Governor's Energy Task Force Meeting Summary

Energy Efficiency and Renewable Energy Potential Study
Administrative Subcommittee Meeting

Meeting Date: June 7, 2004

Meeting Attendees:

Oscar Bloch, DOA
Phyllis Dubé, We Energies *
George Edgar, WECC *
Paul Helgeson, PSCW
Jim Mapp, DOA
John McWilliams, Dairyland Power
Jill Osterholtz, Alliant *
Ilze Rukis, WPS *
Carol Stemrich, PSCW
Don Wickert, WECC
Dan York, ACEEE
Brian Zelenak, Xcel *
Kevin Grabner, ECW
Peggy Heisch, ECW
Karen Meadows, ECW
Scott Pigg
Susan Stratton, ECW

* Members or representatives of members of the Governor's Energy Task Force Administrative Subcommittee.

Meeting Summary

Key decision points, factors to consider in the study and action items from the meeting are bulleted below. A copy of the power point presentation will be e-mailed to meeting attendees as a companion to this meeting summary.

Study Purpose

The committee identified the following primary goals for the study:

- To satisfy conditions for meeting energy priorities statute.
- To inform the appropriate level of investment in energy efficiency
- To identify energy efficiency potential for use in future resource planning (not all agreed to this purpose)

Other comments related to the study purpose:

- Generation planning should not be the driver for energy efficiency.
- Energy efficiency is good public policy – we should be doing the potential study to determine the appropriate investment level for public benefits, not to determine how much new generation could be eliminated.
- Investment level should be tied to achievable potential.

Main Users of the Study Results

- PSC
- DOA to split up Public Benefit dollars.
- Utility for customer service purposes.

Other related comments:

- Note that utilities do not do end-use forecasting any more

Recommended Study Approach

- Use market approach rather than a detailed end-use bottom up approach
- May need to look at an end-use level for select sectors or markets
- Add technologies for which there is a good achievable potential in the near future
- Assess achievable potential – identify economic and technical potential only as needed to identify achievable potential

Timeframe

- Timeframe for the study should be ten years, but conduct the study with the idea that it should be updatable – the focus should be on the potential the first five years
- Need a longer time period for consistency

Scope of Energy Efficiency Study

- Include kWh, kW, therms (natural gas), winter and summer peak
- Include fuel switching
- Load management – there is some interest in including load management but we need to determine how including it would impact cost of the study
- Should provide a regional breakdown of the results for example, the achievable potential by quadrant of the state – data by utility service territory is not needed
- Provide achievable potential as a range by region rather than as a fixed number
- Granularity of results is a difficult issue. Need to decide what issues are the most useful and at what level you want to track. For commercial and industrial markets we may need more granularity. Consider whether or not certain segments should be considered as whole markets but other markets should be analyzed with more granularity (e.g more at an end use level). For markets we know a lot about such as residential, we could focus more on markets rather than end uses
- How much information do we have available to do research on natural gas? Might want to include gas customer displacement issues (e.g. how demand will vary with price) – this was a suggestion but there was not consensus on this issue
- Should look at what's achievable. This is done better by the market approach rather than an end use forecasting approach

Seasonal and Time-of-Use Impacts

- Everyone agreed that this is a very complex issue
- We need to define why TOU information would be useful, how we would use it and what it would cost to include this detail in the study
- Some committee members see identifying seasonal and TOU achievable potential as an important tool for energy efficiency management. Others felt it is the job of the utility to address this through rate structures and programs
- ECW should frame this discussion presenting options to the committee with budget impacts

Renewable Study

- A decision was made to start with customer owned and sited, end-use renewables - this is the area in which utilities have the most influence in decision making.
- A question was raised as to whether or not to include large commercial/industrial renewables –there was not consensus on this issue
- A decision was made that ECW should identify other renewable segments such as large commercial/ industrial, and utility scale that could be added to the study at a later date – the cost to do add these components to the study now or in the future are similar.

General comments about the renewable potential study

- Customer owned renewables fit in better with energy efficiency policies of the commission (this would include residential, agricultural, and small commercial).
- Concern was raised over trying to take on too big of a study for now which might dilute ECW's efforts from the primary purpose of the study

Next steps

- ECW will prepare scope of work, schedule and budget for the committee and funding utilities
- ECW will frame issues and costs related to inclusion of TOU and load management for committee feedback
- ECW will contact utilities that have done studies already and try to leverage what has already been done to reduce the cost for everyone

General comments related to next steps:

- Some committee members requested that Carol consider how to proportion the costs of the study fairly among participating utilities given that some utilities have already paid for end use potential studies
- Funding will come from utilities and will be allowed to charge their escrow account. Use meters to make it proportional.
- ECW will do most of this work in-house but may contract portions of the work out to insure efficient use of resources

Approach for Stakeholders Involvement

- Stakeholder buy-in is critical but no one wants stakeholders to micro-manage the effort
- Stakeholders should review the detailed SOW and review the draft report
- ECW will develop a schedule that includes milestone touch points so funders can see how the study is progressing and if results are pointing us in the right direction
- Results should be reported to the Governor's Energy Task Force
- Stakeholders may include such organizations as:
    - Any utility funding the study
    - Environmental and consumer groups such as Environmental Decade, Sierra Club, Large Industrial Representative

- PSC
- DOA
- WREN
- Renewable Task Force
- WECC