

**PSC EPS Proceeding
Working Group III
October 15, 2007**

Strategy for Developing WGIII Report

WGIII completed assignments for drafting sections of report:

Section IV) Benefit/cost test options- Helen Eisenfeld and Marc Vatter will provide first draft. (Vjay Puran of Staff has volunteered to work with Marc.)

Section V) Monitoring & Evaluation – The Joint Utilities will provide a first draft.

Section VI) Longer Term Considerations – topics will be blended into other sections

Section VII) Overall Review Process- Art Olson will work with Jennifer Meisner

Carol and Bill will finalize the Outline for the report incorporating comments and assignments. (*See outstanding issues*). This will be provided to Steering Committee at next meeting if requested. It was agreed that either a bulleted list of issues to be addressed in each chapter or an initial draft of the chapter should be completed by COB Friday, October 26th.

NYSERDA will send the recently completed draft Evaluation Plan to WGIII to use as guide in developing section V – the M&V section (*see outstanding issues*).

Data Status/Issues

Finalizing Load forecast- Marc Vatter would like to complete statewide sales forecast. His proposal is to delete NYPA line item to eliminate double counting if utilities were sure that NYPA sales were captured in their forecast. NYPA believes that is the case, but would like utilities to take a look at NYPA forecast to confirm. Paul Agresta feels that NYPA line item should not be deleted and NYPA sales should be backed out of other utility forecast. It was agreed that NYPA will consult with staff and provide their estimate of other utility sales that are represented in NYPA forecast. This will be provided to Marc to submit to other utility and LIPA forecasting contacts. (*See outstanding issues*).

DSM in Goals- There was continued discussion regarding planned and proposed DSM and what should be counted in goals. There was no clear consensus among WG III relative to exactly what measures would count toward the 15 X 15 goal. Only measures initiated on or after January 2007 (about the time of Governor Spitzer's 15X15 speech)? Measures that are still saving energy, even if they were installed years ago (e.g., a NYSERDA measure installed in 2000, but with a 15 year measure life)? It was felt that

the best approach was to show the goals in more than one viable scenario to give the ALJ and the Commission options. One concern identified was the need to have consistent definitions. How do you define planned? How do you define proposed? Marc Vatter and Mike Townsley agreed to work on this issue and report back to the group.

Benefit Cost - A draft document with responses to questions regarding B/C analyses was sent out by Marc Vatter to PSC staff. A final version of the document will be discussed at the next conference call. (*See outstanding issues*). On a more general discussion on benefit costs tests, Marc is seeking back up for determining the discount rate to be used in the b/c analysis. There was also a discussion regarding the inclusion of environmental externalities in the TRC and the use of other B/C tests. Several members of WGIII feel that we should not include an environmental externality adder as it is very controversial and we will not reach consensus. It was mentioned that the PSC has already excluded this adders in a recent Con Edison DSM Order (Case 04-E-0572, March 16, 2006). Impact of RGGI was also discussed but cost of carbon cap will not be determined until 2009. This issue will continue to be discussed as we scope out WGIII report.

Schedule for Future Meetings

Next call scheduled for Oct 19th – 1-3 pm; October 22nd meeting canceled

Outstanding Issues

- 1) Bill and Carol will complete outline and send to WGIII
- 2) First draft of various sections of report due Friday, October 26th.
- 3) Marc V. will provide responses to benefit costs questions prior to next conference call.
- 4) NYPA will provide to PSC allocation of load forecast by delivery operator.

Previous issues still outstanding:

Definition of Evaluation Task Force responsibilities

Guidelines to review other States' evaluation protocols