



www.mdclimatechange.us

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

Meeting #10, January 11, 2008

Attendance:

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

Maryland State Department Representatives: Renee Fizer, Jim Lewis

Center for Climate Strategies (CCS): Christopher James, Alice Napoleon, Kenji Takahashi, Jennifer Kallay

Public Attendees: Jeff King

Background documents:

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

- Meeting Notice and Agenda
- Meeting #8 Summary
- PowerPoint for Teleconference
- RCI Policy Option Document (posted Jan. 9, 2008)

Discussion items and key issues:

1. CCS called the meeting to order, thanked the TWG for its participation and commitment, completed the roll call, and reviewed the agenda and plans for the call.
2. There were no objections to the draft summary of Call #8. The meeting notes for Call #8 were approved. The summary of Call #9 was not ready at the time of the meeting and will be reviewed during Call #11.
3. The inventory and forecast has been reviewed by MDE. It will be posted on the website by Monday. The RCI TWG should review this document and pay particular attention to any new information or actions that may have occurred that would affect the numbers in the report.
4. Slide number 7 in the presentation should be changed to reflect final report date of **2008** not 2007.

5. At this meeting, the TWG will go over results of CCS's analysis of the policies.

Alice Napoleon pointed the TWG to the table at the front of the Policy Option Document and indicated that the estimates of costs are likely to change. The ES sector is behind RCI, and RCI is waiting for critical inputs from ES, especially on avoided costs. RCI is using placeholder data now, but the results should be in the ballpark of the final results. She also noted an error: the title of policy option 1 should include “building and **trades.**” No comments were provided on the format for the table.

RCI-1:

Jenn highlighted the amount of overlap between this and other policy measures.

This analysis assumes that codes and standards are updated every three years and that the new codes were adopted the same year they were updated (Vermont currently is able to do this). Because of the very aggressive goal, however, CCS had to model most of the benefits in this measure as coming from beyond code efforts completed in the residential and commercial sectors. This crowded out the benefits from just the standards.

Per comment from TWG, add text on how smaller municipalities and counties may not adopt the updated codes as quickly as more populated areas.

This measure includes just energy efficiency now, but could also include distributed generation. Did the TWG intend to include off-site renewables in the bullet on compliance flexibility, such as purchasing RECs from offsite (or even out of state) sources to comply. This is hard to analyze, but there is no reason to change the policy design to reflect this.

Other assumptions include:

- Ratio of new/renovated homes is 1:1. This is a placeholder since we don't have a better basis for this. What is the definition of renovated? Annapolis uses 50% based on value, not building volume.
- The trajectory on page 11 shows how the codes will be implemented. The trajectories are cumulative, but their benefit per year decreases over time. CCS will include a sentence on mid-course review.

RCI-2:

Questions were raised about the auction assumptions. CCS assumed 100% of the RGGI allowances would be auctioned, at an average price of \$3 per allowance. U of MD is completing study now on RGGI administrative costs, which may be above de minimis levels. Because of this uncertainty, adjust policy to use 60% of revenue (instead of 100%).

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

RCI-3:

Due to the highly compressed schedule and the holidays, CCS was unable to complete all analysis for this policy measure. CCS has the data and this measure will be available for

the 1/22 TWG call.

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

RCI-4:

CCS indicated that there has not been enough time to contact the numerous state agencies as suggested by the TWG, and that it is unclear whether any data provided by these agencies would overlap with the data for generic state and local government data (from CBECS). Given the tight schedule, CCS proposed not to analyze the costs and benefits from targeting “other government funded buildings”.

The reach (penetration) will be 50% on existing buildings, 100% on new.

There were no objections to the proposed analysis plan and to moving this policy forward to the MWG.

RCI-5:

CCS does not propose to quantify the emissions reductions from this policy. There were no objections to moving this policy forward to the MWG.

RCI-6:

The policy seeks to reduce existing buildings’ electricity and natural gas consumption by 20% by 2015. CCS indicated that based on its analysis, there is room for this to be more aggressive. The TWG did not respond directly, but indicated that any additional reductions should be based on something solid. The TWG agreed for now to leave the reduction at 20% and to raise this issue with the MWG.

There was quite a bit of discussion about RCI-1 and -6, and at the end, the TWG decided that they would like to take another look at both options, as a package. This will also be raised with the MWG on 1/15.

RCI-7:

On benefits, the amount estimated needs to consider recently passed Congressional legislation that includes more stringent appliance standards (this legislation also affects RCI-11 on light bulbs). One TWG member asked about spare parts. CCS will add a sentence to the implementation mechanisms section that such issues should be consistent with the Federal legislation. The results shown will need to be adjusted for both benefits and costs.

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

RCI-8:

CCS assumed three different block rates, using a California example, and adjusted them to reflect MD consumption. EIA source reflected MD electric rates at 9.72 c/kWh. The TWG thought these rates were too low, that 11 c/kWh was more realistic.

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

RCI-9:

Alice Napoleon noted that the motivation for this measure appears to have been gas guzzlers, and if so, this measure should more appropriately be analyzed by TLU. While there should be a focus on transport, at least two RCI TWG members wanted to leave this option in RCI for future consideration, while others were OK to move it to TLU.

CCS will not complete any analysis of this policy option. There were no objections to this approach.

RCI-10:

(This policy was considered together with RCI 2.)

Assumptions here include an aggressive ramp-in. This is needed in order to achieve the 2015 goals. Both RCI -2 and -10 use the same assumptions on costs of electricity and natural gas saved.

The measure life is assumed to be 18 years for natural gas measures. Currently, 13 years, which applies to electricity measures, is shown.

There were no objections from the TWG to forwarding RCI-10 to the MWG. CCS will add sentences on recycling of revenue for administrative costs and the assumptions used to derive the RGGI \$ (\$3 per allowance is a conservative level).

RCI-11:

The recent Congressional legislation establishes a new light bulb standard of 25 lumens per watt by 2012. This will significantly affect the anticipated benefits of any measure passed by Maryland. The TWG suggested raising this issue to the MWG on 1/15.

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

6. Public input or announcements: none

Next steps and agreements:

7. The next RCI TWG meeting will be held on **Tuesday, January 22, 2008 from 2:00 PM to 4:00 PM EST.**
8. For the 1/22 TWG call, the agenda will include
 - Output and direction from the 1/15 MWG meeting;
 - Development of the implementation mechanisms
 - Discussion of the 2nd round of analysis completed by CCS (and first round for a couple of the policy options)

The RCI TWG should think about how to prioritize and how to maximize the anticipated GHG benefits. Any ideas on the above topics should be forwarded to Alice and Chris at CCS.