

National Action Plan for Energy Efficiency Mid-Atlantic Implementation Meeting

Breakout Group Notes

Group A

Overview

- Approximately 12 participants formed Group A discussion.
- Group A discussions focused on advancing the dialogue in the Mid-Atlantic region to help “Promote sufficient, timely, and stable program funding to deliver energy efficiency where cost-effective.”
- Group discussed and identified:
 - Barriers and options for sufficient, timely and stable program funding in the region
 - Assistance needed to implement the Action Plan recommendation
 - Actions and next steps

Discussion Questions

1. Respecting the role of the commission to review costs for monopoly services incurred by consumers, how can the process of cost recovery for energy efficiency costs be best streamlined?
2. If trackers or riders are discouraged in a state, what are the elements of a regulatory process that fairly balances utility and consumer concerns?

Discussion

1. Respecting the role of the commission to review costs for monopoly services incurred by consumers, how can the process of cost recovery for energy efficiency costs be best streamlined?
 - Cost recovery is key – universal need for it
 - Costs + margin + incentives for recovery
 - No conclusion on best method for recovery – SBCs, rates, etc.
 - Whether funding done through SBC or procurement funding, no upward limit should be set on what to spend
 - EE is a long-term objective and requires long-term and certain funding
 - Establishing long-term funding at start will allow relationships with customers and trade allies and to be built and maintained. Success needs to be ramped up.
 - No agreement that savings goals are needed, but if a savings goal is established, funding mechanism must be immediately put in place. History of goals not met because funding was not put in place.
 - Legislation may be used instead of regulators to establish long-term funding
 - Standards would help relieve regulatory burden and give higher surety of funding
 - Shareholders can fund programs
 - Avoid funding mechanism (PBFs) that can be raided by state

- Virginia is considering a central clearinghouse so programs are not fragmented and M&V is consistent
 - Example – LIHEAP program costs built into rates in PA, but not VA
 - Putting EE costs into rates or as separate surcharge is the same level of regulatory burden
2. If trackers or riders are discouraged in a state, what are the elements of a regulatory process that fairly balances utility and consumer concerns?
- Ensure all customers benefit
 - Rate increases will motivate utilities to look to EE as a solution and customers to support funding
 - Collaboratives can provide transparency and improve stability with stakeholders from the beginning
 - Appalachian state energy planning effort and MADRI looking towards solutions via regional collaborative processes
 - Actions required by utilities and consumers to get where they want to go

Barriers & Options

- Incentives should be provided to whoever administers programs (may include corporate programs and employee incentives)
- Incentives example – 5% of program cost incentive payment helps motivate utility staff make efforts successful
- Who should administer programs is still under discussion in some Mid-Atlantic states
- Even if utility companies do not administer programs, policies to remove the throughput incentive still need to be addressed or region will not meet longer-term goals
- Interest in pursuing EE programs that will transform the market over time by changing behaviors and business practices in the region
- These market transformation efforts must have stable long-term funding to be successful; but are harder to measure and verify savings
- Interest in EE programs that help reduce costly peak in region

Assistance Needed

- Consistency in evaluation, measurement and verification is KEY
- Explanation of steps needed to explore the different options available
- Technical support – resources – helping stakeholders talk to each other
- More information from utility dockets in other regions

Actions/Next Steps

- Catalog of studies/reports and experts
- Menu of options with steps to reach them
- Standards for M&V