

PA 295 Rules General Information

- The commission will be issuing its order this afternoon on the final PA295.
- This order will allow for verbal and formal comments.
- Public hearing will be June 22nd.
- Commission will then revise the rules and then go back through the rule making process.
- The exact process is still unknown.
- Commission is assuring there will be sufficient time.
- Last known final date for comments was July 14th.

Rule Discussion

- The rules may read differently when the order is issued but the substance should be similar for the most part.

- Rule 1
 - Parts c and d.
 - Consumers and DTE both commented on both C and D.
 - Should D be eliminated?
 - Members of the group agreed it should be eliminated because evaluation goals are something that will be subject to change.

- Rule 2
 - General question – does rule 2 pertain to unregulated providers as far as reconciliation is concerned?
 - Yes, reconciliation is only for regulated utilities. Still need the third party annual report from unregulated providers.
 - Part b.
 - KEMA - There should be a recognition of cost to run a program. Need to consider companies of smaller scales. There should be some minimum that these rules should apply.
 - LBWL – if a utility has less than 100,000 meters could there be an exception to this rule? Market impact evaluation is not something small utilities are going to be able to afford.
 - STAFF – Is there sufficient money for small utilities to do appropriate check on participation levels.
 - Change wording to shall reflect instead of include a consideration.
 - Do we need to change this to reflect the validation?

Ongoing Question

What are we going to do about Net-to-gross?

- The word deemed has a specific meaning to it and cannot be used so freely.
- What should the different requirements for different utilities be? Rules 1 and 2 should be applicable to all utilities.
- Does step 2 verify Net-to-Gross? No – step 4
- What are the recommendations for Net-to-Gross (NTG)? Making a statement that this group will make a recommendation to the Steering Committee or MPSC staff about NTG. Process will include definition of NTG and how they will be updated.
- May use Sami's white paper on certain steps.

Consumers' version focuses on adjustments contained in the white paper, with Section 3 referring to the timing of those adjustments and reconciliation.

- NTG should be re-worked at least once every 3 years. Values are specific to each program – with a weighted average applied to the entire portfolio. 77% of savings came from their lighting program in the first year, 44% expected on the second year.
- Of the four steps the first two should be the required ones of everyone. The final two should be optional.
- #2D: a recommendation concerning the process should be developed by the Evaluation Workgroup. In E, same thing is said, with a process developed for identifying energy savings. No one wants to state how it will be done in the rules at this time, not enough information.
- Rule 2 leaves the specifics up to the collaborative.
- Proposal: Develop a consensus document that tells about who agrees on certain issues and then others who do not agree can file comments.
- In Rule 2 sub-rule G Consumers and DTE have one minor difference in their comments.
- Rule 3
 - 2010 and 2009 reconciliation should be similar due to the lack of new information.

- 2011 will be different to an audit change with new information from evaluations.
- Willing to make adjustments but need the information ahead of time to make the appropriate adjustments in a timely manner.
- There are very mature markets for the State of Michigan.
- Sub-rule E for Consumers Energy should be changed to their first “two” calendar years and then to “third” calendar year instead of “second.”
- Should not substitute the word Evaluation. This is not a term to be used loosely.
- Would like to get monthly energy efficiency reporting because of the amount of funding allotted for tracking.
- Staff recognizes that the interim reports will be different than the final report data because it is still unofficial and subject to change.

Meetings will be scheduled for the third Tuesday of every month.