

# **Delaware Energy Efficiency Resource Standards**

## **Workgroup Meeting**

Delaware Energy Office  
Thursday October 7<sup>th</sup>, 2010  
1:30 - 4:00pm

## **Minutes**

### **Attendance**

Robert Howatt  
Carolyn Snyder  
Glenn Moore  
Jeff Tietbohl  
Mark Nielson  
Patrick McCullar  
Brian Gallagher  
Janis Dillard  
Steve Thompson  
Ralph Nigro  
John Farber  
Phil Cherry

### **I. Welcome/Agenda Items**

Chair Carolyn Snyder identified the key topics for the meeting discussion and for the report, which is due December 31<sup>st</sup>.

### **II. EERS Electric and Natural Gas Target Confirmation**

DNREC staff presented an overview of Delaware's electricity and natural gas sales, targets, and costs.

The Workgroup agreed to use utility-provided actual consumption data for all analysis. It was agreed that weather normalized data is not needed due to the bottom up savings target. This helps remove uncertainty.

The Workgroup also agreed that no formal annual targets will be set. Annual targets as projections would only be used for internal tracking purposes.

### **III. EERS Impacts on GHG Emissions**

How can we estimate cumulative emissions impacts without annual data? It was agreed that the workgroup could use a linear chart to serve as a projection, but only be used as a potential estimate because of the variation in emissions reductions based on the type of measure implemented.

#### **IV. EERS Impacts on Customer Rates**

The Workgroup agreed that the municipal energy providers can work together to achieve the targets.

A recommendation was made that the targets are a statewide goal and that an approximately 7% electricity savings target would be achievable with the available resources. DNREC noted that the legislation calls for savings analysis and compliance by energy provider.

Even if the state (SEU) is responsible for achieving the energy savings targets, the Workgroup still needs to address funding mechanisms to reach the targets as legislated. The workgroup agreed that they must first know what the SEU can get towards the targets to then identify what the gap looks like.

Rate recovery is not allowed under the legislation. A surcharge with a cap is also allowed under the legislation, but there is not a cap on what the utility could spend and energy efficiency, as lower cost generation is made a priority resource.

The SEU is designed so that it can recharge its funding through revolving loans and shared savings agreements. The SEU is currently funded with funding sources include Recovery Act funds and the \$10 million/yr collected through RGGI. It was recommended to identify the net cost of the SEU programs and determine the program cost gap to hit the targets.

The Workgroup brainstormed ideas for reaching the 15% electricity and 10% natural gas targets, including programmatic design, expansion of eligible efficiency measures, and funding resources.

The workgroup agreed the report should be designed to address the following critical issues:

- 1) Identify current funding sources and levels to meet the 2011 and 2015 targets.
- 2) Determine the achievable, admirable goal based on current funding and programs
- 3) Identify what policy and funding mechanisms would need to be in place to achieve the 15% and 10% targets by 2015.

These items will be addressed with the pros and cons. The goal will be to illustrate these mechanisms as wedges toward meeting the goals so that you can select which ones would work to meet the targets.

It is agreed there is likely no one solution but helpful to map out the possible approaches.

#### **V. Next Meeting Date and Working Group Action Items**

The Workgroup will spend the remaining meetings working to identify and write up the 3 scenarios for the recommendations report.

The topics of unintended consequences, natural gas programs and system efficiencies will be discussed at the next meeting with a presentation prepared by Chesapeake Utilities.