

MGA Energy Efficiency Advisory
Group
Meeting #8
Indianapolis

January 14th and 15th, 2009

Introductions

- Members Present: Bob Haug, Iowa Association of Municipal Utilities; David Gard, Michigan Environmental Council; Stacy Paradis and Wendy Jaehn, Midwest Energy Efficiency Initiative; Carl Nelson, Center for Energy Efficiency and the Environment (for Sheldon Strom); John Rohlf, Medtronics; Mary Schlaefer, Wisconsin Energy Conservation Corporation; Paul Tucker, International Paper; Stuart Crine, Iowa Department of Public Safety; Susan Stratton, Energy Center of Wisconsin; Pam Weaver, Builders Association of Minnesota; Roselle Michael, Manitoba; Rob Ozar, Michigan PSC
- Observers: Frank Zaski, Energy Advocate, Kyle Burns Indiana Wildlife Federation
- Staff: Lola Schoenrich, GPI; David Von Hippel; CCS

Reflections on Day 1 of Joint Advisory Group MGA Meeting

Discussion of Modeling

- Consensus that excellent modeling is critical to Roadmap acceptance, especially with respect to cost-effectiveness of energy efficiency
- Consensus on the importance of modeling job impacts, e.g. through REMI model

Discussion of Roadmap

- Consensus that the goal of the EEAG is adoption of the regional Roadmap by the MGA Governors, for adoption of appropriate policy options in each state
- Consider using graphic of wedges in Roadmap

Workforce Development Discussion

- Noted that workforce development small group suggested that each Advisory Group identify workforce and training needs for their recommendations
- Governor Granholm, the new MGA Chair is launching a green jobs initiative and MGA plans to develop a green jobs task force. Expertise of the Advisory Groups will help to inform their work
- Staff will develop a template for input on workforce issues so that consistent input is provided by each Advisory Group

Reflections Continued

Discussion of Combined Heat and Power (assigned to EEAG the previous day):

- Agreement of preliminary definition as customer side CHP, which may include municipal facilities
- Consensus that CHP should not be included in any of the existing policy options and that a separate CHP policy option should be developed
- Agreement to form a small group to take a look at the CHP potential in the Midwest region and to propose policy options for consideration of the full EEAG.
- Subgroup volunteers: Susan Stratton, Paul Tucker, David Gard.
- Agreement to reach out to John J. Cuttica, Coordinator, Energy & Environmental Programs Energy Resources Center at the University of Illinois at Chicago

Discussion of Policy Options

Document EE 1

Consensus reached on EE 1 section of the Policy Options Document including the following changes. See POD for specific changes.

- Jurisdictions should pursue 2%/yr electricity savings goal if cost effective, and pursue additional cost effective EE.
- Revise natural gas goal to 1.5%/yr by 2015, and re-evaluate over time.
- Bank savings from year to year.
- Policy Option Description and Policy Design rewritten to describe application of 2%/yr goal.

Discussion of Policy Options

Document EE 3

Consensus reached on EE 3 section of the Policy Options Document including the following changes. See POD for specific changes.

- Additional detail and clarifications added to policy description and related to specific programs that utilities could pursue in order to meet 2% EE goal.
- Recognition of differences in customers and service territory.
- Text added to explain quantification results and approach.
- Uncertainties recognized regarding impact of pending carbon markets on utilities' ability to meet EE goals.
- Run two sensitivity cases for EE-3—one with avoided cost of \$60/MWh, and Cost of saved energy of \$45/MWh, one with avoided cost of \$75/MWh, CSE of \$30/MWh. Summarize results in a footnote.

Discussion of Policy Options Document EE 2

Consensus reached on EE 2 section of the Policy Options Document including the following changes. See POD for specific changes.

- Clarification of language describing EE potential studies

Discussion of Policy Options Document EE 4

Consensus reached on suggested changes to EE 4 section of Policy Options Document, conditional on revisions in conjunction with Rob Ozar and Phyllis Reha. See POD for specific changes

- Addition of language suggesting exploring rate design changes to promote customer energy efficiency

Discussion of Policy Options

Document EE 5

- Discussion of section EE 5 of the Policy Options Document deferred to a small group to discuss proposed changes from several members.
- Small group consists of: Stacey Paradis, Stuart Crine, Pam Weaver, Susan Stratton, Mary Schlaefer, David Gard
- Small group met on March 6th, reached consensus on recommendations, and will forward consensus language to the full EEAG on the March 24th conference call.
- See revised POD for specifics.

Discussion of Policy Options Document EE 6 and EE 7

Consensus reached on EE 6 section of the Policy Options Document. EEAG cleared up questions in comments in text. See POD for specific changes.

Consensus reached on EE 7 section of the Policy Options Document pending suggestions from Stacey Paradis on low-income issues and education. See POD for specific changes.

Next Steps to Finalize EE Policy Options Document and Quantification

- Comments from Pam and Stacey
- Conference call to agree on EE 5 POD recommendations
- Staff make revisions agreed upon at the meeting, clean up of language in POD
- Finalize any minor quantification changes
- Final email review
- Forward document to MGA editor

CHP Next Steps

- Susan will contact John Cuttica, University of IL
- Mary will find out how CHC fits into Focus on Energy programs and energy savings from CHP
- Get input from U of IL and ACEEE
- Conference call(s) with interested EEAG members and possibly other power sector members
- Possible development of a new policy option
- Propose policy options to the full EEAG

Implementation Next Steps

- EEAG to review EE Potential Study white paper
- On-line survey on implementation will be sent to EEAG
- Staff will work with individual members on implementation they might be involved with
- Staff will identify next steps on green jobs impact and workforce development