



January 29, 2024

Re: Business Support for the Savings Achieved Via Efficiency (SAVE) Act

Dear Members of the General Assembly and Governor Youngkin,

As large energy users with operations and investments in Virginia, we know the value added to ratepayers both large and small when effective energy efficiency measures are implemented. We are writing to share our support for the Savings Achieved Via Efficiency (SAVE) Act, which builds upon Virginia's existing energy efficiency resource standard (EERS) to create robust, achievable goals for utilities that will continue Virginia on the path toward energy efficiency and ease ratepayers' financial burden.

Energy efficiency provides tangible benefits to both commercial and residential utility customers across the country. According to a 2019 study conducted by the American Council for an Energy-Efficient Economy (ACEEE), states with an EERS saw, on average, a [1.2% cost-savings](#) in retail sales as compared to the 0.3% savings seen by non-EERS states. Incremental savings via EERS programs are [less common in the South](#) than in other regions, but neighboring Maryland and North Carolina both have binding EERS in place that produce incremental annual cost savings. As a resource, energy efficiency reduces customers' financial burden associated with utility bills, promotes [reliability and resilience](#) in our utility grid, lowers overall long-term costs on utility providers, and reducing greenhouse gas emissions associated with energy production.

As part of the Virginia Clean Economy Act (VCEA), the state established an EERS program that ensured utility energy savings targets through 2025, with the State Corporation Commission (SCC) mandated to create new measurable targets for years beyond the statute. However, based on both Dominion Energy's and Appalachian Power's (APCo) current projections either barely meeting or not meeting current targets, we are concerned that future targets set by the Commission will offer negligible savings moving forward. To prevent this possibility, we urge Virginia to use this legislative session to continue its energy efficiency momentum through actionable legislation that will create a comprehensive, transparent EERS program that ensures energy efficiency savings for years to come.

The SAVE Act is intended to create a minimum achievable floor targets¹ for new energy efficiency standards enacted by the SCC in future years. This floor allows the SCC to continue its granted regulatory authority in the VCEA, while also ensuring that energy efficiency standards are both effective and attainable by utility providers. The SAVE Act puts Virginia utilities in line with industry best practices

¹ For 2026-2028, a floor of 1.15% and 1.75% incremental savings targets will be applied to APCo and Dominion, respectively, with the SCC establishing new targets every three years thereafter. This is incremental to the 5% established in code through 2025.

according to the National Standard Practice Manual for Distributed Energy Resources, while also creating a fair rate of return for the utilities based on their energy efficiency projects.

Large energy consuming businesses like ours support the SAVE Act not only for its cost-saving applications, but also because it continues the Commonwealth on the path toward a clean economy. The SAVE Act's added energy efficiency would create a more conducive policy environment for achieving the state's renewable energy goals. Our businesses have made substantial investments associated with our commitment to a clean energy economy in Virginia, and we think the SAVE Act is an important step the state can take to ensure the continued growth of the clean energy economy in Virginia. The continued cost-savings associated with energy efficiency will allow businesses to make further investments in Virginia through expanded operations, additional sustainability commitments, and more.

Energy efficiency in Virginia has driven much of its economic growth in recent years. We hope you will support the SAVE Act and continue to make Virginia a competitive – and affordable – place to live, work, and thrive. Please feel free to reach out if you would like to meet and discuss this legislation further.

Sincerely,

Akamai Technologies

eBay Inc.

Holcim

IKEA Retail U.S.

Worthen Industries