



## memo

To: Natelle Dietrich, Brenda Wilbers Date: August 9, 2010 rev  
From: Tom Franks  
Copy: Fred Coito, Gwen Mizell  
Subject: Potential Study Kickoff Meeting Notes

Time and place: 1:00pm, August 4, 2010, Missouri Public Service Commission, Room 510

Attending:

From the PSC: Natelle Dietrich, Randy Gross, and John Rogers. Commissioners Davis, Gunn, and Kenney, and advisor Mark Hughes attended for part of the meeting.

From DNR-DE: Brenda Wilbers, Adam Bickford, and Sreedhar Upendram

From OPC: Ryan Kind

From KEMA: Fred Coito, Tom Franks

From GSM: Gwen Mizell

Approved Agenda:

1. Introductions
2. Review and approve agenda
3. Review and accept project summary
4. Introduction to potential analysis
5. Break
6. Schedule, communication, and reporting protocols
7. Coordination with ACEEE
8. Discussion of data sources
9. Refine analytic approach & definition
10. Next steps

### Salient Points and Decisions

I. **DECISION** - With regard to agenda item # 3, KEMA presented the following project summary. No amendments were offered.

A. Objective - Develop estimates of the technical, economic, and achievable potential of electric and natural gas demand side management ("DSM") for Missouri.

B. Method - Use KEMA's DSM Assyst™ model to build estimates of Missouri's DSM potential primarily from data acquired through secondary research.

C. Final Deliverable - A detailed report containing description of the project approach, estimates of the DSM potential by fuel and sector, and a comprehensive record of study inputs, sources and model outputs.

II. With regard to agenda item #4, potential analysis

- A. KEMA was asked if differences between urban and rural populations would be considered. KEMA responded that it was dependent on the availability data
- B. KEMA was asked if building code enforcement would be incorporated into the study. KEMA responded that this is not generally incorporated into the study but it would search for Missouri specific analyses.
- C. KEMA was asked if the effects of possible external circumstantial variables would be incorporated in the analysis. KEMA responded that the model does not accommodate this analysis, except to the extent that these factors are incorporated into inputs, e.g. forecasts on inflation rate, for specific scenarios.
- D. KEMA was asked about the number of scenarios provided by the study, and how the scenarios are defined. KEMA replied that the scenarios would be defined in concert with the client and typically there are at least two scenarios of achievable potential. Furthermore, KEMA will work with the PSC to define the appropriate scenarios.
- E. KEMA was asked to account for the different weather zones in Missouri. KEMA will consider it to the extent the readily available data permits.
- F. KEMA was asked if emerging technologies are incorporated in the analysis. KEMA responded that it typically takes a conservative approach and only includes proven technologies with known costs and benefits. It will consult with the PSC with regard to LEDs and other technologies it may wish to consider.
- G. KEMA was asked the number costing periods the model supports. KEMA responded that it will support up to 6 for each measure, and that typically 4 are used, summer on- and off-peak and winter on- and off-peak.
- H. In response to a question, KEMA stated that its analysis would not incorporate fuel-switching or combined heat and power applications.
- I. KEMA informed of a difference between Kansas City and St. Louis with regard to the back-up fuel for heat pumps.

III. With regard to item #6, schedule and communication and reporting

- A. **DECISION** - KEMA will provide monthly reports on the third day of the monthly to comply with reporting requirements of project funding.
- B. **DECISION** - KEMA will set up a weekly conference call with lead representatives from the PSC & DNR to report on project status and issues.
- C. KEMA proposes to provide interim reports on the data collection efforts, including a description of data sources and scaling or modification of non-Missouri data.
- D. **DECISION** - KEMA presented a communication proposal, which was accepted:
  - 1. KEMA had designated Tom Franks, project manager, as the single point of contact for the consultant team
  - 2. The PSC has designated Natelle Dietrich as the PSC project manager, and the single point of contact. Brenda Wilbers will be copied on all consultant/client communication.
  - 3. Other KEMA, PSC, DNR staff and their designees may communicated directly as necessary to acquire data or as required in the performance of their duties.
- E. The monthly status report will include:
  - 1. Summary of activities since the last report
  - 2. Progress towards task completion
  - 3. Anticipated progress before the next report
  - 4. Any variances/problems and proposal for resolution

IV. **DECISION** - With regard to item #7, coordination with ACEEE.

- A. The KEMA project manager may communicate directly and informally with ACEEE representatives on matters relating to data acquisition and methodology.
- B. The KEMA project manager will submit draft reports, findings and other work products to the PSC project manager and request explicit approval for transmission to ACEEE.

V. With regard to item # 8, data sources

- A. KEMA desires and will solicit substantial input from the PSC/DNR on economic assumptions, including, avoided costs, rate forecasts, and inflation forecasts. PSC/DNR to develop a process to incorporate stakeholder and commissioner input as necessary or appropriate.
- B. KEMA will prepare a list of inputs for PSC/DNR review. Based on the discussion at the meeting, KEMA anticipates that Missouri staff will have access to, or be able to acquire, Missouri specific data to be used as model inputs or to scale data from other sources. KEMA does not anticipate that scope and detail of this data will be comprehensive (cover all inputs) or geographically complete (comparable across all service territories).
- C. KEMA proposes to adopt Missouri specific data where available, e.g. from the AmerenUE potential study, provided it is credible, reasonable, and well documented. KEMA believes this approach will serve to reduce the potential for controversy around the final model outputs.
- D. KEMA will document all assumptions and data sources used in this study.
- E. Potential Missouri data sources include;
  - 1. Data from DSMore analysis by some utilities
  - 2. AmerenUE potential study
  - 3. Investor owned utility throughput and program data
  - 4. Cooperative and municipal utility data
  - 5. IRP filings

VI. Next Steps

- A. KEMA will prepare notes of the meeting by August 9, 2010
- B. KEMA will prepare a draft work plan, incorporating issues raised at this meeting, and submit it to the PSC/DNR on or about August 14.
- C. The PSC will set up an internet location for information related to the DSM Potential Study. (Completed: at <http://www.psc.mo.gov/electric/>)
- D. KEMA will prepare a list of data requirements for PSC/DNR review. The PSC/DNR will inform KEMA which data is in their possession or could be acquired in short order.