



**DRAFT MEETING SUMMARY**  
**MICHIGAN CLIMATE ACTION COUNCIL**  
**Residential, Commercial and Industrial (RCI) Technical Work Group (TWG)**  
**Teleconference #7 – July 25, 2008 – 10:30 am – 12:30 pm EDT**  
**Draft 8/12/08**

**Attendees**

**RCI TWG Members:** Jim Ault, Michigan Electric & Gas Association; Dr. Vincent Nathan, City of Detroit; Leonard Parker, Cleveland Cliffs; Shelley Sullivan, Chrysler Motor Company; Frank Zaski, Sierra Club; Steve Boeckman, Great Lakes Energy; George Curran; Terry Link, Michigan State University; Steve List, New Page

**State of Michigan Participants:** Lynn Fiedler, Michigan Dept. of Environmental Quality (MDEQ); Steve Kulesia, (MDEQ); Rob Ozar, Michigan Public Service Commission; Julie Baldwin, Michigan Public Service Commission; Rick Martin, Department of Management and Budget

**Center for Climate Strategies:** Jeff Wennberg, Tom Looby, June Taylor

**Background Documents**

1. Meeting #7 Notice and Agenda
2. PowerPoint for Teleconference #7
3. Meeting Summary of Teleconference #6
4. MCAC Edits to Draft RCI Straw Proposals
5. Quantification Assumptions Memo

**Discussion Items and Key Issues**

Tom Looby welcomed the TWG members and others to the call. He explained that the CCS facilitation of the RCI TWG would have to be transitioned from Donna Boysen to a new team and, in the meantime, Jeff Wennberg and he would fill in. Jeff had been with the TWG until the Market-Based Policies TWG was formed and had a good background in the early deliberations of the group.

Tom then reviewed the major decisions made by the MCAC in their last meeting concerning the RCI draft policies. Of particular note was the request for a more aggressive goal for RCI-1 (Utility DSM Programs for Electricity, Natural Gas, Propane, and Fuel Oil), and the need to update some of the policy description language under RCI-8 (Net Metering for Distributed Generation). Jeff Wennberg and Julie Baldwin offered to propose new language for this section.

Tom then suggested that the group go through the draft policies one by one and review the status, discuss the MCAC comments, propose modifications, and seek volunteers to draft the changes (if any) and the next two Policy Option Draft sections, “Implementation Mechanisms” and “Related Policies and Programs.”

The following is a summary of the outcomes of those discussions.

**RCI-1**

There was a broad discussion about the need for more aggressive goals. It was pointed out that the MGA goals were 2% by 2015, then 2% additional each year thereafter. There was discussion about a top-down approach such as the MGA regional goal, and a bottom-up approach whereby the savings from each measure are added up, which would be a more aggressive approach. It was proposed that the basis be on 3-year, weather-normalized average sales, which would then be increased by 2%. Tom Looby suggested that a drafting team be appointed to review the different approaches and make a recommendation back to the TWG. Volunteers for the drafting team were **Frank Zaski, Jim Ault, Rob Ozar (perhaps including Emily Simon) and Steve Boeckman**.

**RCI-2**

There was a brief discussion during which it was observed that the current draft addresses the building sector quite well but leaves little for the industrial process emissions, which were offered as holding substantial opportunity. It was suggested that the TWG members might list the kinds of upgrades as a first step in determining the incentives that might help achieve the goal. It was also suggested that process emissions could be captured under the general energy efficiency improvements, and industries might be allowed to opt out of the state program if they had a qualifying self-directed program. The following volunteered for the drafting team: **Shelley Sullivan, George Curran, and Guy Bazzani** would be invited.

**RCI-3**

This policy lacks a Policy Design as well as Implementation Mechanisms and Related Policies and Programs. It was pointed out that the third paragraph already contains some goals for potential use in Policy Design. The drafting team is **Jim Ault, Steve Boeckman, Emily Simon, and Rob Ozar**.

**RCI-4**

The MCAC proposed the use of a carbon-neutral building standard by 2030. The TWG needed to redraft the policy design, perhaps looking to the MGA's more aggressive goals, or the IECC code. Steve Kulesia noted that the courts had ruled in favor of the current Michigan building codes and the text should make reference to this. **George Curran** offered to lead the drafting team and the group decided to **invite Pat Hudson and Guy Bazzani** to assist.

**RCI-5**

It was pointed out the MCAC wanted to see some tracking mechanism built into the design to measure and report on progress. Steve Kulesia reported that the web site would be ready to launch later in the month, and that the page would include the pledge, a tool kit for actions people can take and a calculator to track and record personal reductions. It was pointed out this policy was closely linked with CCI-5. The drafting team is **Vincent Nathan, Keith Paasch, Lynn Fiedler, and Steve Kulesia**.

**RCI-6**

There was a discussion about whether this policy (Incentives for Renewable Energy Implementation) which includes feed-in tariffs, was actually an enabling mechanism for RCI-8 (Net Metering). It was suggested that the TWG consider merging the two. **The TWG agreed to**

**put the question of merging RCI-6 and RCI-8 on the agenda for the next call.** The drafting team is **Leonard Parker, Rob Ozar, Emily Simon, and Mike Garfield** would be invited.

#### **RCI-7**

The discussion centered on whether RCI-7 should be integrated with RCI-4. It was decided that the drafting team would study the matter and make a **recommendation for consideration in the agenda on the next call.** The drafting team is **George Curran and Vincent Nathan.**

#### **RCI-8**

There was discussion flowing from the MCAC meeting as to where the 475-MW standard came from. Steve Kulesia pointed out that the 21<sup>st</sup> Century Energy Plan concluded that there was a 1,000-MW total potential (100% penetration) for CHP in Michigan. The drafting team was asked to analyze the situation and propose a more appropriate goal for consideration in the next call. The drafting team is **Julie Baldwin, Jim Ault, and Steve Boeckman.**

#### **RCI-9**

The drafting team is Pat Hudson, Steve Kulesia, and Guy Bazzani would be invited.

#### **RCI-10**

The drafting team is **Leonard Parker, and Steve List** would be invited.

Tom Looby referred to the general quantification memo and said that the RCI TWG should have a TWG-specific assumptions memo as well.

Drafting teams were requested to have their work completed by the end of the following week, COB, Friday, August 1, and they should be sent to Jeff Wennberg and Lynn Fiedler.

The next calls will be on August 14, 3:00 – 5:00 pm, and August 28, 3:00 – 5:00 pm.

The TWGs all need to have their draft PODs ready by COB, Friday, August 29, in prep for the next MCAC meeting.

Public comment was invited but no comments or questions were offered.

The call was adjourned at 12:35 pm.