

## **MEETING NOTICE**

### **Governor's Task Force on Global Warming**

### **Conservation and Energy Efficiency Workgroup**

**Date: Wednesday, December 12, 2007, 8:30 a.m. to 11:30 a.m.**

**Location: Wisconsin Energy Conservation Corporation (WECC)  
431 Charmany Drive, Madison, Wisconsin**

## **AGENDA**

- 8:30 a.m.      Introductory Remarks
- 8:45 a.m.      Further review/discussion/finalization of Conservation and Energy Efficiency  
Work Group Report to Wisconsin's Task Force on Global Warming
- 10:00 a.m.     Break
- 10:15 a.m.     Public Comment
- 10:30 a.m.     Continued review/discussion/finalization of Conservation and Energy Efficiency  
Work Group Report to Wisconsin's Task Force on Global Warming
- 11:30 a.m.     Adjourn

**This meeting is open to the public.**

**If you have any questions or need special accommodations, please contact Lisa Stefanik at  
the Public Service Commission of Wisconsin at (608) 266-1125 or  
[lisa.stefanik@psc.state.wi.us](mailto:lisa.stefanik@psc.state.wi.us).**

### **Welcome / Housekeeping**

Meeting Attendees in person – Kristine Euclide, Margi Kindig, Janet Brandt, Lisa Stefanik, Jennifer Oechsner, and Susan Stratton

Meeting Attendees via phone: Clay Nesler, Beata Kalies, Bruce Caucutt, Dan York, Mike Thompson, Katie Nekola, Jean Derfus, Roman Draba and George Edgar

### **Meeting Process**

- We'll review the templates as summarized on our "grid" – and consider public comments for each policy proposal.
- We'll decide on final recommendations for modeling
- We'll also decide if there are any policy templates that we can move forward on in an interim basis.

### **Enhanced Energy Efficiency Template**

- We are revising the template to have the same data as the Generation group is using – meaning, WRI numbers.
- In one version of the template, we'll insert a 1.5% reduction rate starting in 2012; As a second run or version, we'd like to see a 2% rate.
- The group reviews the public comments received on Enhanced Energy Efficiency Programs. The group holds a discussion specifically about whether or not we should move our targets to be consistent with the MGA due to a public comment about this idea. There is particular concern about a 2% natural gas savings.
- Would this result in a net gain for Wisconsin? Historically, does this number make sense for WI? Is 2% an achievable goal in this time frame?
- When we wrap all of our policies together, we are very close to the electric goals outlined in the MGA. We will likely be close on fuel.
- We need a meeting of the minds re: the new Potential Study. Past reports have been limited in scope, and the PSC is very reluctant to commit to expand the scope past what can be measured about public benefits, as the study is funded by public benefits fund.
- We should likely add back in the four principals that Nick Hall outlined in an early meeting. We should be sure that carbon, and measures of carbon should be added at some point in the template.

### ***Summary:***

We're comfortable with where we are for electric annual savings (1.5% by 2012). PSC to review energy potential at that time. The expectation would be that if an expanded potential study shows we should do more, the program targets will be expanded to a 2.0% level of electric and a 1.5% level for natural gas.

Our other policies will also likely get us to the 2% mandated by the MGA.

***What are we going to model?***

- Susan shares new modeling results. Template to be distributed to group soon; Please e-mail Lisa comments by Friday.

***More on public comments / template revisions***

- More discussion on public comments: Public comments ranged from our goals for this program do not do enough, our goals should echo the MGA, our goals are too aggressive and that we backed into our numbers. It is not correct to say that we picked out what we need for GHG reduction and backed into our numbers. We looked at what best practices are in other states, and we also talked in great detail about what is reasonable for our state. We estimated what we could achieve and used those numbers.

***Bottom line***

1) These numbers will get tested. They may be lowered or increased. They will go through the Act 141 procedure. This process is measurable – one of the most measurable, trackable ideas coming into the Task Force. We can monitor it every year and see if we are doing enough. This should be stressed as a strong point for this policy

2) Natural Gas – Let's leave the level at 1% by 2012. Leave this as a starting point, and it is consistent with the Governor's agreement, in that each state is to assess its potential. In our circumstance, this is reasonable re: what WI can achieve at this point. Additional analysis will be needed to come up with the longer-range numbers that are needed.

3) We do recommend this policy for modeling. We would feel comfortable moving forward with this template on an interim basis.

**Non-Regulated Fuels Template**

***Key outstanding issues:***

- Can we firm up the funding source recommendation? That has been a criticism from WRI and from the TF Co-Chairs.
- There was a public comment that there should not be a mandatory charge, but instead an incentive should exist for folks who voluntarily comply.

***Discussion on template revisions***

- Discussion about charges / fees for all emitters in the state – even residents using non-regulated fuels – fees should be charged to units sold, and GHG units generated.
- If we are housing non-regulated fuels in the Public Benefit Program, then those receiving the public benefit connected with this issue should be paying into the Program.
- Our group is not advocating for this program to be paid for with an alternative funding source, such as Cap-and-Trade auction revenues.
- Our current template – we should remove current cost estimates. Do we have the reduction potential? This is very important to have in place to argue to keep this template.

***Bottom line:***

We may just not have the data to model this template – even though it is clear that it would have an impact on emissions. This policy is likely less significant to reduce emissions than some of the other templates that we are talking about. However, we still believe there are significant enough savings here to highlight the policy to the Task Force.

**Enhanced Energy Efficiency and High-Performance Green Building Codes –**

***Key outstanding issues:***

- We combined residential and commercial building code upgrades.
- We did this because there was some overlap between our two building code templates, and additionally, it is important that we can make this just one recommendation – given that templates accepted for modeling are indeed limited.

***Public comments / template revisions***

- Review of public comments connected to building codes.
- We may especially include the public comment about enforcement of commercial lighting.
- One member of the group specifically noted that the public comment re: the Department of Commerce should review lighting plans before issuing a building permit was something worth implementing in our templates.

Note: Considering the Commercial template, we modeled and moved towards a zero-energy standard, but we did not explicitly call this out in the residential building template. We need to state this goal in a residential sense in order to encourage moving in that direction.

\*\* George and Clay Nesler will work together to rewrite the Commercial & Residential templates to merge them into one recommendation. They will include the recommendations per the above discussion, and they will also make their best estimates about start and goal dates. After much discussion, we decided to pick the same year for both Commercial & Residential if possible for consistency's sake, and pick the "safe" target (2030) for now. We could/should also point out that we are supporting and advocating for customer-sited renewables as part of a zero-energy goal.

***Bottom line***

Our recommendation would be that there should be a mandatory upgrade of code in WI whenever there is a new IECC code available (within 18 mos) at a minimum. Customization is possible. If there were no action, IECC would also be automatically adopted.

Get that overall goal on the grid. There is confusion on the 30% as it stands now.

\*\* Lisa had computer failure and lost some of this conversation\*\*

Group discusses low-interest loan programming; ultimately decides to offer a property tax rebate.

- Group will forward this new combo template for modeling.
- Group will also offer this policy as a potential interim report candidate, if one is produced.

**Statewide Lighting Efficiency Standard**

***Key outstanding issues***

- George added some DOA data and that needs to be added into the template (\*George to modify).

***Public comments / template revisions***

- Among the public comments received was one recommendation that there should be some language in this template about enforcement, and we should consider dark skies initiative.
- We could highlight that addressing outdoor lighting is a good suggestion, but it will not likely add value for modeling purposes of this policy.

***Bottom line***

- We are recommending this policy for modeling.

- George will add our new recommendations (per public comments) when editing template for data.
- This is a recommendation we would feel comfortable moving forward with now in an interim report.

## **Residential Lighting Standards**

### ***Key outstanding issues***

Most of the ideas here will be picked up in the Statewide Lighting Standard or in the Residential Building codes. There are valuable ideas / options here in this template -- we may keep this template in the mix however, because we can advocate for quick action with this program. It is clear that items captured in this policy will soon be captured by other policies.

The group advocates for statewide legislation. We have a statewide charge with the Task Force on Global Warming – and that’s how this policy was calculated. Local action remains an option.

### ***Bottom line***

This policy is not recommended for modeling – esp. if our options are limited.

## **Public Comment**

After our break, the Co-Chairs offered the opportunity for public comment. There are no members of the public present at our meeting. There is no public comment offered on the phone.

## **Statewide Appliance Efficiency Standards**

### ***Key outstanding issues***

This template is in good shape. We have the right data to model this one.

### ***Public comments / template revisions***

There was a public comment specifically about reducing phantom load. However, our actions at this point are directly connected to when new standards become available.

- \*\* George notes there are 13 items meant to be in the policy -- not 15 – George to fix.
- \*\* There has also been recent enactment on liquid immersed transformers that George will cover in his edits.

Note about this policy’s language on the summary grid – George notes the number that is listed on the table is too low. The savings will be just under 1 million metric ton. The number that is there needs to be converted to metric tons by using a multiple of 3.667.

***Bottom line***

- We are recommending this policy for modeling.
- George to edit the template per notes above.
- This is a recommendation we would feel comfortable moving forward with now in an interim report.

**State / Local Government Leadership – and Energy Efficiency in Schools.**

***Review of public comments that have to do the state or school initiatives***

***Key outstanding issue with schools***

We will likely need to state what the issue is, and then indicate that we are not likely the ones to solve it. We are recommending a study group to delve into the barriers accompanying the school funding formula.

***Bottom line***

- This policy is not recommended for modeling.
- This policy is recommended for future study and could be mentioned in an interim report.

***Key outstanding issue with State & Local Government leadership***

We are likely to recommend a study group for this policy due to a lack of good data available to our group.

We would recommend extending targets in EO #145. Current target runs to 2010 – we would advocate for continued, additional reductions through 2020. This policy should focus on existing facilities, as new buildings will likely be covered in our other policies.

We could issue a target of 30% reduction by 2020 off of a 2005 basis – energy use per square foot (which is a measure of intensity). It increases the target in a large way, but gives them time to do it. This would also bring the State in line with the Commercial Building codes.

***Bottom line***

- We don't likely have the information to build the trend line for modeling, although we'll ask if DOA has the necessary information.
- This policy has much more leadership value than quantitative value.
- It will be recommended as a good idea, but not to be modeled.

**Discussion by Work Group of Templates Produced by Other Groups:**

**The Sustainable Energy Fund:**

- This policy does not have a work group to support it. We should decide whether or not we want to lend support & emphasis.
- Key items in this policy worth emphasis: community efforts can gain us key uptake. This template did attempt to ID funding sources that are NOT public benefit fund specific for local government improvements – and some of these improvements will encompass energy efficiency.
- While the opportunity to combine our Coordinated Campaign template and this template together, our template contains recommendations that go beyond education and messaging. Our template should stand alone, and that will allow us to move forward with this campaign nearly immediately; the Sustainable Energy template may be a natural “next step”.
- We could add language to the template currently to emphasize the importance of local & community efforts. Our template really emphasizes GHG reduction strategies.

**The Industry Work Group:**

- We may also want to underscore some of the work by the Industry Group (i.e. Boilers). We may add some references to the work of the Industry Group into our Enhanced Energy templates.

\*\* George to call Susan to discuss what appropriate additions would be.

**Utility Recommendations – or “Policy Actions Primarily Needed to Enable Effectiveness of Direct Savings Proposals”**

*Note:* The Group generally discusses revisions needed to these templates as a group, and also discusses public comment on these 3 policies. A few of the key observations made about these policies are recorded below.

- The group discusses the public opinion comments that come in about decoupling. The group clarifies that the nature of the recommendation is a PSC study – not particular action. Thus, opportunities for public input will again be presented.

- The group concludes that the last sentence in our “Utility Energy Efficiency Incentives” portion of the grid – “removal” of disincentives is essential be changed to read “addressing these disincentives”.  
\*\* Kristine will make wording change here in grid.

***Bottom line***

- None of these policies will be forwarded for modeling.
- All of these policies will be recommended for further study by the PSC. No particular date will be put on these policies to direct the PSC about when it must be concluded, however we will note that urgency is in order if our policy proposals are to be successful.

**Energy Eff. Standards for Residential (existing) – upgrade upon sale.**

***Key outstanding issues:***

- This policy needs more work; it needs a different set of stakeholders to work on this issue than we have in our work group.
- We need to emphasize the importance of these “more work recommended” policies and highlight specific barriers in the way of them so these policies don’t get lost to those that have adequate supporting data.

***Bottom line***

- This policy will not be modeled.
- Do more in the recommendation to move the policy forward for further study by highlighting with language choices: (example) *Due to market barriers, there are difficult retrofit challenges.* Addressing the barrier in issues such as these will help pull other Energy Efficiency policy changes forward and is essential in reducing GHG emissions in a way we’d like to see.
- Policies like these also impact the low-income population in a positive way.
- Legislative action to remove barriers may be necessary.

**Electric Water Heater Conversion**

***Key outstanding issues:***

The group has 3 options with this policy. It can:

- 1) Recommend now that the PSC put more attention on fuel switching through Focus on Energy as a voluntary program.
- 2) Recommend legislation to make it mandatory.
- 3) Say that we were not comfortable with costs & data estimates. We could recommend that a study group be formed to examine reductions possible here.

*Note:* In covering these two above policies, the group decided to drop the “C” category on the grid – “Policy proposals that merit further consideration”. We will work them in regular recommendations to give them more emphasis, yet we’ll still stress the need for further study.

***Bottom line***

In taking this new recommendation strategy into consideration, the group would like to highlight the possibilities that exist with this program, recommend it be given more study but not recommend it for modeling.

**Coordinated Social Marketing Campaign**

***Key outstanding issues / Bottom line:***

The group would like to keep this template as part of our recommendations. There are good reasons not to have the Coordinated Campaign effort subsumed by the Sustainability templates (see discussion above). This is not a policy for modeling, however.

**Low-Income Policy Recommendation**

***Key outstanding issues***

- Do we defer to the Low Income Group?
- Let’s keep this as part of our recommendation until we see what they include.
- We should say: ensure that there are adequate low-income funds available for Weatherization initiatives.

**Summary**

The following list includes policies the group will recommend for modeling on December 18:

- Enhanced Energy Program
- Building codes – Combined Commercial & Residential Template
- Statewide Lighting
- Statewide Appliance Eff Standards
- State as a Leader (if we can get the state – DOA - to give us numbers)

All other policies will be recommended, but will not be recommended for modeling. The group is comfortable with moving all policies to an interim basis if that is appropriate.

**Closing notes**

- Public comments were disseminated at the meeting in hard copy and in advance of the meeting electronically. Members reviewed comments before the meeting and discussed them actively during the meeting. Some of this group's template work will be changed to include various public comments.
- The group expresses its appreciation to the public for its submission of comments.
- Kristine & George express appreciation for the work done by this group, and in particular, by Lisa Stefanik. The level of dedication and hard work done by all was amazing.
- Reminder: Any last comments about our templates, public comments or grid to Lisa via e-mail by noon on Friday.
- Kristine and George to present at the upcoming Task Force meeting on December 18.