

**The EPC Wishes to Establish a Study Committee to Examine the Potential of Energy Efficiency in The State and of Increasing the Required Annual Reduction in Energy each Year as required in the REPS of senate Bill3 and the advisability of Separation of the Current Energy Efficiency Resource Standard Contained in Senate Bill 3 to a Stand Alone Program.**

Energy efficiency is the least cost resource available to meet future electricity needs in the state of North Carolina. More than 30 years of experience has demonstrated that electric utilities can achieve significant energy savings through proven energy efficiency program designs.

The Energy Policy Council shall establish a committee to study the energy efficiency potential in North Carolina and the possibility of increasing the annual required reduction in energy in our current energy efficiency standard contained in Senate Bill 3.. The committee will recommend utility electricity savings targets consistent with the most aggressive efficiency standards currently in place in other states, taking into account that utilities should be allowed a reasonable period of time to ramp-up programs to savings levels consistent with exemplary programs. The targets should be set building upon best practices in other states.

The committee will also examine the potential establishment of a stand-alone Energy Efficiency Resource Standard (EERS) separate from the existing combined Renewable Energy Portfolio Standard (REPS), which allows for energy efficiency to meet a portion of the REPS requirement. As part of the recommendation, the commission shall review existing utility incentive structures for the implementation of energy efficiency programs as they exist in an EERS context, and suggest such incentive structures consistent with utility regulatory policy in the state of North Carolina.

This committee will consist of members of the existing Energy Efficiency Committee augmented with 2 or 3 additional legislators, energy efficiency experts from Duke Energy, Progress Energy, and the ACEEE. The committee shall engage to advise the process, an expert or experts with demonstrated experience in planning, implementing and evaluating aggressive energy efficiency programs that are currently being used to meet an existing state EERS. These experts will work with the committee, representatives of electric utilities, and non-governmental organizations representing energy efficiency and consumer interests to ensure that the proposal leverages existing expertise and capability in the state.

The recommendation for an EERS shall be made by the committee no later that December 30, 2010.