The Regulatory Assistance Project

Fourth Quarter FY 2008 and Final Report

RAP Activities

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National Association of Regulatory Utility Commissioners (NARUC)
- RAP provides continuing advice and assistance to members of NARUC's Environment and Energy Resources Committee, with particular emphasis on its energy efficiency and portfolio management agendas.
- RAP participated in the summer meetings in July, in Portland, OR. We assisted the committee in the development of its agenda. RAP principals also participated in a day-and-a-half forum on climate change that NARUC held at the end of the meetings.
- We are assisting NARUC in the planning of a climate change symposium to be held in 2009.

Mid Atlantic Distributed Resources Initiative (MADRI)
- RAP continues to develop the AMI Toolkit.
- Planning for a fall meeting on dynamic pricing and AMI was begun.

Pacific Northwest Distributed Resources Project (PNDRP)
Planning for a fall meeting of the PNDRP Working Group has begun. RAP has been working with key participants (e.g., the Northwest Power and Conservation Council) to develop a set of action items relating to demand response and planning, dynamic pricing, integrating wind resources into the system, and cost-effectiveness testing.

National Action Plan on Energy Efficiency
- RAP is advising both EPA and DOE on next steps for the Action Plan.
- RAP is creating an "energy efficiency policy template." It is an Excel spreadsheet that lists a full range of energy efficiency polices and summarizes the status of the policies in the states. These grids, organized by region, will be completed soon.
- RAP continues to develop the regulatory "tool-kit" for state officials.
- The DOE office of EE and RE is making resources available to support a "SWAT team" for more intense technical assistance to states. RAP is an integral part of that team. Five states – Hawaii, Illinois, Kansas, Maryland, and Massachusetts – have been identified as recipients of that assistance. Refer to the section below on technical assistance to states for details on recent actions in these places.
FERC-NARUC Demand Response Collaborative

Through MADRI and MWDRI, RAP is involved in the FERC-NARUC demand response collaborative. RAP participated in the Collaborative’s recent meeting at the NARUC Summer Committee Meetings in Portland, Oregon.

Technical Assistance to States

RAP has provided ongoing technical assistance to several states that are considering increases in energy efficiency, the use of efficiency and demand resources in transmission planning, and/or increase use of distributed resources.

• Midwest States Natural Gas Price Reduction Initiative – RAP continues to work with Commissioners from eight Midwest (IA, MO, IN, MN, IL, WI, MI, OH) on the implementation of policies supporting the use of energy efficiency and advanced clean technologies to reduce demand on natural gas and natural gas prices.

• District of Columbia – A decoupling program has been proposed by PEPCO for its DC operations. RAP has been advising regulators informally on some of the complexities of designing and implementing the program.

• Florida – Interest in decoupling is growing in the state. The legislature passed legislation requiring PUC consideration of it. In August, RAP participated (by phone) in public workshop on it held by PUC staff.

• Illinois – RAP is assisting the ICC in the implementing the state’s new energy efficiency law. Meetings with commissioners, staff, and key stakeholders have been productive, and a plan for a series of four workshops to be held in the fall is being ironed out.

• Indiana – The Indiana Consumer Advocate has sought RAP assistance in considering recent proposals for utility energy efficiency programs in the state, including Save-a-Watt.

• Kansas – The Corporation Commission is moving ahead with action on energy efficiency programs, RAP has been helping it develop a program of workshops that will bring stakeholders together to identify programmatic approaches to efficiency. The first of these workshops was held in March. In August, RAP participated in a workshop that focused on utility business models for energy efficiency.

• Maryland – RAP is providing technical assistance to the commission on efficiency, mostly through conference calls and email communications.

• Massachusetts – In June, Massachusetts enacted an omnibus energy bill that, among other things, mandates that all cost-effective energy efficiency be acquired. Along with LBL, RAP is assisting the DPU and the energy office (DOER) in addressing the many procedural and technical issues that the legislation raises. Also, in July, an order from the DPU on decoupling was issued. RAP had been advising the DPU on decoupling.

• New Mexico – RAP conducted a workshop on shareholder incentives for efficiency in July. The Commission has had a rule-making underway. A statute was recently passed calling for the Commission to not only consider decoupling (the removal of disincentives) but
positive incentives as well.

• New Orleans – The city’s regulatory body asked RAP to put on a workshop on energy efficiency and incentives. The workshop was held in May. Since then, RAP has continued to advise the commission as it develops rules for efficiency.

• Ohio – RAP had several conversations with the Consumer Council and other key stakeholders about decoupling and efficiency program administration, to help them think about how to implement the new law that sets aggressive targets for efficiency savings over the next two decades.

• Oklahoma – RAP is assisting the PSC with its docket to initiate significant efficiency programs. We have been facilitating a collaborative among the stakeholders, for the purpose of developing a draft rule on energy efficiency. The final workshops of the collaborative were held in August.

• Vermont – RAP is providing technical assistance to state regulators, who are conducting a workshop process to examine the benefits and costs of smart grid infrastructure, and to consider whether the process might serve as a model for others. RAP also met with the management team of Green Mountain Power, the state’s second largest IOU, to discuss its strategic planning process and to consider whether it might serve as a model for others.

• Western Grid Group – RAP is assisting a multi-state, multi-stakeholder process on transmission planning.

National Council on Electricity Policy
RAP has been engaged to provide technical assistance to the Council on an as-funds-available basis. To date, we’ve participated only in brief correspondence on FAQs with respect to energy efficiency. We await opportunities for more substantive involvement.

Energy Efficiency Utility Business Model Workgroup
The Workgroup, which RAP has convened and which consists of regulators, consumer advocates, utility representatives, and other policymakers and interested persons, has continued to meet by conference call regularly throughout the spring. The first rounds of modeling of the effects on a utility’s bottom line of various approaches to funding and rate-making (e.g., decoupling) have been completed and findings released. Further work with utility-specific information – for instance, for Massachusetts regulators – is still being contemplated.

Other
• We assisted ACEEE in developing the program for its August conference, reviewing papers and working with authors. We also participated in the program’s panel on energy efficiency regulatory policy.

• RAP advised the Rocky Mountain Institute on its recent report on energy efficiency.

• In August, RAP made a presentation on decoupling in a EPA-sponsored webinar.

Report submitted by:
Frederick Weston, Project Manager
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