

State Government Lead by Example Programs

Description:

One of the biggest challenges for the advanced energy market is increasing the use of renewable energy, energy and water efficient technologies, and alternative-fueled vehicles. However, higher relative costs, uncertainty about benefits, and inexperience with these technologies create barriers for increased market penetration. A rather simple state strategy can assist the market in overcoming these barriers: state procurement requirements can increase the market share of these technologies.

Discussion of the Policy:

Lead by example programs are typically set out in legislation or by executive order directing units of government to meet certain targets related to energy. In terms of renewable energy, state agencies might be directed to install certain technologies on state-owned buildings or to source a certain amount of their average energy use from renewable resources.

Energy and water efficiency programs typically set procurement requirements for efficient appliances and set minimum building standards for new or remodeled state buildings. They may also set a target of a percentage reduction in consumption by a specific date without specifying the mechanism for achieving those reductions. Typically, this type of approach will be combined with the establishment of an interagency committee that will oversee the development of approaches to achieve reductions, issue status reports and evaluate mechanisms for standardization of measurement.

In the transportation sector, policy will require that state fleets meet certain minimum requirements related to fuel efficiency or use of alternative fuels. Agencies may also be required to submit plans for meeting state goals, progress reports on attaining targets, or both.

Because most states already employ procurement personnel, implementation of a lead-by-example program is not likely to require hiring additional state employees. Rather, most programs will require a change to procurement decision-making procedures by altering the cost-benefit calculations used in the purchasing process. A designated agency for overseeing the program should be identified.

Example State Programs:

- Massachusetts Leading by Example
<http://www.mass.gov/eea/grants-and-tech-assistance/guidance-technical-assistance/leading-by-example/>
- Montana: Reducing, Reusing, and Recycling in State Government
<http://deq.mt.gov/recycle/3Rs/default.mcpX>
- Connecticut Lead by Example
http://www.ct.gov/deep/cwp/view.asp?a=4405&Q=489980&deepNav_GID=2121

The U.S. Department of Energy's (DOE) [Federal Energy Management Program](#) provides technical assistance to federal agencies to support their efforts to lead by example. DOE's [State Energy Program](#) has provided financing for and is tracking success stories and lessons learned in state Lead by Example programs.

Key Components:

- Can require state agencies to meet program targets by a set date. May also set annual increases to targets.
- May simply require that procurement practices meet certain goals when practical or economic.
- Programs can be targeted to one, some, or all of the following: State agencies, local governments, school districts, and state universities.
- May establish an agency to oversee the program and the establishment of an interagency committee to develop comprehensive strategies and measure progress.

More Information:

- American Council for an Energy-Efficient Economy, Government Lead by Example Initiatives webpage:
<http://www.aceee.org/sector/state-policy/lead-example-initiatives>
- Council on Environmental Quality, Federal Leadership on Climate Change and Environmental Sustainability - EXECUTIVE ORDER 13693:
<http://www.whitehouse.gov/administration/eop/ceq/sustainability>
- U.S. Environmental Protection Agency (EPA), Lead by Example in Government Operations:
<http://www.epa.gov/statelocalclimate/local/activities/gov-operations.html>
- EPA, State Lead by Example Guide:
<http://www.epa.gov/statelocalclimate/resources/example.html>