

August 5, 2003

PUBLIC UTILITIES COMMISSION
Interim Electric Energy Conservation Programs

ORDER ESTABLISHING
INTERIM CONSERVATION
PROGRAM – SCHOOL
EFFICIENCY PROGRAM

WELCH, Chairman; DIAMOND and REISHUS, Commissioners

I. SUMMARY

By this Order, we approve implementation of a School Efficiency Program, as an interim conservation program pursuant to P.L. 2001, ch. 624, § 7. The program will assist administrators of kindergarten through twelfth grade schools in implementing energy efficiency opportunities they have discovered through participation in our interim Building Operator Certification (BOC) program.

II. BACKGROUND

P.L. 2001, ch. 624 (the Conservation Act),¹ enacted during the second session of the 120th Legislature, establishes terms that govern an electric energy conservation program in Maine. Section 4 of ch. 624 directs the Commission to develop and implement electric energy conservation programs that are consistent with the goals and objectives of an overall energy conservation program strategy that the Commission must establish. Various other statutory directives require the Commission to promulgate rules and hold public hearings.

Recognizing that the process of implementing electric energy conservation programs will necessarily take many months, the Legislature authorized the Commission to implement interim programs. Section 7 of ch. 624 states:

Interim programs. In order to avoid a significant delay in the implementation of conservation programs pursuant to the Maine Revised Statutes, Title 35-A, Section 3211-A, the Public Utilities Commission may use funds from the conservation program fund established pursuant to Title 35-A, section 3211-A, subsection 5 to implement on a short-term basis conservation programs that the commission finds to be cost effective. The commission is not required to satisfy the requirements of Title 35-A, section 3211-A before implementing such programs. Any programs implemented under this section must terminate no later than December

¹The Conservation Act may be found on the Commission's web page: www.state.me.us/mpuc (and access the Electric Conservation Activities site).

31, 2003. Funds in the conservation program fund not used for short-term programs under this section must be used in accordance with Title 35-A, section 3211-A.

On June 13, 2002, we issued our Order Establishing Interim Conservation Programs, wherein we implemented specific interim programs that were described in the Order. One of those programs was the Building Operator Certification Program, which is designed to educate personnel who operate and maintain buildings on the energy systems within their buildings, thereby improving building energy efficiency. Since then, we have hosted three BOC programs directed at personnel who operate and maintain school buildings in Maine. Through their participation in the program, school representatives have become aware of efficiency opportunities in the buildings they operate and have asked whether there is any funding available to help implement cost effective opportunities. The type of efficiency measures for which schools might request assistance are those which are routinely funded through our Interim Small Business Program, such as lighting and heating ventilation and air conditioning (HVAC) equipment but because school districts do not qualify as small businesses, there is no assistance available.

III. INTERIM SCHOOL EFFICIENCY PROGRAM

This school efficiency program will provide the schools in Maine with the same assistance to fund energy efficiency opportunities as we have made available to the small business community through our small business program. Schools face significant barriers to implementing energy efficiency. There is intense competition for administrators' time and attention, and energy costs do not represent a large enough share of their budgets to command attention to energy efficiency. School building operators have traditionally lacked knowledge regarding the value of energy efficiency and the existence of energy efficiency technologies. They may also lack capital for investment or perceive a risk associated with new or unfamiliar technology.

The requests for assistance we have received from the school building operators who have participated in the BOC program indicate that we are making progress on at least one barrier-access to information. By providing this program, we hope to address a second – access to funds.

The goal of the program is to improve the efficiency of energy use in schools. The specific program objectives are to:

- Reduce inefficient electricity consumption by schools in Maine.
- Increase the number of Maine suppliers and contractors selling energy efficient products and services to schools.
- Increase school awareness of the benefits of energy efficiency and their use of energy efficient products.

The program we approve in this Order will be operated by the same contractor chosen to implement our Small Business Efficiency Program. It will be delivered through the same network of cooperating program allies, recruited from Maine contractors and suppliers (lighting, HVAC, and electrical contractors, electrical and

lighting supply stores, HVAC suppliers, etc.). The program will be supported by a marketing and education effort, delivered directly and/or through the Maine Department of Education, the Maine School Management Association, and our network of cooperating allies.

1. The Program is Cost Effective

This program makes the same equipment available to schools as our Small Business Program provides for small businesses. A preliminary cost effectiveness analysis of the small business program yielded a benefit to cost ratio (BCR) of 1.6.² The same analysis should be applicable to schools.

2. Statutory Criteria Satisfied

a. [To the greatest extent practicable, the Commission should apportion remaining available funds among customer groups and geographic areas in a manner that allows all other customers to have a reasonable opportunity to participate (Subsection 2.B.(3)).] This program will be offered to all school districts within the State.

b. [The Commission, to the extent possible, shall coordinate its efforts with other agencies of the State with energy related responsibilities (Subsection 2.G).] We will be working with Maine Department of Education and Maine School Management Association to market this program.

c. [The Commission may select a service provider without a competitive bidding process if it finds that the selection of the service provider will promote the effective and efficient delivery of the programs (Subsection 3.C.(1)).] This program will involve the same incentives on the same equipment as are provided through the small business program. The program is an interim program and must conclude by December of this year. It is therefore efficient to use the service provider we are using for the small business program. That provider was initially chosen by competitive bid.

3. Measurement and Evaluation

There are a variety of commonly-used means of evaluating an incentive-based program. Evaluators can count the number of entities participating in the program and the equipment they buy, and use the energy savings per measure from existing evaluations from other jurisdictions to estimate the program's energy savings. We direct Commission Staff to determine the best method of evaluation and to rely on measurements of installations in Maine to the greatest extent possible.

5. Funding

We estimate the cost of this program through 2003 will be less than \$100,000, due to the short time over which the program will be operated and because

² See September 24, 2002 Order in Docket No. 2002-161

we will not be recruiting Energy Service Companies to deliver it. We authorize the Staff to spend up to this amount from the Conservation Program Fund.

IV. FUTURE ACTIONS

The Staff is directed to implement the School Efficiency Program as described in this Order. We delegate to the Director, Energy Efficiency Programs, or his designee on the Energy Conservation Team, the authority to enter into contracts, memoranda of understanding, or similar agreements, as is necessary to implement the program consistent with this Order. Staff is also authorized to spend up to 10% more than the amount described in this Order to implement the program. Spending decisions beyond the 10% contingency must be made by the Commission.

Dated at Augusta, Maine, this 5th day of August, 2003.

BY ORDER OF THE COMMISSION

Dennis L. Keschl
Administrative Director

COMMISSIONERS VOTING FOR: Welch
 Diamond
 Reishus

THIS ORDER HAS BEEN DESIGNATED FOR PUBLICATION

NOTICE OF RIGHTS TO REVIEW OR APPEAL

5 M.R.S.A. § 9061 requires the Public Utilities Commission to give each party to an adjudicatory proceeding written notice of the party's rights to review or appeal of its decision made at the conclusion of the adjudicatory proceeding. The methods of review or appeal of PUC decisions at the conclusion of an adjudicatory proceeding are as follows:

1. Reconsideration of the Commission's Order may be requested under Section 1004 of the Commission's Rules of Practice and Procedure (65-407 C.M.R.110) within 20 days of the date of the Order by filing a petition with the Commission stating the grounds upon which reconsideration is sought.
2. Appeal of a final decision of the Commission may be taken to the Law Court by filing, within **21 days** of the date of the Order, a Notice of Appeal with the Administrative Director of the Commission, pursuant to 35-A M.R.S.A. § 1320(1)-(4) and the Maine Rules of Appellate Procedure.
3. Additional court review of constitutional issues or issues involving the justness or reasonableness of rates may be had by the filing of an appeal with the Law Court, pursuant to 35-A M.R.S.A. § 1320(5).

Note: The attachment of this Notice to a document does not indicate the Commission's view that the particular document may be subject to review or appeal. Similarly, the failure of the Commission to attach a copy of this Notice to a document does not indicate the Commission's view that the document is not subject to review or appeal.