

**MICHIGAN CLIMATE ACTION COUNCIL  
RESIDENTIAL, COMMERCIAL AND INDUSTRIAL  
TECHNICAL WORKING GROUP  
DRAFT Summary of Teleconference Meeting, Call #3  
February 21, 2008**

Attendance List:

MI Residential, Commercial and Industrial TWG Members:

Guy Bazzani, Steve Boeckman, George Curran, Michael Garfield, John Hiefje, Martin Kushler, Steve List, Mike McNalley, Dr. Vincent Nathan, Leonard Parker, Shelley Sullivan, Frank Zaski

State of Michigan:

Lynn Fiedler, Patrick Hudson, Rob Ozar, Keith Paasch, Amy Butler

CCS:

Jeff Wennberg

Public:

No public members were on the call

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Jeff Wennberg called the meeting to order at 1:33 and called the roll.

Jeff reviewed the agenda and pointed out that due to a schedule conflict Donna Boysen would be unable to be on the call. He summarized that the purpose of the call was to discuss the classification of the catalog options as having high, medium or low potential for GHG reductions, and high, medium or low expected cost. He explained that the committee did not have to decide a rating or even agree. The purpose was to get the committee members thinking about which options could offer the best 'bang for the buck' and to compare notes so that the various assumptions and conclusions could be shared among the members. The call also represented an opportunity to think about grouping options together to facilitate the priority setting exercise which would follow.

Vincent Nathan asked about an option that was on the RCI list, but that Cross Cutting might also propose. Jeff Wennberg explained that and overlaps would be resolved by the MCAC.

Martin Kushler observed that some options are basically policy ideas and others are very specific, saying that it was difficult to compare the two approaches.

Jeff Wennberg asked if there were any changes or corrections to the call #2 summary, and there were none.

Jeff Wennberg asked for any questions or additions to RCI-1, Energy Efficiency Programs, Funds and Goals. Jeff observed that 1.1, Expansion of DSM, had agreement except Shelly Sullivan. Ms. Sullivan explained that she thought the policy was wide open and possibly had potential for high costs.

Pat Hudson said his classifications under 1.3, Non-Utility DSM, were wrong. He intended to indicate high reductions potential and medium cost. There was a general discussion about 1.3 and whether it should be combined with 1.1, and the committee decided to merge the two.

Shelly Sullivan explained that her high cost assumption on 1.4, Energy Efficiency Funds, was due to a lack of specificity in the policy. Martin Kushler observed that this too could be bundled with 1.1 and 1.3. After some discussion the committee decided to merge 1.4 with the other two.

Guy Bazzani said that 1.12, Decoupling Utility revenues, was very important to him. He explained the benefits of separating profits and revenues in IOU rate setting. Mike McNalley suggested it should be a broader category of regulatory reform to address these issues, and there needed to be incentives for EE investments. Steve Boeckman suggested that regulatory agencies needed to rethink the way costs are structured. Dr. Nathan pointed out that as written this is a specific measure or method, not just a general statement of policy. Jeff Wennberg said he would draft a broader definition. Rob Ozar supported this, adding that the objective was to address economic disincentives in IOUs.

Rob Ozar suggested that rebates should be taken out of 1.8, Low Cost Loans and Rebates for EE Improvements. He said the financing programs were critical, but commercial and industrial folks don't have the resources to use rebates. Shelly Sullivan suggested that at least the utility-funded part of this option should go to 1.1 – leaving the state funded portion in 1.8. The committee agreed with this approach.

Options 1.6 and 1.7, Reduced Cost Energy Audits, was viewed as also containing elements that are funded both by utilities and the state. It was suggested, as with 1.8, the utility-funded programs should be moved to 1.1 and the state-funded projects left in these options. This was agreed to by the committee.

Under RCI-2, Buildings, there was general discussion on the classification of 2.1.1, Improved Building Codes, and the committee decided to include renovation in the option.

It was decided that 2.8, Incentives for Retrofit of Existing Buildings, should be rolled into 2.1.2, Incentives for Energy Efficiency – Renovation.

Amy Butler told the TWG that the DEQ has been considering a new initiative designed to raise awareness called the "Michigan Climate Challenge." This was offered in conjunction with a discussion on 2.5, Support for Energy Efficient Communities Planning. She said she would offer information to the committee. After some discussion it was decided that the "Climate Challenge" concept would be a better fit with option 4.5, the Governor's Energy Conservation Campaign. It was decided to merge the concepts under 4.5.

Dr. Nathan expressed concern for a number of items under RCI-3, Education and Outreach, many of which are also or could be covered under the Cross-Cutting TWG. Jeff Wennberg said that once initial priorities are set, he will compare notes with the facilitator of that TWG to flag any overlaps.

Dr. Nathan expressed support for 5.3, Time of Use Rates, comparing the potential to other examples of economic incentives to shift demand. Rob Ozar stated that the Public Service Commission would be doing a study of the potential for this.

There was general discussion of the items under RCI-8 and 9, Specific Goals and Policies and Other, and how a number of these items support local government efforts.

Jeff Wennberg invited the public on the call to offer any comments or questions. There were none.

Jeff Wennberg adjourned the meeting at 5:06 pm.

The next two calls were scheduled for February 21<sup>st</sup> from 3:00-5:00PM Eastern and March 13 from 3:00-5:00PM Eastern.

There being no further business the call was adjourned.