

**PSC EPS Proceeding  
Working Group III  
October 5, 2007**

**Finalize Report Format**

WGIII was sent a revised report outline with Joint Utilities comments prior to conference call. It was agreed that we would use this format for discussion.

Section I- Executive Summary

Section II- would contain high level background

Section III –

- a) Group agreed that 15 X 15 goals would include peak demand goals for electric and gas (peak day gas requirements). Since capacity is included in the B/C calculations there should be a target for demand as well. Marc V. will draft this first part of this section with respect to forecast. Cindy will work on gas savings section of report. (*see outstanding issues*)
- b) WGIII discussed how embedded DSM would impact future DSM goals. We discussed if the criteria should be for DSM planned or proposed. Rich Miller (Con Edison) suggested that the forecast should carve out completed DSM through the SBC III program. Marc V. said he would do research to see how the baseline forecast was impacted by existing DSM.
- c) There was some discussion as to whether “goals” is the correct term. In any event, WGIII needs clarification relative to their role in setting individual program goals. Bill will bring up at weekly ALJ meeting. (Judge Stein and Paul Agresta were traveling this week and, as a result, Bill and Carol did not raise the issues at the 10/10 ALJ meeting.)

Section IV-

- a) Discussion included how to adjust the TRC test if a program is significant or important (i.e. low income program) and fails to pass the test. We noted that exceptions should be singled out rather than change definition of TRC. (This is consistent with current PSC policy.) There are many variations of B/C tests out there, but the TRC is pretty straightforward (resource savings/ program costs). It was questioned whether benefit cost analyses should include environmental externalities and non-energy benefits. Good reference for non-energy benefits is the ACEEE webpage. Bill S. sent link. Larry P. (NYSERDA) stated that NYSERDA looks at B/C different ways. They show 6 different scenarios. As a follow-up, Larry sent links to recent evaluation reports. Carol W. also sent links related to avoided costs calculations.

- b) Carolyn S. (RG&E and Joint Utilities) will prepare first draft for this section. It is expected that report will establish standards for calculating B/C analyses, but program administrators will do actual calculations. (In an e-mail sent to Carol and Bill on 10/10/07, Carolyn indicated that the joint utilities would prefer to draft Section 5 of the report dealing with monitoring and evaluation issues.) Because fast track programs may be out before the full proceeding is completed, WGIII needs to complete this review. Marc V. offered to be available with Steve Nadel from ACEEE to discuss assumptions used in Staff EPS report. Marc V. will compile questions and will send to Steve Nadel. (*see outstanding issues*).

### **Load Forecast**

Along with discussion on embedded DSM, there was a limited discussion of the baseline load forecast. Helen E. (NYPA) met with staff that prepared NYPA forecast and it was felt that the NYPA load was being double counted in forecast. Marc V. said he would share detail of NYPA forecast so other utilities could see what was used in his combined utility spreadsheet.

### **Schedule for Future Meetings**

Next call scheduled for Oct 15<sup>th</sup> – 1-3 pm

### **Outstanding Issues**

- 1) first draft of report from Marc, Cindy and Caroline (Joint Utilities) will be prepared in 2 weeks
- 2) Marc V. will send NYPA load forecast to other utilities so they can see what has been included.
- 3) Complete assignments for remaining sections of draft WG III report.

Previous issues still outstanding:

Definition of Evaluation Task Force responsibilities

Guidelines to review other States' evaluation protocols