

Notes - 9/10/10 EESE Board Comments on Direction and Areas to Prioritize (Focus Discussion):

Charlie N:

323 study should not become reason to defer action if there are good issues and consensus. Given how comprehensive scope is, could argue that anything almost should be put aside.

Meredith H:

To list of action areas be sure to capture and add: Better outreach and publicity regarding good use to date of RGGI & ARRA funds.

Dick H:

Recession – Whatever we choose to do, recognize that falling energy prices are a significant barrier to implementation. Never will be enough public \$. Important to tackle private financing component – we should reconvene this working group.

Know when ARRA sources will end, either sources diminishing

RPS review in 2011

RGGI review in 2012

Get ready with sound analysis & arguments

George G:

World energy prices leave collapsed; economy down. Demand equation is dramatically different than 2 years ago. Financial markets very different too. We have very minor influence around margins of market forces that influence customer decisions.

Near term, should prioritize investments that are most cost effective – especially because these are still good even in changed economy.

Major gap = difference between regulated and unregulated fuels

Ray:

Sustainability question, such as in Beacon Communities. Need to figure out what happens after 3 years.

Ben:

Don't throw out approach to PACE. Monitor approach to PACE in Maine and consider, if successful, modeling our legislature on theirs.

Echo call for reconstituting financing working group.

Gil G:

HB1377- Authorizes utilities to lend, but prevents them from making any \$ on use of their capital. Might provide new arena for financing, with fix to legislation.

Jim G:

Municipal leasing used for long time. Forces look at projects with shorter payback. 3rd party involved with ESCO. Rep Borden trying to bring this issue in.

Alan:

Just because item falls within SB 323, or if within existing program, don't avoid it.

Pretty soon will run out of ARRA \$ - what will we do?

Look at core efficiency programs – short term approach – currently almost out of \$ for some 2010 programs. Recommendations to PUC to increase SBC's for EE including core programs. Former statutory cap no longer exists on EE component. June 2011 SB300 cap that reduced EE and increased low income bill assistance will be sunsetted. PUC will have statutory authority to increase SBC without legislative action.

Dick O:

Is this premature with SB 323 committee?

Meredith:

No, shouldn't wait, legislature may act to continue switch from EE to bill assistance.

Interesting that gas efficiency programs are not legislatively mandated. National Grid proposing significant increase. Need to balance with ratepayer impacts.

Charlie N:

SBC on unregulated fuels, thermal applications. Why are we ignoring heating oil? \$750 million annually – much of this wealth leaving the state. We already assess charges at state and federal levels, including to pay for leaking storage tanks. Use SBC to fuel switch, or help customers upgrade to more efficient appliances; help dealers move into cleaner sources. Lowest hanging fruit per Climate Action Plan – buildings.

I wrote white paper on this – will always be political issues - represents sustainable source of funding to continue key initiatives.

Mike (DES):

Ditto

Now is time to think about SBCs. Programs intended to be modest are almost non-existent. We use 1 billion gallons annually on transportation fuels – 1/10 of one cent would raise real \$.

Dick:

Data needs – economic impact of public dollars – past 5 years – in terms of jobs, e.g. Describe leverage of public \$ toward job creation and growth of private sector.

Do we need to do anything to change EESE Board charge? Add to membership? (E.g. fuel oil dealers needed at table.)

Beacon Communities - hurdles high. Implementation committee needed? Coordinate across multiple sectors and funding sources. Opportunity for case studies, moving the mark.

Ray:

Think beyond legislative responsibility to report. Consider broader communication goals: deliver good info re accomplishments; foster broader understanding among legislature and general public.

NB: Report due December 1. Address further at October meeting. Form subcommittee? Add resources as necessary to make this report an external communication tool.

Roger S:

Near term opportunities to advance not only legislation, but also local policies and solutions. Need to continue the foundational efforts to advance local work, peer to peer. Profit margins for oil dealers small. Grant application to EPA to work with oil distributors. Higher profit margins on selling efficiency.

Scott:

Redouble efforts while Stimulus \$ still here, to prioritize gaps and build infrastructure. Historically low interest rates – find way to leverage these.

Chris S:

Two DES Questions: De facto focus on funding.... But we have the entire Climate Action Plan. Convene a team to look at other parts of the triangle, infrastructure. We have quantitative goals – but need to put together an implementation strategy, a map for the next 4-5 years. Prioritize actions.

Dick:

Adopted specific annual targets, number of buildings, what % reductions, by when. What do we need to achieve these targets? Get sense of scale.

Beth:

I'd be remiss if didn't mention ongoing training for those who do the work, and regulate the work. Still huge gaps in understanding regarding steps needed to do EE properly. Folks on the ground need training, skills.

Loan loss reserve will bring private lenders to the table. Allow utilities to make \$ on EE lending.

Jim G:

Free ridership.

Bob:

More emphasis on more \$ here to create jobs.
Train inspectors as well as contractors.