

Agenda

Intros/note taker/ etc.

9:30 to 10:00

- List of attendees with contact info is attached as a excel file. For those who listened on the phone, I may not have marked you down as attending. Please e-mail me at Christopher_graves@dps.state.ny.us and I will up date the attendee list.
- Chris Graves took notes for the first half of the day and John Barnes took notes the second half of the day.

Review minutes/notes & agenda overview

- At the last meeting the co-conveners agreed to ask the judge for a facilitator and invite the judge to attend a meeting of the group. The judge is on vacation and could not be reached to address these issues. This will be brought up to the judge at the co-conveners meeting with the judge next Tuesday (8/19/08).
- Peter S.: Our deliverable is to get something to the judges that makes an impact. In the morning we will do the set up and then in the afternoon do the scope.

Items of concern for later discussion – to be put on parking list

Environmental Justice Issues John Barnes of DEC

10:00 to 11:00

1. Overview

- John B. Sees this as two issues: 1) Health impact study and 2) How part 222 will impact distributed generation (DG).

2. Report out on prior/pending studies

- Pete S.: NYSERDA has done some health studies mostly relating to emissions of fine particulate matter (PM). They have plans to do another study imminently. Pete will e-mail links to the studies to the group.
- John B. provided a list of peaking generators compiled for the High Electric Demand Days (HEDD) process. He proposed that we look at the Environmental Justice (EJ) impacts of these generators on their surrounding communities. The Geographic Information Systems (GIS) at DEC is mapping these generators and the intersection with EJ communities. Radmila asked if this was the same as the Navigant tool on the DEC website and was told that this is more robust than that tool.
- DEC and Dept. of Health (DOH) are working together on health outcomes guidelines. A couple facilities are being looked at for health outcomes.
- Carol J. of DOH is working with an EJ taskforce to require information about health outcomes in the permitting process. This involves looking at health status of communities and data at the zip code level.
- The question was asked whether other probable emitters are included in studies.
- Did DOH participate in the Environmental Roundtable held by the DPS? No. John Barnes provided a list of participants in that Roundtable: Uprise, Assoc. for Energy Affordability, We ACT, NYCEJA, Nos Quedemos, and Sustainable South Bronx. Monica Kreshik of DEC's EJ office is in contact with those groups.

- It was suggested that maybe we should invite those groups to the next Working Group.
 - Pete suggested that we should have something to show those participants to give them an idea of what we believe will be addressed
 - Is there Regional Greenhouse Gas Initiative (RGGI) information on EJ? They did something on the health effect of doubling or tripling requirements.
 - Staff Straw proposal shows SO_x, NO_x and CO₂ results of EEPS.
 - Is there a link to the RGGI studies?
 - John B.: If we replace a dirty plant, what is the effect?
 - First step is finding out what data exists.
 - Need to identify gaps in the data and report back to the group.
 - Radmila We should answer the question: What is the effect of increased use of DR?
 - Pete the important DR resources are those that do not add to emissions. We should look to quantify the emissions reductions of DR.
 - Dave Sampson of DEC's Office of General Council: How does this relate to the Integrated Resource Plan? Pete's answer: Don't know but we should not go outside of the scope of this case.
 - Liz (ConEd) Scoping should include metering and verification. This is essential to including DR in the planning process. Not sure the MV&E group is addressing DR.
 - Aaron: MV&E is probably not looking at DR. Should recommend MV&E does this. Studies of DR should include the environmental impact of DG. Reliability should also be considered. Things that have negative impact on reliability are also dealt with by other parties (ISO).
- John B: DEC understands that just shutting down peakers is not a solution.
- Arthur: The steering committee needs to look at issues that come up and make sure they are addressed.
 - Scott: If you don't bring up issues then you don't get anything. Only way to replace generation is to know DR is reliable.

3. Discuss IPPNY proposal presented at the WG meeting
4. Proposed DEC DG Rule - What-if...?

-John: What if DEC dropped the capacity cap?
 Proposal:

- a. DEC's proposal regarding Part 222 (DG Rule)

Existing DR:

1. No cap on the number of sources.
2. NO_x emission limits:
 - i. Effective 5/1/2010: 9.0 grams per brake horsepower-hour (g/bhp-h)
 - ii. Effective 5/1/2014: 2.3 g/bhp-h (post meeting note: the DEC may propose a limit between 2.3 and 7 g/bhp-h).

New DR:

1. No cap on the number of sources.
2. Must meet the requirements set forth in the following EPA rules:
 - a. 40 CFR 60, Subpart IIII (diesel engines)
 - b. 40 CFR 60, Subpart JJJJ (natural gas-fired engines)
 - c. 40 CFR 60, Subpart KKKK (turbines)

New Economic Dispatch Sources (only generate electricity at facility – typically supply all electricity needs at facility):

NOx limits:

- a. effective date of rule: 0.30 g/bhp-h
- b. units commencing operation after 1/1/2014: 0.20 g/bhp-h

New CHP Sources

- a. NOx limit effective date of rule: 1.0 g/bhp-h
- b. 70% system efficiency (electrical + thermal)

Try to get as many DG facilities replaced with Combined Heat and Power (CHP) DR (existing)

-Doug: Only certain facilities have the emergency generation and an opportunity to use CHP. These are mostly hospitals and data centers.

- Aaron There is not a good business case for this unless you make the existing emergency generation rules tighter.

- Pete the Benefit/cost ratios for DG are low.

5. Other

Parking list and assignments

Assignments –

- John looking at prior research.

- EJ inviting participation of roundtable members.

- Radmila: We should have the DPS Staff that quantified EEPS emissions reductions, quantify emissions reductions for DR.

- Pete there seems to be buy-in to have MV&E address DR.

Demand Response

11:00 to 12:00

1. Discuss Ruben's proposal – Residential DR/DG presented at the WG meeting

- Arthur: Proposal for micro CHP

Funding would be great, but there are other things that can be done.

Constraints to greater penetration of MicroCHP

- Net metering should be able to send power back to grid
- Net metering not allowed now but should be
- The “qualifying resource” (QF) paperwork is burdensome
- 2 meter requirement burdensome (not an explicit requirement but a functional requirement under QF rules)

- Doug: Net metering allows full retail rate recovery QFs get only wholesale avoided cost recovery

- Arthur: Constraints to greater penetration of MicroCHP cont.

- External shut-off required
- Application fees required to interconnection (Dealing with O&R and ConEd mostly)

- Pete: Are you looking for something like RPS?

- Doug: Safety and standards are similar to RPS, but there are policy issues
- Rubin: A recent National Association Study found: External switch not necessary.
 - Systems are sized to be below household electrical load size, so there is no a lot of back feeding to the grid.
 - Efficiency of CHP is a multi fuel type measure
- Pete: What extent is this an existing technology?
- Rubin: there are 60,000 to 70,000 units deployed in Japan, they have been in Massachusetts for 2 years.
- Rubin Some Micro CHP could be aggregatable for ICAP and dispatchable for DR.
- Cindy: This is not an emerging technology. It is less related to DR than to EE. It should be eligible for rebates like a high efficiency furnace.

- Sig: Agree with Cindy, need specific suggestions
- Doug: Agree is mostly EE, DR is only ancillary
- Aaron: Does not agree no money can be spent, this should be in report.
- Pete: MV&E for CHP expensive and for such a small project could be prohibitive
- Joy: Keep an eye on goal, what falls into scope of Commission EEPS

2. Discuss Scott's AMI proposal presented at the WG meeting

AMI

DR interaction with Goal and MV&E

Description from FERC

Different capability

Generic operational benefits

AMI important component of DR program development

AMI important for M&V

As many benefits to the customer as to utility

- Pete: Do you expect an AMI chapter?
- Scott threshold issue – and substantive piece also. Take a position that shows correlation with other docket.
- Pete: Feedback from M&V group is important.
- Sig: Does anyone have issue with this?
 - Is it core?
 - Do we ask for something solid from Commission?
- Scott: I'm not drilling down into functionality. Just asking to show how important AMI is to this case.
- Liz: AMI is important, but I don't think it is as essential.
- Cindy: AMI is important, but it can distract from DR. The key thing is Utilities' and Commission's worries about technological migration (How do you transition from current load control programs to AMI with load control/Zigbee) can stop DR progress.
- Ed Gray (Elster): AMI is a lot of things. Can't put it in a box

3. Discuss EnerNOC proposal – on contracted load Aaron Breidenbaugh EnerNOC

Contracted load

- Don't have a forward capacity market

- Get long-term contract out of utilities could have DR contracts that are cheaper than the Net Present Value (NPV) cost of spot-market electric prices.
- Long-term contracts would help give DR providers revenue certainty.
- Some above market payment may be needed to stimulate more DR.

Staff's proposal from Straw Proposal – the load factor should not get any worse. This idea should justify DR programs.

- Pete: 1) We should piggyback on precedent to not let the load factor diminish.
2) NYSEERDA already subsidizes DR. Do we do a long-term contract? One year is long term by current standards, what are you looking for?
- Cindy: If you have the long-term contract, require DR provider to put energy into wholesale market and have those revenue offset the cost of contract.
- Usher: Don't raise long-term contract here this is a controversial issue. It's not productive to argue about it here.
- Rick Struck - O&R: NJ required utilities to get DR from all customer classes.
Sent out RFP for DR
Some went through CSP get aggregation of customers
One year pilot, talking about 5 years after that
- Cindy: Don't have compatibility. Don't necessarily need it. Does State want this DR resource?
- Marie: With these types of retail contracts, Consumer Powerline doesn't want to be taken out of the wholesale market.
- Doug: DR unlike EE has ongoing O&M cost, while most EE is a large capital cost and minimal O&M costs.
- Liz: Need to think about utility planning horizon of 10 years
- Aaron: Long-term – 6 months in NY
Northeast 5 years
Most likely in EPS is a 3-year program
 - Contract for difference type contract could assure that you let companies stay in wholesale market.
 - Not sure if there is any study of NPV of long-term contract
- Cindy: The issue that needs to be solved with long term contracts is the issue of revenue recovery not spurring capital investment. DR providers would be willing to invest if there is some revenue assurance.
- Sig: How is it different from Rider U?
- Aaron: DR providers would provide more DR with long-term contract with more revenue certainty. Since we don't have targets. We have the benchmark to keep load factors from deteriorating.
- Rick Struck: NJ target is 300 MW of DR across state
- Sig: Why aren't contracts for DR being done now?
- Aaron: ConEd is only an EE program, they do not want DR.
- Pete: Can Con Ed share list of requirements for its DSM?

- Liz: DR is not eligible. We cannot count on DR for our system peaks.
- Pete: Do you have concerns about M&V?
- Liz: Considering DR projects would have to be done on a case by case basis taking into account effects to ConEd system.
- Doug: We have to use it for T&D. We need more granularity of M&V so DR can aid T&D system.
- Ruben: Measuring value of DR should be based on marginal loss instead of average losses.
- Pete S: In the body of the WG VIII report, only issues where a general consensus was reached would be included. He suggested that a general consensus be defined as a situation where at most one party objects to a position. Minority comments would be included in the appendices to the report.
- The following topics were dropped from the list of DR topics developed during the August 5th meeting:

- iii. Solar thermal
- iv. Net metering
- v. Renewables

The following topics were added to the list developed during the August 5th meeting:
-DG/CHP (for residential and C&I customers)

-The topic of energy storage was tabled from the aforementioned list for now. Ruben Brown and Ed Gray to develop white paper for discussion at next meeting.

4. Other

-A draft of the scoping memo was developed. Co-conveners to distribute to WG on 8/14. Conference call at 3:30 pm on 8/15.

-Next meeting: Tuesday August 26, 2008 in New York City. Time and place to be announced.