

September 26, 2002

PUBLIC UTILITIES COMMISSION
Procedures for Conservation Program Planning

REQUEST FOR INPUT
ON EXISTING UTILITY
PROGRAMS

I. SUMMARY

We are soliciting comments from Maine T&D utilities on whether, and to what extent, they wish to continue offering energy efficiency programs to their electric customers, as part of the portfolio of on-going energy efficiency programs implemented by the Commission pursuant to PL 2001, ch. 624. We also invite other interested persons to comment on this topic.

II. BACKGROUND

PL 2001, ch. 624 (The Conservation Act or the Act),¹ enacted during the second session of the 120th Legislature, establishes the terms that govern an electric energy conservation program in Maine. Section 4 of ch. 624, which enacts 35-A M.R.S.A. § 3211-A, directs the Maine Public Utilities Commission (Commission) to "...develop and, to the extent of available funds, implement conservation programs...." The Act contains a wide range of goals and criteria that govern the selection of conservation programs and requires the Commission to establish definitions, procedures, and criteria before implementing programs.

On April 8, 2002 the Commission issued an Order Extending Utility Energy Efficiency Programs, wherein the Commission directed that T&D utilities continue to operate their existing energy conservation programs in a manner that is consistent with recent program operations until such time as they are directed to do otherwise by the Commission. This was clarified in an Advisory Opinion Regarding CMP's Existing Conservation Programs, issued on July 8, 2002.

On June 13, 2002, the Commission issued an Order Establishing Interim Conservation Programs. By this Order, the Commission decided to implement a number of interim conservation programs. Pursuant to Section 7 of ch. 624, to avoid delay in implementing conservation programs, the Commission may implement interim programs that do not satisfy the requirements of 35-A § 3211-A. Interim programs must terminate no later than December 31, 2003. We have

¹The Conservation Act, and the Commission Orders referenced here may be found on the Electric Conservation Activities section of the Commission's web page (<http://www.state.me.us/mpuc>).

implemented some interim programs and will implement the remaining programs during 2002 and 2003. The Order also stated that the Commission would consider which of the utility programs to continue funding through the Conservation Program Fund, after the Tier-1, Tier-2 and Tier-3 interim programs were implemented.

On July 23, 2002, the Commission issued an Order Establishing Procedure and Schedule for Conservation Programs Implemented Pursuant to P.L. 2001, ch. 624. In the Order, the Commission stated that it will decide funding and economic potential issues, and then decide upon a program plan, and would do so after concluding the rulemaking to define cost effectiveness. The Commission directed any interested person to file economic potential studies by September 10². In an August 22 Procedural Order, the Commission scheduled a technical conference on October 2 to discuss all economic potential studies submitted by interested persons.

On August 20, 2002, the Commission opened a rulemaking to revise Chapter 380 of the Commission's Rules to define "low-income residential consumers" and "small business consumers" for conservation program purposes, as required by 35-A M.R.S.A. § 3211-A (1)(B)(1) and (2). The revision will also establish the cost effectiveness criteria that will govern the Commission's selection of conservation programs, as required by 35-A M.R.S.A. § 3211-A (2). We have received comments and have conducted a public hearing in this rulemaking proceeding. The Commission expects to issue a final Rule during October.

On September 24, 2002, the Commission issued an Order Establishing Goals, Objectives, and Strategies for Conservation Programs Implemented Pursuant to P.L. 2001, ch. 624. In that order, the Commission established goals, objectives, and strategies as required by 35-A M.R.S.A. (2). These goals, objectives, and strategies will govern the selection of on-going energy efficiency programs.

III. REQUEST FOR UTILITY INPUT

We will be considering programs to include in the 2003 Energy Efficiency Program Plan during October and November. As part of the planning process, we invite Maine T&D utilities to submit written comments on the continuation of their current interim programs by October 21, 2002. Each utility should provide a list of the energy efficiency programs it currently offers, and indicate whether it wishes to discontinue the program, continue the program as is, or continue the program with modifications.

²The Public Advocate subsequently requested, and was granted, filing extensions to September 26, 2002. No other party filed a technical or economic potential study by September 10th.

We have scheduled a technical conference for November 6, 2002 to discuss existing utility programs. Persons wishing to make a presentation³ at this conference should notify the Presiding Officer, in writing or by e-mail, not later than October 21, so that adequate provision can be made for all interested parties.

To assist in plan development, and to allow the Commission to compare program suggestions in a consistent manner, each utility should provide in its written comments and/or presentations, as much of the following information as possible for each program the utility proposes to continue.

- A brief summary of the program, including:
 - What is the target market, including any specific targeted segments?
 - What are the program objectives, and what is the overall program strategy?
 - What are the barriers to implementation of energy efficiency by the target market and how will they be overcome?
 - What are the major activities of the proposed program?
 - What are the key measures of success?
 - What is the estimated cost of the program?

- A summary of program activity to date, including number of participants, energy saved (annual and lifetime), and program cost (utility and participant), for the current year and since program inception.

- An estimate of the cost effectiveness of the proposed program.⁴ This analysis should be based on actual program data to the extent possible. With this estimate, provide as much supporting information as possible, including:
 - A list of the energy efficiency measures (EEMs) included in the proposed program
 - The cost of each EEM, as compared to an equivalent standard measure
 - The estimated annual electric savings for each EEM, in kWh and kW.
 - Any operation and maintenance costs or savings

³The Commission will supply a TV/VCR, an overhead projector, and a screen. Parties that wish to use other presentation media should plan on providing their own equipment, and should notify the Presiding Officer of their plans.

⁴In Docket 2002-473, the Commission is currently revising Chapter 380, including cost effectiveness tests. Until a final rule is issued, parties may estimate cost effectiveness using either the modified societal test, as described in the Notice of Rulemaking dated August 20, 2002, or the all ratepayers test, as described in the Order Establishing interim Conservation Programs issued June 13, 2002 in Docket 2002-161. Parties should clearly indicate which test they used.

- Any cost or savings in other resources
- Any non-resource-related costs or benefits

- A discussion of the program's effectiveness in meeting the overall goals, objectives, and strategies for energy efficiency programs, established in our September 24, 2002 Order in Docket 2002-162.
- A discussion of why the program should be offered for customers in a particular utility service territory, rather than on a statewide basis.
- A discussion of why the utility should operate the program, rather than include it in the statewide program portfolio and select a provider through competitive bid.
- A discussion of how the utility will coordinate program design and implementation with statewide programs, to avoid duplication of services or conflicting operation.
- References to similar programs operated elsewhere.

Persons who propose programs should indicate where the Commission could obtain additional information if needed.

Dated at Augusta, Maine, this 26th day of September, 2002.

BY ORDER OF THE PRESIDING OFFICER

James A. Buckley