

**Energy Efficiency Resource Standards Workgroup Meeting
Board Room, Appoquinimink School District, Odessa
1:30pm, Thursday November 12th, 2009**

ATTENDANCE

Workgroup Members and Staff

Charlie Smisson, Workgroup Chair, DEO
Mark Nielson, DEC
Bruce Burcat, DPSC
Jeff Tietbohl, Chesapeake Utilities
Kimberly Schlichting, DEMEC
Glenn Moore, DP&L
Sally Buttner, on behalf of DPA
Tom Noyes, environmental representative
Ralph Nigro, SEU Contract Administrator
Lado Kurdgelashvili, CEEP (University of Delaware)
Cara Lampton, DNREC
Phil Cherry, DNREC
Scott Lynch, DNREC/ DEO
Brian Gallagher, E3 Energy/DEO

I. Welcome and Agenda Review

Chair Charlie Smisson began the meeting with introductions and an overview of the agenda. A change to the agenda was announced and members were asked to postpone the discussion of the energy reduction targets definition until more accurate information and analysis are made available.

Lado Kurdgelashvili, who will be part of the team working to provide technical assistance to the Workgroup, requested the utility members provide energy consumption and customer class data necessary to confirm the base year. Dr. Kurdgelashvili also requested energy forecasts. It was mentioned that the PSC compiles annual consumption data as part of the renewable portfolio standard compliance report and perhaps that would be of assistance.

Dr. Kurdgelashvili explained that there were differing numbers in the data available on EIA and in the Delaware Energy Advisory Council's 2009 Energy Plan, so he would like confirmation of the data sets along with some additional data points. For example there are differences in the reporting by customer sector (i.e., industrial, commercial, and residential). Apparently this is a common problem because of the varying reporting methods (i.e., EIA reports by sector and the utilities have billing data by rate class, which will often include commercial and industrial customers together). Ralph Nigro suggested that Lado formulate a list of what data sets he needs and the utility representatives can then let him know what information they can provide and in what form.

This request prompted a discussion about determining the baseline adjustments that are addressed in the legislation, such as weather normalization. It was mentioned that these adjustments should be accounted for in the data used for this current analysis. Glenn Moore also brought up the issue of including in the baseline the quantified savings from energy efficiency and conservation programs that occurred before and after the 2007 benchmark. There was concern over the availability of the savings data from state programs, however, it was noted that the Energy Answers program has information to track the rebates by utility.

Tom Noyes asked a question about what volume of energy is counted under the legislation. He inquired whether the consumption measured includes transmission or just the deliveries on the distribution side, i.e. retail sales. Glenn Moore clarified that it is sales to the customer. He also elaborated by stating that there are three ways to reduce consumption that fall under this legislation: limiting line losses, customer demand side management measures, and Combined Heat and Power (CHP).

Tom Noyes asked if we could use the energy efficiency charge as a benchmark for determining the cost and scope of the measures needed to be implemented. Sally Buttner agreed that this could be a good way of tracking what the cost of the program would be and what measures could be accomplished with this budget to get a better sense of the effect on the customer.

Glenn Moore suggested that perhaps it would be preferential to have the EERS be a statewide goal of 15% instead of the reduction per utility. He suggested that the potential option of trading EERUs for compliance would be too much of a burden, particularly for consumption, though maybe less so for the peak targets. The Workgroup will be responsible for evaluating and making recommendations on both the charge and the use of the trading mechanism as part of the final report.

The question was raised about the meaning behind the “equivalent energy efficiency measures” clause in the bill (Section 1501. Definitions). There was concern that this would include renewable energy such as PV systems and that raises the issue of double counting and a potential overlap of RPS and EERS goals.

II. Work Plan Discussion

The Workgroup was asked to voice their comments on the Work Plan. Mark Nielson identified a conflict with the legislated reporting dates. As written it says the first targets must be met by April 1, 2011 but the correct date is January 1st. Reports are due by April 1st. The calendar will be corrected. On the subject of dates, it was mentioned that the schedule set in the legislation is rather tight, particularly since the report specifying the rules is due in May of 2010 and the first savings compliance target must be met by January 1st of the next year. For example, dynamic pricing in conjunction with advanced metered infrastructure proposed by Delmarva Power will not even be implemented until 2011.

There is also concern over the subgroup approach outlined in the Work Plan. Do the members need to bring in additional resources and staff? Also, the subgroup approach could quickly lead to scheduling and time constraint problems if members were on more than one subgroup.

Mark Nielson asked about the EM&V portion of the study. He suggested that this could be put aside until other subgroup issues are addressed. He would like to see work on the cost quantification and the general/target subgroup tasks.

Glenn Moore said he understands it as the General/Target subgroup duties being the larger Workgroup responsibilities, whereas you could split into subgroups later to deal with the impacts and EM&V issues. Ralph Nigro agreed that this might be a better approach in terms of logistics since everyone is quite busy and don't need the burden of more meetings.

Mark Nielson mentioned that Maryland will be using a third party EM&V structure and sent out a RFP for an EM&V Contractor. Should we do something similar? Sally Buttner mentioned that the EM&V protocol should have some synergy with the PJM forward capacity market requirements. Charlie Smisson asked Brian Gallagher to give the Workgroup an overview of the Northeast Energy Efficiency Partnerships (NEEP) EM&V Forum. Brian explained the organization's mission, members, and the development of a technical reference manual for member states.

Ralph Nigro pointed out that EM&V is really quite measure and program specific, therefore the EM&V model/guidelines need to be developed in the context of the SEU program design, and that should occur once the programs are fully developed. He recommended that at present the Workgroup/ Subgroup should look at EM&V at a strategic level. Charlie Smisson asked Brian Gallagher to develop a short EM&V whitepaper to present to the Workgroup to assist with the strategic evaluation.

Charlie Smisson suggested getting the other subgroups formed before addressing the EM&V component. Glenn Moore agreed and suggested that, if there were only two subgroups, it might be preferable to just meet on these issues one at a time as a whole group.

Glenn Moore asked about the need to set goals for the demand response component. This led to a conversation about the definition of the energy savings targets and two main interpretations of the language were discussed. The first is that the law calls for an amount of energy savings equivalent to X% of 2007 energy consumption to be met by the compliance year (2011 and 2015). Both Glenn Moore and Jeff Tietbohl agreed with this interpretation. Another definition expressed by other workgroup member is that utilities must reduce energy consumption by the target date so that it is X% below an adjusted 2007 baseline.

Following the targets discussion the subject of the equivalent measures language again was broached in the context of renewable energy. Most members were in agreement that this was not the intended purpose of the language, but the issue will have to be addressed as part of the report. This is a strategic question to be addressed by the Workgroup in subsequent meetings.

Cara Lampton will develop a Straw Proposal of the strategic questions to be addressed. Workgroup members Glenn Moore, Sally Buttner and Jeff Tietbohl volunteered to help craft the agenda to so that the Workgroup can start to address the strategic objectives in the next meeting.

It was recommended that the December 10th meeting length be extended. The new time will be from 1-4pm at the same location.