

**Energy Efficiency Resource Standards Workgroup
Meeting Minutes**

Thursday, May 20, 2010

Appoquinimink School District, Room 144

Attendance

Charlie Smisson, Chair, DNREC
Ralph Nigro, SEU
Michael Sheehy, DPA
Janis Dillard, DPSC
Kim Schlichting, DEMEC
Mark Nielson, DEC
Jeff Tietbohl, Chesapeake
Glenn Moore, DP&L
Tom Noyes, environmental advocate
John Irwin, Sierra Club
Sally Buttner, on behalf of DPA

Lado Kurdgelashvili, CEEP
Cara Lampton, DNREC
Philip Cherry, DNREC
Brian Gallagher, on behalf of the DNREC

I. Welcome

Charlie Smisson began the meeting with a brief progress report and a discussion of the milestones yet to be accomplished as a workgroup.

II. Presentation

Lado Kurdgelashvili presented his preliminary analysis on the technical and economic potential for the electricity sector energy savings targets. Costs for energy savings were presented as Levelized Cost of Energy (LCOE) – for a comparison to supply side energy. The preliminary findings for residential energy savings potential were determined using ICF methodology, as well as ACEEE reports and case studies for average cost estimates.

III. Discussion

The Workgroup discussed the presentation and the desire to have more information on possible participation by measure or program and the potential penetration of SEU programs toward reaching the green or blue line targets.

Based on the assumption that \$1,000 invested can achieve 3.8MWh in savings, Tom Noyes pointed out that it would cost roughly \$150 million to reach the 2015 targets for the residential sector.

There was further discussion on the Workgroup members noted several things they would like to see included in the additional analysis. These are summarized as follows:

- Analysis depicting SEU ability to meet the targets based on current programming.
- 5 yr plan from SEU identifying programs and their expected participation rates.
- Funding currently secured for these programs and any funding shortfalls in reaching these goals.
- Economic analysis layering bands of participation and projected costs, with all assumptions clearly noted.
- A complete gap analysis for the 15% and 10% by 2015 targets to help evaluate the feasibility of achieving the legislated targets and recommendations for best practice bottom-up measures to get us to the targets
- Clarification on the roles and relationship between the utilities and the SEU for implementation responsibilities.

The Workgroup also discussed the different strategies for reaching a determination on the targets. Michael Sheehy recommended an analysis based on prioritizing the best practice most cost effective programs (e.g. residential and C&I lighting programs) to determine the largest potential savings impact and then measuring it against the targets to see how feasible they are. This idea was echoed in Janis Dillard's request for CEEP to show the penetration rates of the SEU programming as well as total technical-economic potential.

Glenn Moore suggested that the purpose of the workgroup is to agree to a target and an amount of funding and then go for it—the Workgroup can help guide the process. The discussion also revealed the need to look into the potential based on behavior changes and connecting the tech potential with the customer willingness/participation. There is a need to

look into the collective push toward market transformation and the potential role of the State to increase the education and awareness component.

Michael Sheehy also asked about the use of the SEU market research study for better determining the technical, economic and social/behavioral energy savings potential in DE.

IV. Next Steps

Lado will do his best to have the electricity sector analysis completed for the June 10th meeting, along with preliminary analysis for the natural gas targets.

Sally Buttner offered to look more into the potential revenue stream from selling energy savings into the PJM as well as the potential for energy efficiency credit trading, also known as white tag trading. She will have some information on this at the next meeting.

It was also recommended that the member review all the workgroup objectives outlined in the legislation and work plan to set a new schedule at the next meeting.