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**MEETING SUMMARY**  
**MINNESOTA CLIMATE ACTION PLAN TECHNICAL WORK GROUP**

**Residential, Commercial and Industrial TWG Meeting # 11 Summary**

**January 4, 2008, 1 PM to 3 PM**

*Prepared by Bill Dougherty and Bill Sierks*

The meeting was called to order by Bill Dougherty at approximately 1:00 pm.

In attendance were the following TWG Members:

- Rick Carter – LHB
- Chuck Dayton-MCEA
- Cindy McComas – Mn Tech Assistance Program
- Bruno Zagar – FDL
- Jeff Muffat – 3M
- Doug Peterson-Center Point Energy
- John Carmody – U of M
- Joe Steffel-Buffalo Public Utility
- Sheldon Strom- Center for Energy and Env
- Gary Connett – Great River Energy
- Pam Weaver (for CK Chermak)- Pillar Homes
- Lisa Frenette- Builder's Association of Minnesota

From MN state staff, the following were in attendance:

- Edward Garvey - Commerce
- Bill Sierks- MPCA
- Rebecca Walter – MPCA
- Janet Streff - Commerce

From the public, the no one was in attendance:

From CCS staff, the following were in attendance:

- Bill Dougherty

TWG members not in attendance were:

- James Volanski – US Steel
- Pat Perry – Target
- Greg Miller – ACS
- John Kelley – Ryan
- Mark Wolak – Mahtomedi
- Ann Glumac – Duluth

- Jonathan Holmes – Mittal
- John Brandl – UofM, Humphrey Institute
- Jeff Wilkes – FH
- Cherie Shoquist-Minnesota Housing
- Mike Robertson- MN Chamber of Commerce

The following background documents that were used as the basis for the discussions were posted on the website in advance of the meeting. These included the following documents:

- Meeting Notice and Agenda
- Summary of the 12/6/07 meeting
- Proposed edits/rewrites of the RCI options
- Powerpoint Presentation for meeting
- Analysis spreadsheets for each of the priority options (note: not posted; these spreadsheets have been distributed to TWG members individually)

The agenda for the meeting was as follows:

1. Call to order
2. Roll Call of TWG members and public
3. Review and approval of summary of TWG Meeting #10 (December 6, 2007)
4. Continuation of discussion of results of the analysis of RCI mitigation options
5. Proposed agenda, time and date for NEXT meeting
6. Public input and announcements

Bill Dougherty called the meeting to order and took the roll call (as summarized above).

Bill reviewed the agenda, focusing on the PowerPoint's revised agenda and indicating that the four main objectives for the call were to review:

- 1) Rewrites of the policy options
- 2) The assumptions integral to the RCI policy options, particularly those assumptions generated by the Energy Supply TWG.
- 3) Review of revised standalone mitigation results for each RCI option, focusing particularly on RCI 7 and 10.
- 4) Obtain feedback on a combined, integrated analysis that will avoid double-counting any reductions.

### **Rewrites of the policy options**

There was a question about how much discussion the TWG should have on proposals already passed by the MCCAG. Some updates and clarifications have been suggested by the MCCAG and Chuck Dayton has rewritten several items, which the MCCAG has not seen. Bill Dougherty explained that the TWG would not need MCCAG to revisit any approved items unless it makes substantive changes and he suggested, as a way to move forward, that the group proceed individually through the options to see where re-write controversy exists.

- **RCI-1: Proposed edits by Chuck Dayton (sent on 13 December):** The TWG agreed that the first paragraph should be rewritten to accurately reflect the language of the statute. Chuck will rewrite and provide to Bill by Jan 7.

The group discussed the 2% energy savings analysis and their position. The recommendation was to form a small working group, led by the Department of Commerce, to assess the potential economic impacts of achieving the 2% goal. The intent is to do a conservative potential assessment of the cost over the next year. Janet Streff agreed, and volunteer members included Gary, Sheldon, Joe and Chuck.

- **RCI-2:** The TWG discussed allowing more stringent action by municipalities that wanted to require measures that went beyond the existing code, such as greater energy efficiency, into their local framework. There was a concern about lack of uniformity and whether municipalities acting individually would make the overall success more difficult; the group agreed to remove this paragraph. The group indicated that all revisions to the 12/6 version should be removed and to return to the 12/6 version.
- **RCI-3: Proposed edits by Chuck Dayton (sent on 6 December):** The TWG decided to return to the language of 12/6, while adding a sentence about cost effectiveness. The TWG agreed that the option was intended to avoid creating a number of different standards by covering all sectors, requiring public buildings to meet the RCI 3 criteria (with a variance provided in appropriate circumstances), and providing incentives for private buildings to voluntarily meet the criteria.
- **RCI-4: Proposed edits by Chuck Dayton (sent on 6 December):** The MCCAG needs clarification on RCI 4 and specifically on how this applied to coal-fired CHP. The revised option will incorporate a reference explaining there was no intention to encourage new coal-fired RCP. In terms of quantification, this option remains a “low hanging fruit” and the TWG is still unable to quantify the benefits. Even though the TWG has not been able pinpoint the exact amount of incentive necessary, they find it to be a very effective tool.
- **RCI-5: Proposed edits by Chuck Dayton (sent on 6 December):** The TWG discussed the \$15/ton cost calculation, noting that the intent was that the Agency would determine a reasonable cost in implementing this option.
- **RCI-6: NA:** This option was not approved by the MCCAG at the last meeting. Cindy has done some work estimating the costs of incentives, which the group agreed was possible to include; however, Bill Droessler noted that the costs reflected the cost of providing technical assistance not the cost of incentives and RCI6 was likely to be a negative cost option even after including incentives. The group agreed to discuss tax benefits later. Bill Dougherty also agreed to suggest an appropriate incentive level to Cindy and Chuck to use to determine a cost estimate for incentives.
- **RCI-7: NA:** The group agreed that RCI 7 did not need a rewrite. The point of this policy is that we need a CIP program for fuel oil and propane, since these fuels have been bypassed in the whole EE effort to date. Gary noted that utilities are not very interested in weatherizing

propane and fuel oil homes, and that these utility providers of these fuels don't participate in CIP. There is a big gap there. We need to weatherize these homes; the question is how. The proposal indicates that we need a stakeholder task force to establish a program in this area. The TWG did not have numbers to present at the last MCCAG meeting, but now they do.

- **RCI-8: Proposed edits by Chuck Dayton (sent on 6 December):** This option was approved at the last MCCAG, after discussion the group agreed with Chuck's edits.
- **RCI-9: NA:** This was approved at the last MCCAG.
- **RCI-10: NA:** The MCCAG had no issues with the recommendation, but they did want to see the quantification. The group agreed that they would present RCI 10 as written with the new quantified results.

*Revision Summary (all edits submitted to Bill by Jan. 7):*

- RCI 10 – OK
- RCI 9 & 8 – OK
- RCI 7 – Joe and Chuck edit
- RCI 6 & 5 – OK
- RCI 4 – Doug and Bruno edit
- RCI 3 – Chuck and Joe edit
- RCI 2 – OK with 12/6 version
- RCI 1 – Delete opening Paragraph; Chuck will edit

Bill mentioned that he would post the re-writes on the web ASAP and requested that if any TWG member noticed any flaw in the key assumptions or numbers to please contact him. Otherwise, the TWG would present the assumptions on Thursday with appropriate caveats

**SCHEDULE:**

The next RCI TWG meeting is January 15<sup>th</sup>, from 9:00 to 11:00 AM.

**PUBLIC COMMENTS:**

There were no comments.

**ANNOUNCEMENTS:**

There were no announcements.