 2006. These states account for two-thirds of electricity sales in the U.S.
- Twenty states have either adopted or have made significant progress toward the adoption of the latest energy-saving building codes for homes and commercial properties — double the number of states in our 2009 *Scorecard*.
- While steady progress on energy efficiency is evident across most of the country, several leading states, including Connecticut, New Jersey, New York, New Hampshire, and the District of Columbia, have made plans to divert millions of dollars of energy efficiency funds to balance the budget or reduce deficits, robbing their citizens of future energy savings and a more secure energy future.
- While federal transportation efficiency policy has progressed significantly this year with the adoption of new fuel economy standards and plans to set standards out to 2025, states are taking the lead to fill in the gaps in transportation opportunities. California, Massachusetts, and Washington have implemented transportation-specific greenhouse gas reduction targets while several other states have adopted policies to encourage the creation of compact and transit-oriented communities.
- The injection of more than \$11 billion of American Recovery and Reinvestment Act funds directly to state energy efficiency has helped stimulate significant progress in funding and creating new energy-saving programs that are saving consumers' money and putting people to work.

Methodology

This report provides a comprehensive assessment of policy and programs that improve energy efficiency in our homes, businesses, industry, and transportation sectors. The *Scorecard* examines six state energy efficiency policy areas and presents these results in six chapters (1) utility and public benefits programs and policies; (2) transportation policies; (3) building energy codes; (4) combined heat and power; (5) state government initiatives; and (6) appliance efficiency standards. States can earn up to 50 possible points in these six policy areas combined, with the maximum possible points in each area weighted by the magnitude of its potential energy savings impact.

The base year for policy assessment in the *Scorecard* varies by the policy area examined. For example, utility ratepayer-funded energy efficiency programs in Chapter 1 are assessed on budgets for 2009 and energy savings performance in 2008 (the most recent years for which data is available from all states) along with enabling utility policies in place as of July 2010 and forward-looking energy savings targets. Most other categories are based on the current status of policies in 2010.

Readers should note that although we provide individual state rankings, in terms of measuring commitment to energy efficiency policies and programs, the difference among the rankings is most significant among bins of every ten ranks or so rather than among individual ranking. For example, the difference among states listed in the “top ten” is much less significant than the difference between the tier of top ten and the second or third quintile. Figure 1 and Table 1 sort the state rankings in five “bins,” which is the best way for readers to interpret the results of the *Scorecard*. The last column shows the state’s change in ranking compared to the 2009 *Scorecard*. Readers should note an important caveat: changes in state rankings are due to *both* changes in the scoring methodology as well as changes in state efficiency programs and policies.

To verify the accuracy and comprehensiveness of the policy information and data on which we score the states, we directly reached out to state-level stakeholders whose on-the-ground expertise is invaluable to the accuracy of our *Scorecard*. Officials at state energy offices and public utility commissions were given the opportunity in August to review the material concurrently on the ACEEE State Energy Policy Database on our Web siteⁱⁱ and the draft 2010 *State Energy Efficiency Scorecard* report. Regional nonprofits and other state-level organizations also contributed to the review process.

Summary of Rankings

Figure 1 shows the results of the state scorecard rankings and classifies the states and the District of Columbia into five bins according to their ranks. Table 1 shows scores for each of the six policy areas, overall rankings, total scores out of a maximum possible 50 points, and change in a state’s rank compared to last year’s report.

The top ten states this year, shown in Table 2, score at least 27 points out of the possible 50 points, with California and Massachusetts taking the top two spots with 45.5 and 42.5 points, respectively. The next bin of ten states follows closely behind the top ten in total points, scoring between 22 and 26 points. The third bin of states scores at least 17 points and the fourth bin scores more than 8 points, while states in the lowest bin score 8 points or less.

This year’s “top ten” states, based on their combined scores, are listed in Table 2, along with the “top ten” states from last year’s *Scorecard*. These states lead the nation in encouraging their citizens to improve efficiency in homes, businesses, industry, and transportation systems. The 2010 top ten are mostly the same as in the 2009 *Scorecard*. For the fourth year in a row, California has the top score. For the second year in a row, Massachusetts ranks second and this year edges closer to California. Oregon, New York, Vermont, Washington, Rhode Island, Connecticut, Minnesota, and Maine round out the top ten again this year.

Table 1. Summary of Overall State Scoring on Energy Efficiency

Rank	State	Utility and Public Benefits Fund Efficiency Programs and Policies Score	Transportation Score	Building Energy Code Score	Combined Heat and Power (CHP) Score	State Government Initiatives Score	Appliance Efficiency Standards Score	Total Score	Change in Rank from 2009 Results
<i>Maximum Possible Points:</i>		20	8	7	5	7	3	50	
1	California	18.5	7	7	5	5	3	45.5	0
2	Massachusetts	15.5	6	7	5	7	2.5	42.5	0
3	Oregon	14.5	5	6.5	4	6	1	37	1
4	New York	12	5	6.5	5	4.5	1.5	34.5	1
5	Vermont	19.5	4	3.5	3	3	0	33	1
6	Washington	12.5	6	6	4	2.5	0.5	31.5	1
7	Rhode Island	16	4	5.5	2	1.5	0.5	29.5	2
*8	Connecticut	10.5	5	4	5	2.5	1	28	-5
*8	Minnesota	15	1	4	3	5	0	28	0
10	Maine	10.5	4	6	4	2.5	0	27	0
11	Wisconsin	13	1	4	4	4	0	26	0
*12	New Jersey	7	5	5.5	4	3	0	24.5	1
*12	Hawaii	12	2	4	3	3.5	0	24.5	7
*12	Iowa	12	0	6	2	4.5	0	24.5	6
↑*12	Utah	11.5	2	5	3	3	0	24.5	↑ 11
*16	Maryland	6	5	5.5	3	4	0.5	24	-5
*16	Pennsylvania	4.5	4	6	5	4.5	0	24	-1
↑ 18	Arizona	9	4	3	3	2.5	1.5	23	↑ 11
*19	Nevada	11	0	4	2	2.5	2.5	22	-3
*19	District of Columbia	5	4	6	4	2.5	0.5	22	1
*19	Colorado	10	1	2	4	5	0	22	-3
↑ *22	New Mexico	6.5	2	5.5	4	3.5	0	21.5	↑ 8
*22	New Hampshire	9	0	5.5	2	4.5	0.5	21.5	-9
24	North Carolina	5	0	5	5	5	0	20	2
25	Illinois	5.5	0	5.5	5	2.5	0	18.5	1
26	Idaho	8.5	0	5	2	2.5	0	18	-6
*27	Delaware	1.5	3	5.5	3	4.5	0	17.5	-7
*27	Ohio	4.5	0	3.5	5	4.5	0	17.5	1
*27	Michigan	8	0	4.5	2	3	0	17.5	7
30	Florida	4	2	5.5	3	2.5	0	17	-7
31	Indiana	5.5	0	5.5	3	2.5	0	16.5	1
32	Texas	3	0	3	5	3.5	0	14.5	-9
33	Montana	4	0	6	1	3	0	14	-2
34	Virginia	1.5	1	6.5	0	2.5	0	11.5	0
35	Tennessee	1.5	2	2	1	4.5	0	11	3
36	Kentucky	3.5	0	4	1	2	0	10.5	-3
↑ *37	Alaska	0	1	2	2	5	0	10	↑ 8
*37	Georgia	1.5	1	4.5	0	3	0	10	7

Rank	State	Utility and Public Benefits Fund Efficiency Programs and Policies Score	Transportation Score	Building Energy Code Score	Combined Heat and Power (CHP) Score	State Government Initiatives Score	Appliance Efficiency Standards Score	Total Score	Change in Rank from 2009 Results
39	South Dakota	4	0	0.5	3	2	0	9.5	-3
40	South Carolina	1.5	1	3	1	2	0	8.5	-4
41	Arkansas	1.5	0	3	1	2	0	7.5	0
42	Louisiana	0	0	4	0	3	0	7	-1
*43	Missouri	1.5	0	0	2	2.5	0	6	-2
*43	Oklahoma	1.5	1	1.5	0	2	0	6	-4
*43	West Virginia	0	0	3	1	2	0	6	2
46	Kansas	0.5	0	2	0	2.5	0	5	-7
47	Nebraska	0.5	0	2.5	0	1	0	4	0
48	Wyoming	2.5	0	0	0	1	0	3.5	3
49	Alabama	0	0	0	1	2	0	3	-1
50	Mississippi	0	0	0	1	1	0	2	-1
51	North Dakota	0.5	0	0	1	0	0	1.5	-2

Notes: † denotes 'most improved' states. *States with the same score tie for the same rank.

Table 2. Top Ten States for the 2010 and 2009 Scorecards

2010 Edition		2009 Edition	
1	California	1	California
2	Massachusetts	2	Massachusetts
3	Oregon	3	Connecticut
4	New York	4	Oregon
5	Vermont	5	New York
6	Washington	6	Vermont
7	Rhode Island	7	Washington
8 (tie)	Connecticut	8	Minnesota
8 (tie)	Minnesota	9	Rhode Island
10	Maine	10	Maine

Major Recent Developments

Overall, states have shown significant improvement in their efforts to encourage energy efficiency. For example, states budgeted about \$4.3 billion for ratepayer-funded electricity and natural gas efficiency programs in 2009, up from expenditures of \$2.5 billion in 2007 on efficiency programs (see Figure 3). In 2010, numerous new states adopted leading building energy codes to improve efficiency in all new residential and commercial building construction. Also, 27 states have adopted or have pending an Energy Efficiency Resource Standards (EERS) that establish long-term, fixed efficiency savings targets — double the number of states with this type of policy in 2006.