

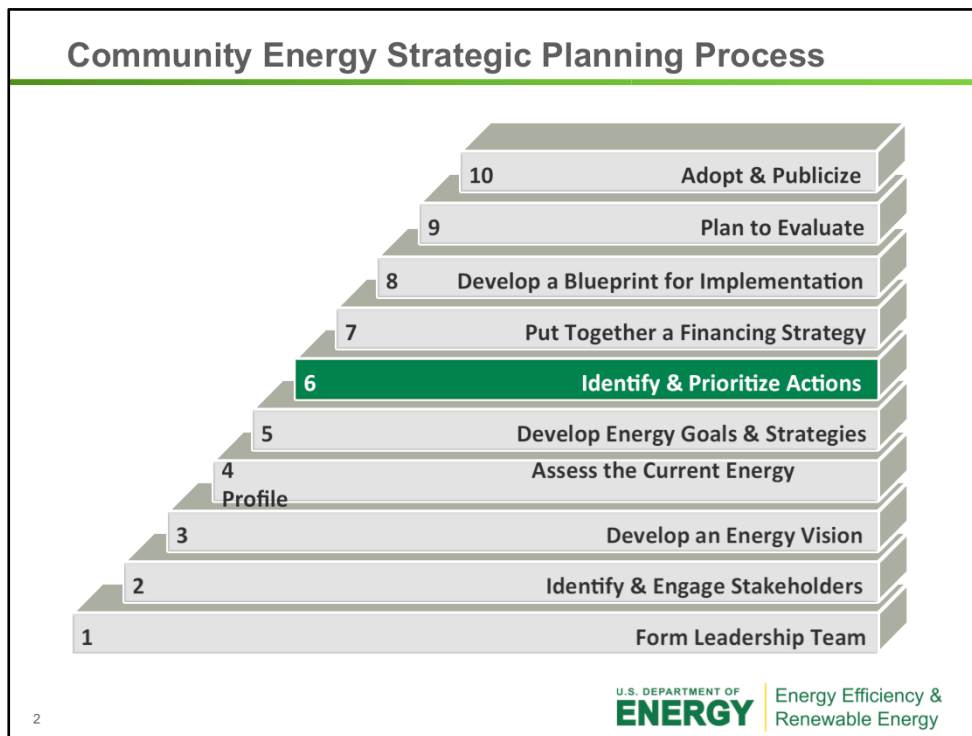
Community Energy Strategic Planning

Better Buildings Alliance



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Step 6
Identify and Prioritize Actions



Speaking Points:

After finalizing energy goals and strategies, a list of potential actions to achieve them must be developed and ranked.

WHO: The Leadership Team will drive this step, including establishing a ranking system and drafting a proposed list of actions, with the Plan Manager managing logistics. Stakeholders will provide input along the way to help expand the list of potential energy actions designed to meet goals and to help prioritize these ideas. Including stakeholder input allows for the identification of a broader range of potential energy actions, provides stakeholders with a sense of ownership in the plan, and begins the necessary step of identifying responsible parties for implementing prioritized actions (addressed in Step 8).

WHEN: This step can be done in conjunction with goals and strategies development, as well as the research and interview stage of developing a financing strategy. As with Step 5, try to keep this to 4–6 weeks



Speaking Points:

Goals and strategies will only be accomplished with concrete actions, but there are a wide range of policy, program, and project options a jurisdiction can choose from, so they must be broadly considered and then prioritized. Deliberately identifying and articulating the criteria and rationale for ranking these choices will:

- Assure a focus on relevant activities that will be effective in contributing toward goals
- Provide guidance to those implementing the plan if future resources are constrained
- Help garner support from others.

Step 6: Identify & Prioritize Actions

1. **Establish a system to rank ideas**
2. Identify policies, programs, and projects to consider
3. Rank and evaluate options against goals and strategies



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Establish a System to Rank Ideas

- Why evaluate proposed actions?
 - Prioritize those that are most effective in achieving goals & strategies
 - Narrow down options
- Common evaluation criteria
 - Cost effectiveness
 - Timeframe - implementation & payoff
 - Feasibility of activities (political, technological)
 - Co-benefits with other local priorities (e.g., social equity, economic development)
- Objective vs. subjective methodology

CESP in Action
Denver Climate Action Plan
City of Denver used criteria to choose between actions:
<ul style="list-style-type: none">• Viability• Cost-effectiveness• Implementability• Achievement of goals• Engagement

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Without some evaluation of proposed actions, it is hard to know if those chosen will be effective in achieving goals. This system will also be critical for narrowing options for the CESP to a reasonable subset of all of the possibilities. Establish this ranking scheme at the start of the process so that ineffective and/or unrealistic activities can be set aside early on and conversations can more quickly hone in on true priority actions.

Start with the goals and strategies developed in Step 5 to inform the ranking system. For example, if goals focus mainly on cost savings, use that as the key criteria for prioritization. Then use additional objectives identified to rank among prioritized actions. For example, if economic development is also flagged as important, among the actions that result in significant cost savings, those that also result in job growth will rank higher. It is also common to use some **combination** of criteria to capture the full scope of local priorities and add a weighting scheme to balance the importance of the most important items.

Common evaluation criteria include:

- Effectiveness in reducing energy use and related costs and/or savings
- Timeframe for implementation and payoff
- Feasibility of activities
- Co-benefits with other local priorities (e.g., social equity, economic development)

You will also need to choose between an objective vs. subjective ranking method for each type of criteria – ranking methods can be highly technical calculations or more-subjective assessments of impact. Both have their place. **Mention example.**

Cost-effectiveness Criteria

- Simple estimates often sufficient (e.g. percent change or categories of low-cost/highest-value actions)
- Use more quantitative where the data is available, or when such information will be useful in the future for financing or monitoring an action
 - Payback period
 - Rate of return
 - Savings-to-investment ratio analysis for capital projects
 - Life cycle cost of equipment



Timeframe for implementation and payoff

- Prioritize those projects that can be achieved and maintained with current budget
- Start small and work up to other larger or longer-term activities with larger resulting savings
- Consider staged activities: Start with low-cost activities that lead to savings and support for further activities to follow then add renewable energy projects



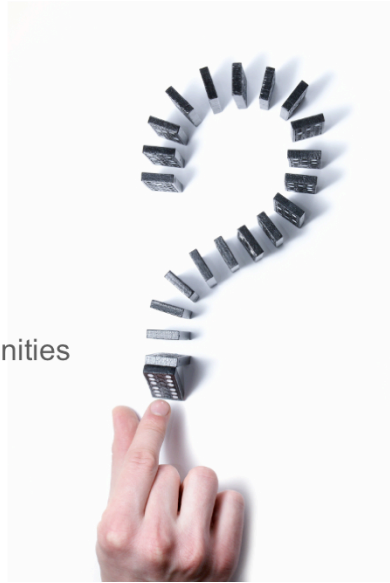
Feasibility of Activities

- Existing institutional capacity
- Ability to motivate those whose input or influence is needed
- Access to financing
- Political realities
- Technological issues
- Existing legal constraints
- Enforceability
- Measurability
- Risks of success or failure



Co-Benefits of Local Priorities

- Job creation potential
- Social equity implications
- Greenhouse gas emissions
- Health impacts
- Economic development opportunities



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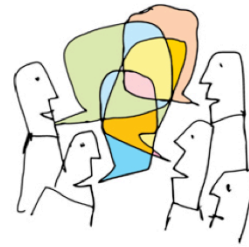
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Speaking Points:

- Bullet 3: Apply the ranking scheme developed above to the options identified through brainstorming activities, and draft a set of prioritized actions to include in the CESP
- In addition to considering the realism of meeting each individual target, assess the contribution that the total draft portfolio of selected activities will have toward achieving goals.
- Draft a rough timeline for implementation, including growth of savings or other metrics toward goals and strategies.

Investigate a Broad Range of Activities

- Review your Energy Profile
- Gather input from stakeholders
- Review plans from other communities



Potential Levers to Utilize

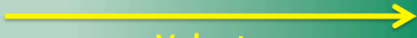
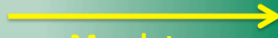
Government Impact

- Public commitment
- Staffing
- Standards & procurement
- Employee training and recognition
- Building improvements
- Fleet improvements
- Infrastructure investments

Community Impact

- Remove barriers
- Codes and policies
- Planning and zoning
- Public education and recognition
- Convening power
- Provide incentives
- Provide voice for jurisdiction

Potential Actions: Choosing a Mix of Activities

Education & Recognition	Stand Alone Incentives	Coordinated Incentives	Policies, Ordinances & Codes	Enforcement
 Voluntary			 Mandatory	
Employee recognition	Expedited permitting	Utility programs	Building codes	Building inspections
Public transport advertising	Tax incentives	State programs	Benchmarking policies	Audits & reporting
Business challenge	Free audits	NGO sponsored programs	Fleet efficiency standards	Fines & penalties

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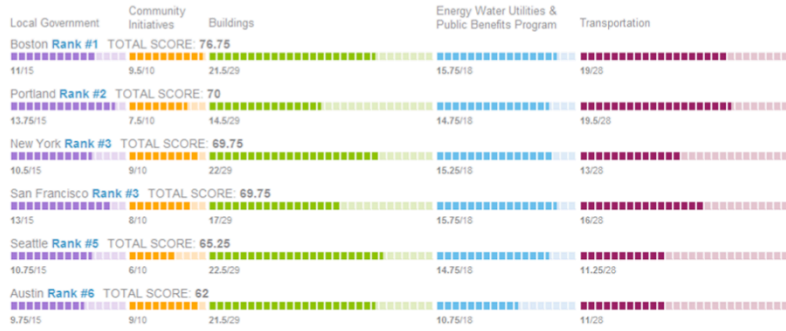
Speaking Points:

- Objective of this slide is spark your thinking.
- Notice that the cost of implementing rises from left to right.
- Note that recognition programs are typically national or federal.
- Note that #4 & #5 are within the local jurisdiction.
- Bring up and emphasize examples from the Guide and other resources.

Resource for Ideas on EE Actions

ACEEE City Energy Efficiency Scorecard – Leading Cities and Best Practices

TOP SCORERS



POLICY CATEGORIES

Click on a category name below to see how the top cities fared in these categories.



<http://aceee.org/research-report/e13g>

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Sample Scoring Form for Prioritizing Energy Actions

This project:	Proposed Action:					Proposed Action:				
	Strongly Agree	2	3	4	Strongly Disagree	Strongly Agree	2	3	4	Strongly Disagree
Will be easy to successfully implement	1	2	3	4	5	1	2	3	4	5
Appears to be cost effective	1	2	3	4	5	1	2	3	4	5
Will address barriers to better energy practices	1	2	3	4	5	1	2	3	4	5
Is fair: will not unfairly burden or benefit anyone	1	2	3	4	5	1	2	3	4	5
Has acceptable environmental impacts	1	2	3	4	5	1	2	3	4	5
Has a high energy-savings potential	1	2	3	4	5	1	2	3	4	5
Will benefit the local economy	1	2	3	4	5	1	2	3	4	5
	Add up the numbers circled for a total score:					Add up the numbers circled for a total score:				
Even if most answers were "Don't Know"	Do you consider the project appropriate for the Community Energy Strategic Plan?					Do you consider the project appropriate for the Community Energy Strategic Plan?				
	Yes	No	Maybe			Yes	No	Maybe		

Example a method for collecting subjective (or qualitative) scoring information*

**Adopted from Alice Hubbard and Clay Fong, Community Energy Workbook: A Guide to Building a Sustainable Economy (Snowmass: Rocky Mountain Institute, 1995), 160.*

Cost-effectiveness Tools

- **FEMP's Energy and Cost Savings Calculators for Energy-Efficient Products**
http://www1.eere.energy.gov/femp/technologies/eep_eccalculators.html
- **NREL's Distributed Generation Energy Technology Capital and O&M Costs**
http://www.nrel.gov/analysis/tech_cost_dg.html
- **Other FEMP Software and Analytic Tools**
http://www1.eere.energy.gov/femp/information/access_tools.html

Co-Benefits Tool - EPA COBRA

EPA offers the [Co-Benefits Risk Assessment \(COBRA\) screening model](#), a free tool that helps state and local governments estimate and map the air quality, human health and related economic benefits of clean energy policies and programs.

Why Use COBRA?

State and local governments can use COBRA to:

- Better understand the potential for clean energy to enhance air quality, health, and social well being
- Design or select program options that maximize benefits
- Build support for clean energy investments based on the air and health benefits
- Narrow a list of policy options to those that should be evaluated using more sophisticated air quality models
- Present information about localized health benefits in easy-to-interpret tables and maps
- Support a balanced decision-making process that considers both the potential costs and benefits of policy options

<http://epa.gov/statelocalclimate/resources/cobra.html>

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Clean energy policies that reduce or avoid air pollution can enhance air quality and improve peoples' health and quality of life. For example, exposure to air pollution from fossil fuel-based energy can exacerbate respiratory diseases, like bronchitis and asthma, and cause heart attacks and premature death.

Calculating the value of clean energy policies such as energy efficiency or fuel switching, can help state and local governments consider both the costs and benefits of policy choices and support a balanced decision-making process.

EPA offers the [Co-Benefits Risk Assessment \(COBRA\) screening model](#), free tool that helps state and local governments estimate and map the air quality, human health and related economic benefits of clean energy policies and programs. They recently updated several health impact functions and valuation approaches as well as made minor updates to other health effects.

Why Use COBRA?

State and local governments can use COBRA to:

- Better understand the potential for clean energy to enhance air quality, health, and social well being.
- Design or select program options that maximize benefits.
- Build support for clean energy investments based on the air and health benefits.
- Narrow a list of policy options to those that should be evaluated using more sophisticated air quality models.
- Present information about localized health benefits in easy-to-interpret tables and maps.
- Support a balanced decision-making process that considers both the potential costs and benefits of policy options.

Download or request a copy of the revised version, with details about the current updates, from [EPA's COBRA web page](#).

Step 6: Tips & Tools

Tips

- Ranking is uncertain by nature - avoid analysis paralysis

Tools

- Sample Scoring Form for Prioritizing Actions
- Appendix of Policies, Programs, & Projects to Consider
- Planning Worksheet
- Resources recommended for more in-depth guidance

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Speaking Points:

- No matter what methodology is used, impacts will be estimates at this stage, and no action is without uncertainty – but the process of screening options is still worthwhile. No ranking methodology will be able to predict the future no matter how precise it is, so be aware that additional investment in highly quantitative analysis is not always worth the extra cost and time.