



## **IOWA CLIMATE CHANGE ADVISORY COUNCIL MEETING #13 SUMMARY**

**Energy Efficiency and Conservation (EEC) Subcommittee  
August 6, 2008  
1:00 – 2:30 pm CDT**

### **Attendance**

Jennifer Easler  
Marian Gelb  
Bob Holmes  
Deb Bergen for Bob Haug  
Tom Balster  
Roxanne Carrish, CRE TWG Member  
David Osterberg  
Julie Smith  
Jeff Myrom, for Cathy Woollums

### **Iowa Utilities Board**

Amy Christensen  
Gordon Dunn  
Joe Kiefer

### **DNR**

Marnie Stein

Mike Coveyou, Public Safety

### **CCS Staff**

Tom Peterson, *Facilitator*  
Hal Nelson, *Facilitator*  
Katie Pasko, *SC Assistant*

### **Discussion items and key issues**

Tom Peterson and Hal Nelson called the meeting to order and took attendance.

The draft meeting summary for call #12 was postponed until the next call.

Tom provided an overview of the process and expectations of today's call. He reviewed the Stepwise Planning Process on slide 5 of the powerpoint. The EEC SC is well into the quantification phase with a focus on the data sources and assumptions to be used.

The quantification process consists of three major steps:

- a. Develop standalone cost estimates for each policy option as if it exists completely independently of all other actions and options.
- b. Adjust each option to reflect existing actions at state and national level, such as EE Plans.
- c. Eliminate ‘double-counting’, the overlap between individual EEC options and options from other sectors.

The assumptions are categorized as:

- *Load growth estimates* – This data is incorporated in the Excel spreadsheet and will be used in future quantification.  
Roxanne Carrish will review 8.1% value in 2009 for accuracy.
- *Transmission and Distribution* – The assumption to be used is 7%.
- *Fixed costs of efficiency* – Represents efforts to include percent fixed costs of efficiency. This was calculated by removing the capital numbers from the calculation and assuming the remainder represents the fixed costs, works out to be 24%. Bob Holmes indicated that this figure is similar to IPL data.
- *Levelized costs* –
  - *Electricity* - It was decided to run at least three scenarios for EEC-1 and EEC-2: Use escalation rates of -2%, 0% and 2%, including admin costs. This sample approach will be reviewed before applying it to other fuel types.
  - *Gas* – No questions or comments at present
- *Avoided energy costs* – The electricity values represent the base case without any externality factor for carbon. The gas values as presented contain an externality value of 7.5%. These values will all be reduced by 7.5% in order that all values have no externality factors. The Alliant avoided costs decline in 2013 with the assumed addition of the Sutherland/Marshalltown coal plant. There was a question of whether the Alliant avoided costs are appropriate for statewide use. Avoided cost data in the public domain is difficult to acquire. Members will review available data for better, non-proprietary, data to use for quantification.

*Avoided CO<sub>2</sub>* – The data in slide 15 and in the spreadsheet sent to members reinforces other conclusions that Iowa is a net exporter of energy in the revised inventory and forecast. IA’s generation mix contains only small amounts of gas generation in its annual energy accounts which makes modeling large amounts of natural gas CO<sub>2</sub> reductions due to energy efficiency and conservation difficult to model. The red box in the spreadsheet shows the assumed new build mix of new generation sources based on the current planned capacity expansion proposals in IA.

Debate by the SC members centered around the definition and extent of the marginal sources of generation, and what resources would be avoided due to energy efficiency and conservation measures.

Nelson proposed using the marginal figure for the near term analysis through 2012 and the avoided new build values for the long term past 2013. The subcommittee supported this approach as a starting point for quantification.

Discussion was not completed for the remaining assumptions:

- Calculations
- Existing Actions
- Buildings
- Data Lacunae

Members are asked to send comments regarding slides 17-24 to Hal Nelson and Katie Pasko by the close of business on Monday, 11 August.

## **Background Documents**

Documents are posted at: [www.iaclimatechange.com](http://www.iaclimatechange.com)

## **Upcoming Schedule**

The next meeting of the EEC is scheduled for Friday, August 15 from 10 am to 11:30 am Central.

## **Public Comments**

None.

## **Announcements**

None.