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**DRAFT TELECONFERENCE MEETING SUMMARY  
Residential, Commercial, and Industrial Policy Working Group  
Call #2, February 14, 2007**

**Members Attending:**

David Adamson  
Susan Avery  
Dan Chiras  
Jill Cooper  
Judy Dorsey  
Jack Ihle  
Pat Keegan  
Pam Kiely

Dave Newport  
Bruce Oreck  
John Phelan  
Dan Richardson  
Auden Schendler  
Kurt Schlomberg  
Doug Seiter

**Governmental agency liaisons:** Jill Cooper

**Rocky Mountain Climate Organization:** Stephen Saunders, Tom Easley

**Center for Climate Strategies:** Ezra Hausman, Tim Woolf, Alice Napoleon, Randy Strait

**Members of the Public:** Karen Hancock, Ron Meyer, Jim Schrack (all from City of Aurora)

**Agenda Item#1: Introductions and Review of Agenda.**

**Agenda Item#2: Approval of draft summary of Policy Work Group (PWG) Call #1**

**Agenda Item#3: Review and discussion of the Catalog of States Actions**

**GENERAL NOTES:**

1. Ezra summarized the comments provided to him since the previous meeting. These include:
  - a. In-home meter displays showing real-time energy consumption and cost
  - b. Low- or no-cost audits and favorable financing for energy efficiency measures
  - c. Tiered rates to encourage reduced consumption
  - d. Mandate energy efficiency standards for home sales and/or renovations
  - e. Make state buildings carbon-neutral
  - f. Statewide effort to retrofit existing buildings (residential, commercial, public, and industrial) for energy efficiency:

*A statewide energy-efficiency retrofit would require funding (tax credits, tax deductions, low interest loans, or grants -- or some*

*combination of the above). It would also require widespread education of homeowners, business owners, and facility managers. It would probably also require training of energy analysts and subcontractors who retrofit buildings.*

- g. One member noted that the list is a bit “apples and oranges” with some measures being very broad and some narrow, and that more detailed explanations would be helpful.
2. PWG members were reminded that policy options and definitions are flexible and subject to PWG modification. The task for the present meeting is to add actions to the catalog. Options will not be removed, with the exception of some obvious errors in the initial compilation of the actions in the catalog (e.g., brownfield redevelopment). The level of detail of each action can be general or specific, as the PWG sees fit. Additional options and pertinent information should be emailed to Ezra Hausman ([ehausman@synapse-energy.com](mailto:ehausman@synapse-energy.com)). Additions to the catalog will be posted to the RCI PWG website under the materials for RCI call #3.
  3. Ezra Hausman and Tim Woolf provided approximate notional rankings (high, medium and low) as to the potential GHG emissions reductions and potential cost or cost savings for each policy option, as shown in the 4<sup>th</sup> and 5<sup>th</sup> columns of the 2-14-07 version of the catalog. Feedback on these rough assessments was solicited in the meeting. Some concern was expressed about the arbitrary designations would “get outside of this group” and be referenced elsewhere. Also, it was recommended that “Low” cost be broken out into “Low” and “Negative”. A comparison of other states’ analyses on the costs and GHG reduction potential of individual actions would be helpful. Any additional feedback and pertinent information on the notional rankings are welcome and should be emailed to Ezra Hausman ([ehausman@synapse-energy.com](mailto:ehausman@synapse-energy.com)).

## **RCI-1 ENERGY EFFICIENCY PROGRAMS, FUNDS, AND GOALS**

*Recommended additions to the catalog:*

- There was a lot of discussion throughout the meeting on ways to improve the efficiency of new homes. For example, implementing a fee based on the efficiency of a new house was proposed. The proceeds could go towards low income DSM programs. Alternatively, a feebate approach could be used, involving both fees and rebates to encourage efficiency and discourage inefficient energy uses.
- A bill currently in the legislature would expand DSM to municipal utilities & electric cooperatives, which vary widely in current DSM activities. A participant proposed a new DSM policy that would explicitly require municipals and co-ops to implement the same types of DSM activities required of the investor owned utilities.
- A participant suggested that the return on investment for retrofitting existing buildings (7 – 8%) is too low from a business perspective; 12% is the minimum to spur investment. A Public Benefit Charge could be used to bridge that gap.

*Recommended changes to catalog items:*

- It was suggested that 1.1, 1.2, & 1.3 be merged into a single policy.
- RCI-1.1: Utilities should be required to implement all cost-effective DSM. Energy efficiency should be the foundation on which other programs would build.
- RCI-1.4: the group may consider a regional market transformation alliance, similar to what has been done in the Northwest and Northeast.

*Comments on potential GHG emissions reductions and potential cost or cost savings:*

- RCI-1.4: GHG reduction potential should be H, and cost should be L.

**RCI-2 APPLIANCE STANDARDS***Recommended additions to catalog items:*

- Prohibit installation of low efficiency appliances in new construction and retrofits.
- Push for stronger federal appliance standards, and/or tie in with other states' standards.

**RCI-3 BUILDINGS***Recommended additions to catalog items:*

- Implement a feebate program based on the efficiency of new buildings (to keep it revenue neutral and to take emphasis away from a penalty)
- Implement a building code that includes a cap on greenhouse gas emissions.

*Recommended changes to or comments on catalog items:*

- RCI-3.1: There is a building code bill in the House. State-level building codes would be difficult to implement—local governments (especially those with their own codes) will resist. It was suggested that this action be accompanied by grant funding to local governments for training code enforcement officials. Policy “packaging” is important; this action should be presented as a GHG concern. The difficulty of improving standards by 30% to 50% is low. The building industry won't oppose code standardization. Existing programs such as Energy Star Colorado and Build Green, which build to 2006 standards, are in place to facilitate a state-level energy code. Mechanisms to continually update the codes will be needed. A concern was expressed about the effects of codes on the low income population.
- RCI-3.2: A participant recommended using Aspen's Zero Energy Homes program as a model.
- RCI-3.3, 3.4, 3.5, & 3.6: expanding existing programs (with a high bar) should be a high priority.

- The policies should distinguish between old and new structures. Focusing on new construction may have significant benefits.

*Comments on potential GHG emissions reductions and potential cost or cost savings:*

- RCI-3.4: Potential emissions reduction should be H.
- RCI-3.7: GHG reduction potential should be M and cost should be L, because of the high cement production in Colorado and the low cost of options for substitution.

#### **RCI-4 EDUCATION AND OUTREACH**

*Recommended additions to catalog items:*

- Launch a truth in advertising campaign.

*Recommended changes to or comments on catalog items:*

- The importance & priority of education was stressed. Consumers are not sophisticated about energy use. Outreach should focus on young populations.

*Comments on potential GHG emissions reductions and potential cost or cost savings:*

- RCI-4.1 and 4.2: GHG reduction potential should be High (because these are necessary for the success for many of the options discussed) and cost should be Low.

#### **RCI-5 PRICING AND PURCHASING**

*Recommended additions to catalog items:*

- Implement an inclining rate structure for electric and natural gas utilities.
- Encourage demand response to promote deferral of new conventional generation resources until new clean energy resource technologies develop.
- Inverted block rates should be considered.

*Comments on potential GHG emissions reductions and potential cost or cost savings:*

- RCI 5.4 (time-of-use rates) potential changed to M.

#### **RCI-6 TECHNOLOGY-SPECIFIC POLICIES**

*Recommended additions to catalog items:*

- Encourage passive solar cooling design. This could be achieved either through building codes or technology specific options.
- Encourage passive solar heating design. This could be achieved either through building codes or technology specific options.
- Encourage more efficient transformers on the customer side of the meter

## **RCI-7 NON-ENERGY EMISSIONS (HFCS, PFCS, SF6, CO2 PROCESS EMISSIONS)**

## **RCI-8 GHG EMISSIONS-SPECIFIC GOALS AND POLICIES**

### *General Comments:*

- It was stressed that the price of carbon needs to be set, e.g. via a tax or charge on GHG emissions. Doing so would encourage DSM and avoid construction of new coal plants. The governor's office does not have a position on whether a tax or cap & trade policy would be the better policy mechanism, but it is not in favor of a single-state trading program.

### *Recommended additions to catalog items:*

- Provide tools and information for residents, businesses, & communities to do their own GHG inventories.

## **RCI-9 OTHER**

### *No comments*

### **Agenda Item#4: Review and discussion of the Colorado GHG Inventory and Forecast**

A brief summary of the inventory was presented. The details are provided in the report, which can be accessed at [http://www.coloradoclimate.org/Energy\\_Supply.cfm](http://www.coloradoclimate.org/Energy_Supply.cfm). Participants are asked to comment on the inventory. Pertinent information can be emailed to Ezra Hausman ([ehausman@synapse-energy.com](mailto:ehausman@synapse-energy.com)).

### **Agenda Item#5: Next Steps of Policy Work Groups.**

Next meeting, the PWG will begin to prioritize actions for further analysis.

### **Agenda Item#6: Agenda, Time and Date for Next Meeting.**

Next meeting will be via conference call. The time & date are to be determined.

### **Agenda Item#7: Public Input and Announcements.**

None.