# Delaware Energy Efficiency Resource Standards
# Workgroup Meeting

Public Service Commission, Public Hearing Room
Thursday August 12th 2010
1:00 - 4:00pm

# Minutes

**Attendance**

Carolyn Snyder
Phil Cherry
Bob Howatt
Mark Nielson
Glenn Moore
Kim Schlichting
Jeff Tietbohl
Steve Thompson
Ralph Nigro
Tom Noyes
Janis Dillard
John Farber
Kytson McNeil
Cara Lampton
Brian Gallagher

## I. Welcome

The Workgroup welcomed Carolyn Snyder, DNREC Director of Clean Energy and Climate. She has been appointed Workgroup Chair following Charlie Smisson's retirement from state service.

## II. Natural Gas Targets Analysis

Lado Kurdgelashvili (CEEP) gave a presentation on the natural gas consumption, targets and savings potential based on probable programs and available funding. CEEP used the ACEEE methodology to identify potential energy savings. The Cost of Saved Energy is used to compare energy efficiency with other energy sources and includes program costs.

The "Other" category on the slides represents Miscellaneous. CEEP will provide the breakdown of items that fall under this category to the Workgroup.

The slides show a single participation rates across all sectors. They used a weighted average participation from all of the SEU programs, taking into account that participation

rates typically vary by sector and program type. The single participation rate was used for presentation simplicity to help demonstrate the total savings potential for DE.

Key Discussion Items on Energy Savings Potential:

The workgroup discussed the difference between technical potential, economic potential and program potential and the effect of participation rates. There is the need for a consistent definition and/or methodology to determine the potential.

SEU rebate programs have been designed to cover 50% of the incremental cost of the efficiency measure investment. It was noted that the economic potential of SEU programs is also dependent on the rebate/incentive amounts and types, as they influence participation.

Utility forecasts typically attempt to capture the uptake of efficiency in the market. Is this accounted for in the analysis?

Is it possible to quantify savings from education programs in energy savings?

There is big potential in the industrial sector to reach the targets. Increased education with energy audits and energy managers could help initiate savings opportunities in this sector.

## III. Confirmation of Legislated Targets

DNREC staff presented a summary of the three interpretations of the targets definitions and energy savings figures. It was suggested that the workgroup reach consensus on the definition of the target.

The workgroup agreed it would continue to focus analysis on the blue and green target interpretations.

The Workgroup set up a voting procedure. There was a motion to address whether the 2007 baseline was weather normalized or actual for the blue target (interpretation #2). The utilities advocated for weather normalized because the data they sent to CEEP was weather normalized. The Workgroup decided to vote and use the report to clarify whether the numbers used for analysis are weather normalized or actual and give a comparison of the two.

The Workgroup voted to interpret the 2007 baseline as actual sales and that it includes retail sales, 3rd party sales and excludes transportation and transmission. Of the members present, 8 were in favor and 1 opposed.

The workgroup discussed the benefits of having statewide versus utility targets, including funding set up (statewide fund versus the pay as you go surcharge model), benefit of tracking customer participation by utility, and funding equity issues.

The use of annual and interim targets was discussed. Annual targets are used to track and monitoring progress and will be used in the reporting.

Cost effectiveness analysis is needed from the top down. Based experience, what should the target be? Typically the best practice programs are about 1% of sales annually, but the program costs vary depending on the types of measures and targeted programs.

CEEP's analysis uses a methodology based on existing experience with other programs and targets. The target analysis was not tailored specifically to the SEU programs. To date, the SEU board has not had a formal discussion on the EERS or CEEP's current modeling.

A Workgroup member suggested that they think of the 15% target as an aspirational goal and should set the targets at what is achievable given the portfolio of programs and funding. The workgroup could move forward with the report analysis based on the roughly 7.5% for electricity and 3% for natural gas targets that were deemed achievable by the current analysis.

It was noted the report will be the avenue to point out any impracticality of achieving the legislated targets.

## IV. Workgroup path forward – discussion of work plan, tasks and due dates

The primary objective for the next meeting is to continue working to determine the achievability of the targets. An analysis on the peak demand targets is still needed.

DNREC will create a task timeline that would be shared with the workgroup before each meeting. The goal is to move toward the first draft of the workgroup recommendations report.

The next meeting is scheduled for September 9th at the Public Service Commission in Dover.