

**BEFORE THE
LOUISIANA PUBLIC SERVICES COMMISSION**

LOUISIANA PUBLIC SERVICE COMMISSION)	
EX PARTE)	
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IN RE: RULEMAKING TO STUDY THE POSSIBLE)	
DEVELOPMENT OF FINANCIAL INCENTIVES FOR)	DOCKET R-31106
THE PROMOTION OF ENERGY EFFICIENCY BY)	
JURISDICTIONAL ELECTRIC AND NATURAL GAS)	
UTILITIES)	

**COMMENTS OF THE
U.S. DEPT. OF ENERGY GULF COAST CLEAN ENERGY APPLICATION CENTER**

The U.S. Department of Energy Gulf Coast Clean Energy Application Center respectfully offers these comments on the above referenced energy efficiency incentives in Docket No. R-31106.

The U.S. Department of Energy Gulf Coast Clean Energy Application Center (“GC RAC”) facilitates greater deployment of clean energy technologies like combined heat and power (“CHP”), district energy, and waste heat recovery in Louisiana, Texas, and Oklahoma. The GC RAC, which is hosted by the Houston Advance Research Center, a non-profit scientific organization, provides education and outreach programs, project-specific support services, and policy development initiatives supportive of clean energy.

Waste heat recovery and combined heat and power represent some of the best energy efficiency measures available. GC RAC applauds the PSC’s efforts to explore opportunities to promote energy efficiency and suggests that the PSC evaluate the actual benefits and proper role of such technologies. An energy efficiency program allowing these technologies to participate

could help expand their use across the state. As the majority of these projects exist within the industrial, institutional, and commercial sectors, a program targeting efficiency in these sectors would have the best chance of generating additional waste heat recovery and combined heat and power projects.

1. How should energy efficiency be defined for purposes of this rulemaking?

A key question in front of the PSC is whether to limit a program to electrical energy efficiency, or whether to include natural gas efficiency or other forms of energy efficiency. Waste heat recovery and combined heat and power projects can enhance both electrical efficiency and thermal efficiency. For example, an industrial waste heat recovery project could generate steam that offsets combustion of additional natural gas in a conventional boiler. Should an energy efficiency program be limited to electricity, the project owner may be inclined to use the steam for electricity production, even if that use does not produce the greater efficiency or environmental benefits.

2. What are the issues that should be addressed in this rulemaking?

The PSC should address types of energy efficiency to be considered in the program (electricity, thermal energy, vehicles, etc.), the economic sectors where energy efficiency opportunities exist, the appropriate technologies to be allowed within the program, and the necessary and appropriate mechanisms to promote their use.

3. Should it be the role of the Commission to promote the use of energy efficiency in Louisiana, and if so, what actions should the Commission take to do so?

The Commission should explore ways to encourage *end users* to adopt energy efficiency measures. The PSC should evaluate the barriers inhibiting technology adoption within specific customer groups and make an assessment of options to overcome those barriers at costs lower than alternative supply side options.

4. If the Commission accepts the use of energy efficiency resources as part of a renewable portfolio standard adopted in Docket No. R-28271 Subdocket B, what specific issues can be addressed in this rulemaking to facilitate the goals of the RPS rulemaking?

During the rulemaking process for Docket No. R-28271 Subdocket B, GC RAC and other parties recommended the inclusion of combined heat and power and waste heat recovery as an eligible approach and resource, respectively, in a statewide RPS. A number of renewable energy technologies, including solar thermal, concentrating solar photovoltaic, and biomass projects have the potential to achieve greater total energy efficiency by using some available heat for non-electrical uses. The GC RAC supports the implementation and operation of renewable energy projects in ways that achieve the greatest energy efficiency possible, and so supports the proposal that tradable renewable energy certificates (“RECs”) be created by *both* electric and non-electric uses of renewable energy. This proposal would ensure that the generation of RECs does not incent operators of renewable energy projects to sacrifice overall energy efficiency.

5. If the Commission accepts the treatment of energy efficiency resources as was included in Staff’s initial IRP Draft rules (Docket R-30021), which provide that utilities must evaluate energy efficiency resources along with supply alternatives as part of an IRP, what

specific issues should be addressed in this docket to facilitate the goals of the IRP rulemaking?

No comment.

6. What energy efficiency programs currently exist in Louisiana that have either been implemented by electric utilities, gas utilities, or any other party? Please describe the programs.

No comment.

7. If you are an electric or natural gas utility...

No comment.

8. Other than the studies performed by ICF International on behalf of Entergy Corporation in 2008, have any studies been performed in Louisiana? If so, please provide a detailed description of the study as well as a copy of any report(s) issued.

No comment.

9. Should the Commission offer utilities financial incentives to promote energy efficiency? If so, please provide a list of the kinds of incentives that have been offered to utilities to encourage them to promote energy efficiency. If not, please explain why not.

The Commission should consider the use of financial incentives where they can effectively encourage technology adoption by end-users. The adoption rate of waste heat recovery and

combined heat and power projects can be enhanced by offering financial incentives to any number of parties engaged in the development of these projects.

10. What other actions, if any, should the Commission take with regard to energy efficiency?

No comment.

The GC RAC appreciates the opportunity to file these comments.

Respectfully submitted,

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