Preparing your DSM portfolio for EISA uncertainty

By Liza Minor
March 25, 2019

Preparing your DSM portfolio for EISA uncertainty

The US Energy Independence and Security Act of 2007 (EISA) was designed to address US energy policy in many areas, with stated goals of increasing the production of renewable energy, protecting consumers, and increasing efficiency of products, buildings, and vehicles—among other purposes. EISA is affecting utilities in a myriad of ways, but for demand-side management (DSM) program managers, it means that lighting will no longer be a key measure in DSM portfolios beyond the compliance date of January 1, 2020.

The Department of Energy (DOE) recently issued a Notice of Proposed Rulemaking (NOPR) that attempts to roll back energy efficiency standards for specialty light bulbs under EISA, but it wouldn't affect the standards for A-lamps. The release of the NOPR falls into one of the potential scenarios we outlined in our report 3 Ways EISA Could Play Out, and How You Can Prepare. Given the current political environment at the DOE, we expected that this attempt to roll back standards would likely occur.

If the DOE moves forward with this rule, it will likely be challenged under the antibacksliding provision of EISA that was put in place to prevent this type of rollback from happening in the future. How the rule will effect programs for decorative and directional lamps after 2020 is still up in the air, but the NOPR may further delay implementation of these standards.

How delays in rulemaking can affect utilities

Some utilities, like those in Michigan, rely on the state Technical Reference Manual (TRM), called the Michigan Energy Measures Database, for program specifications. It takes one year to update their TRM to incorporate any measure changes, so Michigan utilities aren't able to implement new standards into their programs until at least a year after those standards become law.

A delay in specialty standards under EISA would push this timeline back further for the state. Despite this, we've heard that Michigan utilities are moving forward with phasing out lighting in programs regardless of the uncertainty around EISA, because the lighting market is transforming and they're faced with very low net-to-gross ratios for lighting.

Preparing for EISA uncertainty

There are multiple scenarios for how EISA will play out and exactly what kind of rules the DOE will enact for lighting standards, but we recommend viewing EISA as an opportunity to make your programs cost-effective and tailor them to customers' needs.

We've partnered with Claire Miziolek, market strategies program manager for the Northeast Energy Efficiency Partnership, to help provide a clear and unbiased analysis of EISA legislation in order to help you prepare. During the 2018 E Source Forum session Mind the Gap! Leading Your Utility into the Next Generation of Savings, Miziolek discussed the evolution of EISA and the three most likely scenarios for how the lightbulb standard will play out.

At the 2018 E Source Forum, Claire Miziolek explained how utilities can start preparing for the effects of EISA.



For more information on potential scenarios and how the legislation may affect utilities, read our report 3 Ways EISA Could Play Out, and How You Can Prepare. We've also identified three recent industry articles from ACEEE, Alliance to Save Energy, and Utility Dive that give a more detailed analysis of the energy impacts of the recent NOPR and additional attempts to roll back the EISA standards.

Planning for your next generation of programs

To provide more detail on how to evolve beyond traditional lighting programs and showcase how other utilities are adapting portfolios, we created the E Source Next Generation of Energy Savings project. We also provide consultative support to program administrators through our Next Generation DSM Programs and Technologies Roadmapping offering. Visit our Consulting and Advisory Services page or contact us to learn more.

© 2008 - 2026 E Source Companies LLC. All rights reserved.
Distribution outside subscribing organizations limited by license.