



Residential, Commercial and Industrial Sectors (RCI) Technical Work Group (TWG)

Kansas Energy and Environmental Policy (KEEP) Advisory Group

Meeting #3: Conference Call Summary

September 8, 2008

Participants

TWG Participants

Chad Althouse, Larson Binkley, Inc.

Amy Blankenbiller, KS Chamber of
Commerce

Jim Boone, Northstar

Casey Cassias, BNIM Architects

Shari Feist Albrecht, Kansas Department of
Health and Environment (KDHE)

Mike Granstaff, American Energy

Wayne Kachel, Frontier El Dorado Refining
Company

Bruce Snead, Kansas State University

Dave Springe, Citizens' Utility Ratepayer
Board (CURB)

Mark Schreiber, Westar (*substitute for Jim
Ludwig*)

Bill Wentz, Wichita State University

Brent Wilkerson, Monarch Cement

Kansas State Representatives

Miles Stotts, KDHE

CCS Staff

Tim Larson, Ross & Associates

Amy Wheelless, Ross & Associates

Public Participants

No public participants

Meeting Summary

Meeting Materials

All materials for the Residential, Commercial and Industrial Sector Technical Working Group (RCI TWG) are available here: <http://www.ksclimatechange.us/RCI.cfm>. For this meeting, the following materials are available:

- Meeting Notice & Agenda
- Meeting Presentation
- Meeting #2 Summary
- Revised RCI Catalog of State Policy Options
- Revised RCI Option Descriptions

Welcome, Introductions and Approval of Meeting #2 Summary

The summary for Meeting #2 was approved by the TWG with no changes.

Recap of KEEP Meeting #2

Tim Larson, CCS Facilitator, reviewed the changes to the catalog that were made during KEEP Meeting #2. Tracked versions of these documents are available on the RCI TWG website:

- Revision tracked RCI Catalog of Options:
<http://www.ksclimatechange.us/ewebeditpro/items/O1F19440.pdf>
- Revision tracked RCI Option Descriptions:
<http://www.ksclimatechange.us/ewebeditpro/items/O1F19439.pdf>

Review of Process for Notional Rating and Balloting

Tim briefly reviewed the schedule and process for developing and prioritizing the catalog of options. Between and during the next two meetings, the goal for the TWG is to select a set of prioritized options to present at the next KEEP meeting on December 9. This TWG will take the following steps over the coming months to reach this set of options:

- During this meeting, TWG members will talk about the three policy options that interest them most for the TWG to pursue for further analysis. This discussion will allow TWG members to better understand the perspectives of other members.
- After this call, Tim will send out a Notional Rating Exercise, which TWG members will have two weeks to complete. This exercise asks members to look at each option in the RCI TWG Catalog of Options and give a qualitative assessment of potential GHG emissions reductions and potential costs or cost savings associated with each policy option, and identify any key feasibility issues and externalities.
- Tim Larson and Amy Wheelless will collect and compile the completed Notional Rating Exercise, and will also make suggestions for any options that could be consolidated.
- The compiled results from the Notional Rating Exercise will be a resource for TWG members to consider as they move into the balloting stage of the options. During this stage, each member can select ten of the options and make any additional comments about option consolidation. Members will have a week to ballot on these options.
- Once ballots are completed, Tim and Amy will compile the results and send them out to the TWG to review prior to Meeting #4 on November 3.
- On Meeting #4, the TWG will review the top prioritized options, refine and consolidate them and approve them to move forward for the KEEP meeting on December 9. On this call, the TWG will also review and suggested changes to the Draft Kansas Greenhouse Inventory and Forecast to present to the KEEP.
- The next KEEP meeting will be December 9 in Topeka, and is where the options that this TWG chooses for prioritization will be reviewed and approved, and where any changes and additions to the KS Draft Greenhouse Gas Inventory and Forecast will be reviewed and moved forward.

TWG members raised the following questions and comments during this time:

- A TWG member wondered how all of the TWGs would approach policy options that show up on many of the TWG's catalogs. Any overlap between TWGs will be addressed at the KEEP meeting; KEEP members will evaluate whether there are any options that have been left off or if there are duplicated options.
- A TWG member questioned how TWG members would effectively be able to make cost judgments about different options. Tim suggested that a recent report by McKinsey,

[“Reducing U.S. GHG Emissions: How much and at what cost?”](#) and a report from [PacifiCorp](#) could be helpful in making these qualitative assessments.

- A TWG member requested that information on how other states that have used this process rated similar options. Tim will provide information for how Iowa and Minnesota assessed similar options. These ratings will provide a guide for how other states have considered the options, but the rating that TWG members give may be different, depending on Kansas’ specific characteristics.
- A TWG member suggested that other TWG members may find the Draft Kansas Greenhouse Gas Inventory and Forecast useful in doing this Notional Rating Exercise, particularly Table ES-1. Tim suggested the TWG members could also look at the Appendices specific to the RCI Sector.
- A TWG member raised the point that, once the TWG has selected options, more technical experts will be needed to evaluate the costs and greenhouse gas impacts. As the TWG moves into developing straw policy proposals for the selected options, more technical analysis will be available.
- A TWG member noted that they did not feel comfortable with the process for selecting options, as it is too subjective and that it is difficult to understand the costs and greenhouse gas reduction potential of each of the options without more objective information.
- A TWG member suggested looking at the electrical distribution mix for Kansas versus similar states, in conjunction with the results of their Notional Rating exercises. Tim will send this information out later this week.
- A few TWG members raised the issue that many of the options in the catalog are only vaguely defined or could be combined with others. When this is the case, members should write in the “Feasibility” column what they believe the option should focus on, or where options should be combined.

Catalog of Potential RCI Sector Policy Options

During this time, TWG members described options in the RCI catalog that were of greatest interest to them. The following numbered list summarizes each member’s comments:

1. Net metering, because it encourages alternative energy and distributed generation; government lead by example options (RCI-2.3, 2.11 and 2.17); and enhanced education and outreach for the public.
2. Energy conservation measures, particularly for residential and commercial buildings, as there are many things that could be done with buildings and equipment; enhanced financing and incentives to encourage people to get things done; and education and outreach to the public.
3. Government lead by example options; and tighter energy codes (RCI-2.1), as this leads to other measures that help reduce energy use.
4. Providing more energy audits (RCI-1.6 and 1.8); encourage Lean manufacturing in industrial facilities (RCI-1.12); and net metering (RCI-5.3).
5. Tiered levels for metering, which is successfully used for water use in some areas of the state; and green power purchasing.
6. Combining RCI-2.1, 2.3 and 3.3 into an option about improving building codes, design and equipment standards; low cost loans (as opposed to other financial incentive

programs) to encourage energy efficiency measures; and consumer and school curriculum education (RCI-1.1 and 4.2).

7. Demand-side management programs (RCI-1.1 and 1.2), as they can reduce many energy issues across the board, with perhaps a focus on new construction programs; consumer education programs across all sectors, not just the RCI sector; and net metering and other incentives for combined heat and power and renewable energy (RCI-5.2, 6.1, and 6.2).
8. Consumer education; advanced metering technologies to continuously inform consumers (RCI-2.14); and demand-side management programs to reduce energy use.
9. Policies that affect the efficiency of new construction and equipment, since missing the opportunity for improved efficiency at the start can have effects for many years (RCI-2.1, 2.6 and Category 3); “low hanging fruit” measures for residential and commercial customers, such as improved lighting; and education for consumers, not only about energy efficiency measures, but also about incentives that exist already to help implement measures.
10. Demand side management programs for electricity and gas, as there is already a great deal of work underway around these programs; more energy audits and technical assistance, particularly to commercial and industrial customers; financial incentives, such as loan programs, time-of-use rates and tiered rates; and government lead by example options.

Two TWG members elected not to share their perspectives on the options at this time.

Based on the discussion following these options, Tim will find resources on improved lighting measures related to CFLs and LEDs to send around to the TWG. In addition, there was a discussion about the pros and cons of net metering; materials on net metering have been previously provided in emails and can help inform members on this topic.

Next Steps

- After this call, Tim Larson will send out a Notional Rating Exercise. TWG members will have until September 23 to complete and return it for compilation.
- Tim will also send out resources later in the week that describe how other states have rated options relevant to the RCI and their electricity distribution mix. Tim will also find resources relevant to efficient lighting measures, such as LEDs and CFLs.
- After the Notional Rating Exercise is complete, TWG members will begin balloting on the options. Further instructions will follow about this step.

Public Comments and Announcements

There were no public comments or announcements.

The next meeting of the RCI TWG will be Monday, November 3 from 1-3pm CT. Meeting materials will be posted on the RCI TWG website prior to the call. Members of the public can listen-in to all RCI TWG meetings by calling (800) 704-9804, passcode 325 522.