Draft Policy Option Template

RCI-7 Conservation Improvement-Type Program for Propane and Fuel Oil Efficiency

Policy Description

Implement cost-effective programs to reduce propane and fuel-oil use; target rebates to overcome market barriers; maximize convenience to program participants; capture overall system efficiencies, not just equipment efficiencies; joint efforts to achieve market transformation; ongoing research, evaluation and analysis; complement government, utility and non-utility efficiency programs; and seek to remove any disincentives or regulatory barriers to energy efficiency.

Policy Design

Goals:

Establish minimum efficiency heating plant standards consistent with the United States Department of Energy's Energy Star program. Current Energy Star efficiency standards are 80% for fuel oil, and 85% for propane (including water heating). Recommend rebates for high efficiency models starting at 85% for fuel oil, and 90% for propane.

Establish and implement plan for inspection and tune up of all existing in-use heating systems and establish inspection cycle. This plan should include inspection of fuel storage and delivery systems. Inspections are to be conducted and certified by certified and trained personnel.

Remove fuel rate disincentives and/or penalties for reduced energy consumption as a result of installing high efficiency heating equipment.

Train and certify fuel hauler drivers in efficiency standards to recognize and tag storage and furnace systems for non-compliance.

Provide low interest loans for low income households to encourage installation of higher efficiency models.

Encourage manufactures to take advantage of new technological developments such as alarm systems for leaks, monoxide, etc. and for component failure (i.e. filter plug, restricted heat exchanger).

Provide public recognition to those individuals or companies that are successful leaders in promoting efficiency standards.

Timing: ***2009. All goals must be initiated and progress evaluated.***

Parties Involved: All Parties with interest.

Other:

Implementation Mechanisms

Create an on-going state task force of consumers, state agencies, utilities; and business representatives' to annually review Conservation Improvement Program initiatives and make changes according to program effectiveness, technological changes, and critical fuel changes.

Related Policies/Programs in Place

Xcel's CIP Program.

Types(s) of GHG Reductions

Reductions from avoided propane and fuel oil combustion.

Estimated GHG Reductions and Net Costs or Cost Savings

TBD – [CCS should provide a worksheet and other reference material as needed for transparency]

Data Sources: [TBD by CCS on TWG approval]

Quantification Methods: [e.g. Full life-cycle analysis with supply/demand equilibrium adjustments on TWG approval]

Key Assumptions: [TBD, as needed on TWG approval]

Key Uncertainties

TBD – [as needed and approved by the TWGs]

Additional Benefits and Costs

TBD – [as needed and approved by the TWGs]

Feasibility Issues

TBD – [as needed and approved by the TWGs]

Status of Group Approval

Pending – [until MCCAG moves to final agreement at meeting #5 or #6]

Level of Group Support

TBD – [blank until MCCAG meeting #5]

Barriers to Consensus

TBD – [blank until final vote by the MCCAG]