

VSPC Energy Efficiency & Forecasting Subcommittee



**REPORT TO THE VPSC QUARTERLY MEETING
JUNE 10, 2009
RECOMMENDATION ON HOW TO MEET THE
DOCKET 7081 REQUIREMENT FOR THE VSPC
TO CONDUCT A DEMAND-SIDE MANAGEMENT
POTENTIAL STUDY**

EE&F Subcommittee Report – Recommendation to address the requirement for a VSPC DSM study



- **Relevant language from Docket 7081 MOU**
 - “Affected Utilities agree to undertake the following activities by July 1, 2010: 1) VSPC to sponsor, via an RFP, a statewide DSM potential study (including efficiency measures & CHP /customer sited generation) broken down by select area load zones within Vermont. This would either be new or a revision to that done for the DPS. The study results would be used in both the preliminary and detailed NTA analyses.”
- **Two separable components:**
 - Efficiency measures potential study
 - CHP & customer-sited generation potential study

Subcommittee Recommendation



- VSPC issue an RFP in 2010 to sponsor a potential study on combined heat and power and customer-sited generation broken down by select area load zones within Vermont.
- Accomplish the DSM potential study through one of the two available paths: planned DPS effort or 2010 update of EEU's Forecast 20.
 - If VSPC agrees conceptually, EE&F will analyze costs and other factors and present a recommended choice at the September VSPC meeting.
- Seek PSB approval for this path, including modification of MOU requirement if needed.

Background on the two DSM studies



- **The two planned DSM potential studies each would need some scope change to meet VSPC requirement:**
 - Forecast 20 is a “budget limited” energy efficiency potential study, broken down by select area load zones within VT.
 - ✦ Scope change required: analysis based on unconstrained budget assumptions.
 - DPS will conduct a statewide energy efficiency potential study in the context of EEU budget proceedings.
 - ✦ Scope change required: analysis by load zones.
- **Incremental costs of scope changes to be funded by VSPC through existing funding mechanism.**

Options considered by the EE&F Sub



- **VSPC issues an RFP per MOU (no change).**
- **Sole source work to VEIC as the EEU to expand efficiency potential study (no budget constraints) .**
- **Sole source work to VEIC as private contractor.**
- **Add tasks to DPS potential study to break down by load zone and CHP/generation.**
- **Hybrid approaches.**

Factors Weighed by Subcommittee



- The need (or absence of need) for MOU amendment
- Avoidance of duplicated effort
- Available expertise
- Cost
- Administrative simplicity
- The value of competitive bidding
- Compatibility of purposes between planned studies and VSPC study requirement
- Compatibility of tasks with organizational roles