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MEETING SUMMARY
MARYLAND CLIMATE CHANGE ADVISORY GROUP
Residential, Commercial and Industrial Technical Work Group
(RCI TWG)

Meeting #7, November 26, 2007

Attendance: (*new members)

Technical Working Group: Todd Chason, Brad Heavner, Julian Levy, William Livingston, Mike Mallinoff, Matthias Ruth

Maryland State Department Representatives: Katy Perry, Renee Fizer, Jim Lewis, Walt Auburn

Center for Climate Strategies (CCS): Christopher James, Alice Napoleon

Public Attendees: None

Background documents:

(http://www.mdclimatechange.us/GHG_Residential_Commercial_Industrial.cfm)

- Meeting Notice and Agenda
- Call #6 Summary
- PowerPoint for Meeting
- RCI Draft Straw Proposals

Discussion items and key issues:

1. CCS called the meeting to order, completed the roll call, and reviewed the agenda and plans for the call.
2. There were no questions or comments on the draft summary of Call #6. The meeting notes were approved.
3. The purpose of the meeting was to go through each of the 12 RCI straw policy proposals that were drafted by TWG volunteers with the whole TWG, to reach agreement on the description and scope of each design, and to approve the proposals for forwarding to the MWG for its consideration during its meeting on November 30.

RCI-1 : The TWG agreed to add the phrase “trade” to the description.

The TWG assumes that codes are statewide, but had questions whether counties can (or need to) adopt their own codes. Maryland amends its building codes every three years. TWG members had questions about the “incorporation by reference”, whether

this avoids future administrative processes and opportunities for public input and comment. TWG members also had questions about whether this might be an unfunded mandate, and would there be any potential affects on affordable housing. Funds should also be set aside for training and education of building inspectors. Members agreed that enforcement of existing building codes is critical, and that more staff should be added to county agencies (or allow for alternative inspection methods, i.e. such as EnergyStar).

Code updates will be to the more stringent of ASHRAE 90.1 or ICC in terms of energy efficiency.

The TWG suggested that LEED references be moved to RCI-6.

There were no objections to moving the policy option forward to the MWG.

RCI-2: Should this policy address both base and peak demand? The peak load pricing element was recommended to be moved to RCI-8.

A couple TWG members expressed concerns about the appearance of a “2% tax” being imposed. There should be parity in where funds come from and where they are spent.

The TWG agreed that this policy complemented that of RCI-11, and that together they made an effective package. As such, the TWG agreed to restructure RCI-2 to focus only on the use of revenue proceeds from the MD RGGI auction and those from the Environmental Trust. MEA thought that ~\$100 million/year would be a good amount to start with for such a fund. The 15% reduction is focused on both electric and natural gas. TWG members suggested including a mid-course review to gauge progress (on a frequency of once every four years).

There were no objections to moving the policy option forward to the MWG.

RCI-3: The TWG suggested that the energy savings captured be tied to the electric bill (and/or to the meter). Expansion to other customer classes was suggested. The TWG had several implementation questions, and suggested referring to the New Hampshire “pay as you save” program as a reference.

There were no objections to moving the policy option forward to the MWG.

RCI-4: A chief theme expressed by TWG members was that any policies implemented in accordance with this measure should not create impacts elsewhere. Harmonized policy implementation was recommended, linking LEED to ASHRAE standards being one example. The TWG agreed that the scope of this measure should include both leased and owner occupied buildings, and had questions on timing. Buildings would not be modified all at once, any savings achieved would roll

forward. Questions were also raised about funding. Operations dollars have been very tight.

The TWG also agreed that demand reduction should be one of the goals. Several questions were raised on government funding, economic development grants, community development block grants, etc. MEA should also be included as an involved party. Finally, the TWG suggested that the overarching goal be to look at and minimize CO2 emissions along the entire supply chain.

There were no objections to moving the policy option forward to the MWG.

RCI-5: The TWG suggested deleting the words “school curricula” from the title, and to differentiate between schools and building operators. Emphasize technical components v. increasing awareness. TWG members asked about what is being done now? Integrate curriculae, do not add on more modules. Also build human infrastructure, train people at all levels to help implement GHG reductions.

The TWG suggested coordinating with CC-5, which is also a public education and outreach measure. The TWG referenced an Alliance to Save Energy effort in Howard County to be investigated further for broader application. Some TWG members also thought Montgomery County was already engaging in activities such as benchmarking their buildings.

There were no objections to moving the policy option forward to the MWG.

RCI-6: The TWG suggested moving the state owned building paragraph in the policy design to RCI-4. TWG members suggested that the main goal should be how to get the private sector to adopt energy efficiency as a standard part of their business models. Some TWG members recommended using Montgomery County bill 1706 as a potential model. This bill has a 10,000 ft² threshold for commercial buildings, but does not include industrial. Members also expressed concerns about the ability of any voluntary policy to achieve an aggressive goal. One example cited to underscore this point was that only 4% of new homes in Maryland are being built to voluntary EnergyStar standards.

There was quite a bit of discussion on what type of incentives are needed to achieve the policy goals. The TWG recommended excluding industrial processes from the scope of the policy. The TWG also had a number of questions on the inventory and forecast, and how it relates to this sector. Should the TWG consider any goals for specific industries? The TWG ended up agreeing that the first efforts should be focused on improving tools and information exchange for industry.

There were no objections to moving the policy option forward to the MWG.

RCI-7: There was little discussion of this policy, other than to agree with moving it ahead. One TWG member indicated that he had some examples of this policy and would provide these to CCS.

RCI-8: Under the policy goal, the TWG agreed to add “time of use” to the first bullet. The TWG felt the policy should be implemented along a three tiered structure, putting this in place prior to TOU, and that any different rate structure should be linked to implementation of smart meters. It was noted that utilities would not want to replace meters with smart meters one at a time—they will want to implement on the neighborhood or subsector level. The TWG members were interested in any examples of inverted block rates. CCS should look at what has occurred in California for reference, including the SCE low-income component.

The TWG also suggested that the MD Office of Peoples Council be added to the list of agencies to be involved.

The TWG recommends that the policy apply to Standard Offer Service customers.

There were no objections to moving the policy option forward to the MWG.

RCI-9: The TWG suggested coordinating with ES on this measures, since that sector has a similar, if not identical, measure. Also, given RGGI, and the recent focus on auctioning allowances, the TWG suggested that any tax be focused on those sectors that are not, or will not be, covered by RGGI. This measure had the most discussion of any measure within RCI. At the end, the TWG agreed that the policy description should be revised to “evaluate and consider adoption” going forward.

There were no objections to moving the policy option forward to the MWG.

RCI-10: No straw proposal was received for this measure. The TWG agreed to move elements of it to RCI-4 and RCI-6 and to coordinate with TLU.

RCI-11: As referenced above, this policy is part of a package with RCI-2. The MEA suggested reviewing some modeling that they have had contracted to show potential ramp up rates and energy savings over time. The modeling was performed by Exeter. MEA is also proposing an “IRP type” planning process to assess this policy measure.

Related discussion covered the funding component. MEA estimates that the RGGI auction proceeds will achieve about 40% of the progress to meet the goals of this measure. The TWG also suggested that natural gas be added to the coverage of this policy.

There were no objections to moving the policy option forward to the MWG.

RCI-12: One change and one recommendation were made by the TWG on this policy. The change was to exempt applications where lighting requirements are

mandated by another local, state or federal standard. The recommendation was to acknowledge the mercury contained in CFLs should be treated appropriately, and that recycling programs for residential and commercial applications be expanded to assure coverage of this product.

There were no objections to moving the policy option forward to the MWG.

4. Public input or announcements: none

Next steps and agreements:

1. The next RCI TWG meeting will be held on **December 19, 2007 from 10:00 AM to 12:00 PM EST**. At that meeting, the TWG will review and discuss proposed quantification methods, data sources, and key assumptions.
2. The TWG requested that additional meetings be set up ahead of time.