

Energy Efficiency

Advisory Group

Meeting # 12 Notes

July 22nd , 2009

Web Conference Call

MGA



Midwestern Governors Association

Purpose of Meeting

- Get updated on EEAG initiatives, including Energy Efficiency Potential White Paper
- Finalize smart grid initiative and platform recommendations to Midwestern Governors
- Review and comment on the EE sections of the draft Roadmap

Meeting Agenda

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|-------|---------------------------|
| 9:00 | Getting started |
| 9:10 | Updates on Initiatives: |
| 9:25 | Smart Grid |
| 9:50 | Roadmap Executive Summary |
| 10:10 | EE Chapter of the Roadmap |
| 10:25 | Next Steps |
| 10:30 | Adjourn |

Introductions

Attending: Paul Tucker, David Gard, Rachel Welsh (MN PUC), Susan Stratton, Karen Linnear, Stacy Paradis, Mary Schlaefer, Jim Weeks, Mathew Brown, Lola Schoenrich, Jane Ruliffson, Mike Gregerson,

Update on Energy Efficiency Potential White Paper

- Susan Stratton reported that they received many thoughtful comments on the paper. Have completed a third re-do. Will have final version to the printer by this week. Will be developing an outreach plan.
- Paper will be released by ECW (“in support of MGA ...”). It will be posted on the MGA webpage. The fact sheet will go in MGA federal hill packets.
- ECW will prepare a 2-page executive summary.
- Pls email Susan with thoughts on outreach.

Appliance Partnership Update

- EEAG Appliance Partnership subgroup identified developing a coordinated, cooperative approach among Midwestern states in implementation of the Federal ARRA stimulus appliance rebate program. Developing a regional proposal to DOE, or even similar, but not identical state proposals would:
 - Reduce the administrative effort required of each State Energy Office
 - Reduce the administrative effort required for retailers and manufacturers, potentially resulting in increased retailer and manufacturer investment in the MW region
 - Make it easier on the border communities to accurately access the rebates;
- MGA Steering Committee approved the initiative direction
- July 31st conference call to get interested states on a call together. Have to identify key decision- makers within each state- directed through State Energy offices. Everyone can email appropriate contact information to Susan or Lola.

Relighting the Midwest Update

- Stacey Paradis reported that MEEA is exploring funding opportunities with the Energy Foundation. EF is more interested in the policy perspective. Need to spin policy side (financing toolkit) vs. program side

Smart Grid Forum Update

- Mathew Brown reported that the forum was attended by a diverse group of stakeholders. The EEAG was well represented
- Presentations are available on the MGA website.
- First part of meeting was focused on “What is Smart Grid?”
Second part of meeting was focused on next steps for MGA as a whole (a lot of interest exists on transportation side as well.)
- “Smart Grid Draft Next Steps” document outlines next steps
- Forum group supported and refined the EEAG proposal for a Midwest regional collaborative.
- Governors’ Steering Committee supported moving forward with the Midwest Regional Collaborative
- Next step is fundraising. Mike Gregerson had initial discussions with DOE

Infrastructure Platform Update

- EEAG reviewed draft resolution on smart grid at the May meeting. Forum group refined it. The draft was discussed on the call.
- Comments from the group:
 - Could be a concern that it focuses exclusively on low-income consumer issues (other rate-payers may take issue). This didn't come up in discussion with MGA staff. In wording of rate impacts, could say “with a particular focus on low-income consumers.”

Roadmap Executive Summary

Discussion

- The EEAG can call out four action items. Staff proposed the following:

Action Item 1:

- MGA states and provinces must require retail energy providers to make energy efficiency a priority in order to meet an energy efficiency standard of 2% for electric utilities and 1.5% for natural gas.

Action Item 2:

- All U.S. MGA jurisdictions should adopt residential and commercial building codes that meet or exceed the national model energy codes, with an automatic, statutorily required increase to coincide with the national model code review process.

Roadmap Executive Summary (con't)

Action Item 3:

- Changes in regulatory practices and rate designs should be implemented to remove financial disincentives and provide appropriate incentives for prudent expenditures on energy efficiency by regulated utilities, including providing cost recovery for energy efficiency programs and services and providing new opportunities for utility earnings associated with the successful achievement of energy efficiency goals.

Roadmap Executive Summary (con't)

Action Item 4:

- MGA jurisdictions should set guidelines such that the energy and water efficiency of new state/provincial and municipal buildings substantially exceed (give percentage?) that required by the energy efficiency codes in force at the time of construction. Furthermore, 20% of all government buildings should be recommissioned and improved to meet or exceed current energy codes by 2015, with an additional 3% of buildings improved annually in each subsequent year.
- OR
- Reduce energy consumption in existing and new government buildings by 15% in 2015 and 20% by 2025 relative to forecast levels.

Roadmap Executive Summary (con't)

Consensus from the group that these are the correct four action items with the following notes:

- In #1, include the year by which the goal must be met
- Both statements in #4 are in the POD. Staff was given discretion on how to use them in the Roadmap document

EE Roadmap Chapter

- Staff would like to highlight benefits of EE to the Midwest.
 - Ideas: helps keep utility costs low, new generation benefits in the Midwest, etc. Could say something about the industrial sector.
 - Could highlight that many Midwest states are at a turning point- have strong industrial economies and are looking to green investments (Michigan, for example).
- Staff asked for specific examples of policy in action.
 - Habitat for Humanity in Michigan are meeting certain energy efficiency standards, maybe LEED.
 - Call out long-term efficiency commitments in the Midwest.
 - Minnesota residential building codes in Minnesota (example of cash credit in Minnesota). Karen will provide more info
- Please forward any good graphics to Jane Rullifson

Next Steps

- Modeling webinar scheduled for August 4th at 9am (CT)
- Registration for October Summit is up on MGA webpage
- Mathew will send out edited Smart Grid platform to entire advisory group
- EE Roadmap chapter will be emailed to the group on Monday, August 3rd. Comments by COB Friday Aug 7th.

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