DOE's Race to the Top Initiative

Recommendations of the
EAC Working Group
June 5, 2013

EAC Working Group

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President's State of the Union Message February 12, 2013

"I'm also issuing a new goal for America: Let's cut in half the energy wasted by our homes and businesses over the next 20 years. We'll work with the states to do it. Those states with the best ideas to create jobs and lower energy bills by constructing more efficient buildings will receive federal support to help make that happen."

State of the Union Blueprint

- **"Saving people money by doubling American energy productivity by 2030, starting with a new Energy Efficiency Race to the Top for states:** The President is laying out a bold but achievable goal to slash energy waste through increased efficiency. Modeled after a successful Administration approach in education reform, which was designed to promote forward-leaning policy adoption at the state-level, the President's Budget will include Race to the Top awards. These awards will support state governments that implement effective policies that increase energy efficiency and help decrease waste. Not only will increased efficiency save consumers money, the resulting reforms will drive investments that enhance manufacturing competitiveness, improve grid resiliency, and cut carbon pollution."

DOE Budget Proposal for Fiscal Year 2014 – Two Phase Program

- Phase 1 "qualifying phase": qualifying criteria include policies to encourage cost effective investments in efficiency (including combined heat and power and demand response); clean distributed generation; enhanced customer access to data; investments that improve reliability, security and resiliency of the grid; and enhanced sharing of information regarding grid conditions.

- Phase 2: qualifying applicants compete for cash awards based on "the most progress toward improving energy efficiency and energy productivity."

DOE Funding Request

- Funding request: $200 million appropriation

- $15 million for DOE to oversee the program;
- $25 million for Phase 1 technical assistance to assist applicants in meeting qualifying criteria;
- $160 million for Phase 2 awards.

EAC Working Group – Overall Recommended Conclusion

- **The DOE Electricity Advisory Committee (EAC) has reviewed the Race to the Top proposal and fully supports this important initiative.** The EAC recognizes that many of the most critical policy decisions affecting such matters as energy efficiency and energy productivity are made at the state level. The Race to the Top approach provides a dual benefit in that first, it rewards those states that make the most progress in meeting the energy goals established by the President and DOE, considering their individual circumstances, and second, it identifies successful models for other states to follow in their own efforts to achieve these important goals.

EAC Working Group Recommendations

- **RttT should allow participation by States and other eligible applicants with all types of utility ownership and business models.**
- **Phase 1 RttT qualifying criteria should be descriptive rather than prescriptive, allowing flexibility and innovation in meeting requirements that have been identified as important for achieving energy efficiency and productivity.**
- **In Phase 2, RttT applicants should be judged and rewarded based on their own improved performance.**

EAC Working Group Recommendations

- **Phase 1 RttT funds should be used to support development of innovations, programs, policies, regulations and/or laws that advance energy efficiency and energy productivity. Phase 2 awards should be made based on the achievement of improvements in energy efficiency and energy productivity.**

- **The RttT awards should be focused on achieving improvements in energy efficiency and productivity.**