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Minnesota Department of Commerce

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Technical Reference Manual Meeting Notes

November 20, 2013

Golden Rule Building LL35, 9:00 am – 12:00 pm

Meeting Objectives: Discuss TRM advisory committee formation and mission. Discuss work plan for further analysis and approval of draft measures.

Attendees

In person: Matt Haley, Energy Insight; Paul Twite, Delano Utilities; Travis Hinck, GDS Associates; Audrey Peer, CenterPoint Energy (CPE); Eric Johansen, CPE; Nick Van Duzee, CPE; Will Nissen, Fresh Energy; Kurt Hauser, Missouri River Energy Services; Bridget McLaughlin, Center for Energy and Environment; Dean Laube, Franklin Energy; John O'Neil, Southern Minnesota Municipal Power Agency; Jeff Haase, Great River Energy; Joe Plummer, COMM; Jessica Burdette, COMM; Mark Garofano, COMM; Laura Silver, COMM; Adam Zoet, COMM

Remote: John McWilliams, Dairyland Power Cooperative; Tina Koecher, Minnesota Power (MP); Tim Gallagher, MP; Amanda Oja, MP; Craig Kedrowski, MP; Bryce Dvorak, Michaels Energy; Leo Steidel, Energy Platforms; Huei Wong, Applied Energy Group on behalf of MERC; Kim Lillyblad, Avant Energy on behalf of MMPA; Norma Elizondo, Shower Start; Jason Grenier, Otter Tail Power Company (OTP); Kevin Disse, OTP; Joe Steffel, Buffalo Public Utilities

Presenter: Joe Plummer, COMM

Agenda

9:00-9:10	Introductions
9:10-9:30	Background on TRM
9:30-10:30	"Existential" Discussion
10:30-10:45	Break
10:45-11:15	Draft Work Plan
11:15-11:30	Next Steps

Background

- See PowerPoint presentation for details.

- Converted spreadsheets of historical CIP data into Word docs. Will ultimately be compiled into a single document and provide a good summary of the data.
- Significant TRM revisions:
    - Room AC removal dropped because people probably likely just replacing it.
    - Gas water heater jacket dropped because of safety concerns and not much savings potential.
    - C/I motor retrofits added; probably can keep going for another year.
    - Incremental costs for residential furnaces revised because original cost estimates were high.

<u>Questions Comments</u>

- Kevin Disse, OTP: Could you discuss advisory board selection for the Franklin Energy TRM review?
    - Joe Plummer: Process was kicked off in late 2011. Solicited interest from utilities to join the group. 11-12 are on the board; good mixture of IOUs, coops and munis.

      Advisory Board Members:

Tom Balster	Alliant Energy
Bruce Boerner	Xcel Energy
Robert C. Jagusch	MMUA
Phil Dunlay	Xcel Energy
Jeremy Fischer	Great Plains Natural Gas
Jeff Haase	Great River Energy
Kurt Hauser	Missouri River Energy Services
Eric Johansen	CenterPoint Energy
Kim Lillyblad	Avant Energy
Roger Warehime	The Triad
Huei Wong	Applied Energy Group

TRMAC Mission Statement

- See PowerPoint presentation more details.

- Consider the outlined mission statement as a draft. Can be revised.

- Goals: Advisory committee will act as an informal advisory body that will meet periodically, provide the Department of Commerce with feedback on TRM energy savings measurement assumptions, and act as a forum where people can meet and share ideas.
- TRMAC will not have decision-making authority.
    - TRM will go beyond just savings algorithms; will recommend policies, protocols, and guidelines too. Goal is to provide a standard for what should be included through a process that emphasizes transparency and regulatory stability.
    - TRMAC will not focus on small technical/program details. These details can be addressed in other workgroups. Also, it will not provide recommendations for specific products/vendors.

<u>Questions</u>

- Jeff Haase, GRE: Other states carrying out similar processes. Examined what other states are doing?
    - Joe Plummer: Yes, have looked at other states. IL has a similar process discussing EE programs in general as well as a TRM group. Regional Technical Forum in the NW is more of a formal approval body. Goal of TRMAC is to work collaboratively and transparently so no surprises down the road.

- Bridget McLaughlin, CEE: Should add update timing. Are measures reviewed on annual basis?
    - Joe Plummer: Yes, timing is key. Will post meeting materials/resources online for review.
    - Jessica Burdette: We don't want sudden changes that will throw off utility budgets; would like to develop a better flow/process of regulatory change.

Vision for TRM

- See PowerPoint presentation for additional details.

- Vision: Want to provide handy reference for good data practices and guidance regarding how to calculate and report energy savings to CIP. Would like to provide a manual that includes a clear record for number references and algorithm designs.
- Purpose: Increase credibility of energy savings and cost effectiveness claims reported to CIP using energy savings measurement standards and transparent methodology/data documentation.
- There have been requests for standard EUI measures, and Commerce would like to develop those and add them to TRM.
- TRM to support a continuum of project types (from full prescriptive to full custom projects).

Questions

- Tim Gallagher, MP: Same process of approval for custom prescription measures through TRM?
    - Joe Plummer: Yes.
    - Jessica Burdette: Regarding program evaluation for cost-effectiveness and energy savings, would like to avoid big program evaluation in Minnesota. This upfront work will help deal with this issue and provide utilities with some certainty regarding savings/efficiency. Want to provide pre-approved measurement tools that people use for calculations.
    - Joe Plummer: MN TRM uses an algorithm based approach. In contrast, MA uses unitary "deemed savings" estimates for most residential and commercial measures, relying heavily on evaluation studies to true up savings figures. MN's approach collects input data from each site so don't have to rely on state averages. This is important for MN given its diverse service areas.

TRMAC Membership

- Informal body managed by Commerce; Commerce will solicit and determine membership.
- Meetings open to all. Formal membership to encourage commitment and increase credibility.
- Rotating two year term membership by organization. Not by person in case someone leaves position at the organization.
- TRMAC not focused on small details; technical groups will be formed as needed to work out the technical details of measures.
- See PowerPoint for proposed membership structure.

Comments

- Paul Twite: This is exactly what is needed.

- Joe Plummer: People comfortable with proposed membership structure?
    - Consensus seems to be that this is fine.

- Jeff Haase, GRE: How would group discussions be carried out when there are gas specific and electric specific issues?
    - Joe Plummer: Advisory committee would focus on issues that are related to both fuels. If an issue is relevant to just one fuel, would divide things into different blocks so that people can come and go as they please.

- Paul Twite: For the material covered do you think that recommendations will go into Energy Platforms?
    - Joe Plummer: Yes.

- Paul Twite: Should we continue entering our own measurements and not wait for TRM?
    - Joe Plummer: Yes, current measures are valid and will have new measures coming out. Derivatives of TRM measures could also be developed to provide flexibility for different program designs. We want to keep flexibility for utilities to create own measures going forward, preferably referencing TRM.

- Dean Laube: The key decisions will be made in the small technical groups that are focusing on individual measures, process, and time commitments.
    - Jessica Burdette: We will examine an appropriate formal approval process. Measures will be approved by the commissioner and include a public comment process. Not realistic everyone will reach an agreement, but will have a public comment and approval process to gather input/feedback.

- Tim Gallagher: Focus is on technology and not customer level details, correct?
    - Joe Plummer: Yes, focus is on methods and guidelines to measure energy savings—not customer data or specific projects.

- Kurt Hauser: All IOUs have seat at the table every year while not all munis and coops are represented. Need to keep the process open so that everyone is able to provide input. Utilities have different business needs in relation to CIP – for example, kW savings are the driver for MRES, while kWh savings are drivers for other utilities.
    - Jessica Burdette: Agreed, are aware of this issue. Plan is to give everyone the option to weigh in through comment periods and will maintain a transparent process by posting meeting materials on the web. Also, the reality is that most of Minnesota's load is represented by IOUs. Process will evolve as work continues.

- Paul Twite: Even if a measure is in the TRM, it isn't a mandate?
    - Joe Plummer: Will be treated as a standard, but we want to preserve flexibility for utilities to create new measures. TRMAC will work to develop criteria for proposing a non-TRM measure. TRM will not be a one size fits all solution, but having standardized approaches and methods and guidance for going outside of those approaches should be useful.

    - Jessica Burdette: Accountability important. People want to know where savings are coming from and that they are real, so we want a process that demonstrates credibility and allows good policy decisions.

- Dean Laube: Do you see the level of evaluation in CIP changing going forward?
    - Jessica Burdette: Not possible to avoid program evaluation completely. We are considering some statewide evaluations of low income programs to figure out what the process might look like. Since Minnesota is a gross savings state (as opposed to a net savings state), we want to do gross well.
    - Jessica Burdette: We don't want to make decisions in isolation – want stakeholder feedback to help inform decisions.

- Bruce Boehner: Who would be most appropriate person to serve on the committee from my organization? Some people have more strength in the technical/engineering aspects, not policy issues that the committee would be focused on. Doesn't sound like there will be a technical discussion, correct?
    - Joe Plummer: Correct. TRMAC won't be highly technical in nature, generally.

- Audrey Peer: In similar boat: could send an engineer or a policy person. Think that discussions will overlap and maybe would be good to have a couple of people attend so don't miss information. Perhaps could have two appointees from each organization (e.g. official rep and an advisor)?
    - Joe Plummer: Need to keep the committee to manageable size, but members would be free to bring coworkers to meetings for both technical and policy expertise.

Role of Moderator

- Joe Plummer: Is the group ok with Jessica Burdette acting as the group moderator?
    - Yes, general consensus is that group is fine with Jessica acting as moderator.

- Jeff Haase: Resource issues important to consider. Despite the bold proclamations in the recent legislation on the importance of energy efficiency as a resource, no additional funding was provided.
    - Jessica Burdette: Recognize that the Department and utilities have limited funding, and don't want the process to be a large time commitment. Want to carry process out as efficiently as possible.

- Joe Plummer: Dean Laube and Travis Hinck, could you speak more on the issues that came up during Illinois' process?

    - Travis Hinck: Third party moderator was necessary but made things appear contentious. Favorable process outcomes depend on people trusting/respecting group members. Believes that the process in Illinois is improving.
    - Dean Laube: It was set up as a free-for-all and couldn't accomplish things. Things were improved through establishment of tech committees. Thinks that there won't be suspicions with the consensus based approach that Commerce is using, but process is going to take a lot of time and resources, so unsure how much can be accomplished.
    - Audrey Peer: In another workgroup process I was involved with, there were small break out groups that met frequently. Participants dropped off because of the time commitment.
    - Jessica Burdette: Process can be challenging but alternative is that the decisions would otherwise be made in isolation. If people don't want to participate, then that's their decision. Would like to determine the best/balanced format going forward.

- Joe Steffel: If we want to keep the TRMAC group small, munis need to create their own committee group. Need to organize a committee of munis that will collect information from TRMAC to keep communication lines open regarding policy.
    - Joe Plummer: Would this body of munis be managed by munis?
    - Joe S.: Yes, would be managed by munis themselves. There will be disagreements about policy within the group, but it will help provide buy-in.

- Bridget McLaughlin: We don't need to tackle everything at once. We can spread this process out over time to keep things manageable.

Logistics

- Joe Plummer: Meeting 2-3 hours quarterly doable?
    - No objections.
    - Will continue with conference call option too.
    - Jeff Haase: would only ask that the agenda be send out in advance to get feedback.
    - Jessica Burdette: Yes, agendas can be sent out a week in advance and will follow up with people regarding where to find meeting materials.

- Paul Twite: Would make sense to piggyback off of other related meetings to leverage off of those meeting opportunities?
    - Jessica Burdette: Possibly. Will handle this on a case-by-case basis.

Work Plan for Draft Measures

- See meeting PowerPoint for more details.

- Joe P:
  - Based on feedback, forming small groups to hash out technical details was the most favorable way forward.
  - Work will be front-loaded and will probably be reduced over time.
  - Tried to design the work plan so that there isn't a ton going on at once (e.g. 90 days per task). Want a target schedule and we can deviate if needed.
  - Commerce will begin implementing TRM on ESP immediately. Goal to provide a subset of measures for those munis and coops that are likely to adopt ESP by Jan 2014 and working with CERTS to provide workshops. Additional Smart Measure implementation will continue throughout 2014.
  - Tried to front load schedule for electric utilities since co-ops and munis are on one year plan. Since lighting is important measure for electric utilities, wanted to begin discussing this topic early on in the process.
  - Also, significant measure design changes for heat pumps that want to discuss soon.

<u>Comments</u>

- Paul Twite: In Excel work plan that was sent out, all of the measures were spelled out. Is the intent to stay balanced on the measures in the work plan prioritization/flow (e.g. some residential some C/I)?
  - Joe Plummer: No, not trying to prioritize by market segment. Looking more at fuel type and most common measures out there.

- Bridget M: Utilities pretty busy closing out the year, so not sure how much participation would get in Dec.
  - Jessica Burdette: Understandable, but no time that is ideal for everyone; need to work out a schedule and move forward.
- Bridget M: Could look at a less controversial issue in Dec then?

- Joe Steffel: Reason for the change in lighting measure hours of operation?
  - Joe Plummer: Didn't change for residential. Commercial changed based on more recent information (e.g. what other states are using and more recent studies).
- Joe Steffel: Would be good to have the information regarding how arrived at those numbers.
  - Jessica Burdette: We could have this conversation during the workgroups.
  - Joe Plummer: Can send out the studies to people ahead of the meetings.

Measure versions

- Specs in TRM to be published 11/22/13 will be valid through 2014 with utilities having the option of switching to new versions as the "further analysis" measures are revised and approved.

- Jessica Burdette: Would be good to discuss when the best time would be to make changes to TRM so that don't blindside utilities
    - Travis H: differentiate by type of update would be good.
    - Kurt H: We must get our plan approved by board in July so any time after August is impossible for them.
    - Jessica Burdette: Will set cut off dates for new and current TRM usage and an adjustment period.

Next Steps

- See PowerPoint for detailed schedule

- Send Joe Plummer requests to join TRMAC. Also note in your email if interested in joining the lighting group or to nominate a colleague. First lighting meeting during the week of Dec 16th.

Questions/Comments

- Audience member: will slides be shared?
    - Joe Plummer: Yes, they will be shared.
    - Jessica: Materials will be posted on the website too.

- Travis Hinck: Way to track TRM efforts in other states to reduce duplication of effort?
    - Joe Plummer: We don't have a formal mechanism to do that but part of the mission of the TRMAC will be to try and track the best practices of TRMs in other states so as not to try a reinvent the wheel. Will rely on TRMAC members who work in other states for this information in addition to our own research.

- Jessica Burdette: Sending out meeting materials a week in advance give people enough time?
    - General consensus is that would be enough time.