

Summary of Vision for the 2010 Plan

CEAB Board Meeting at CERC

May 29, 2009

Introduction

On May 29th, members of CEAB gathered to discuss the 2010 Integrated Resource Planning process. The session was intended to review the status of IRP planning and explore whether any of the bases or elements of the planning process should be modified. The discussion was framed and informed by background information regarding the scope of the plan, goals and policy objectives, implementation and structural issues, and the 2010 planning process. Simply put, the discussion was intended to reach consensus on a plan for the plan. The outline that follows contains the consensus direction arrived at by the attendees for consideration by the Board.

Attendance

Michael Cassella, Joel Gordes, Jeffrey Gaudiosi, Tim Cole, Mary Healey, Jim Sime, Jim Hoffman, Tracy Babbidge

Nine to eleven members of the public attended at various times. The Board never had a quorum so this meeting was never called to order.

Scope of Plan

- Affirmed that the guiding principles stated in the legislation both set the boundaries of the plan and are the primary factors that need to be addressed
 - Reliability
 - Cost
 - Security
 - Environment
 - Economic development

- The Board noted that Sec. 51. directs the Distribution Utilities to submit to the Connecticut Energy Advisory Board an assessment of “the impact of current and projected environmental standards, including, but not limited to, those related to greenhouse gas emissions and the federal Clean Air Act goals and how different resources could help achieve those standards and goals.” The Board noted that, since state, regional and draft federal global warming goals are set for 2020 and 2050, the Procurement Plan, must look longer term in order to consider what must take place in the next 3/5/10 years to accomplish these critical environmental goals.

- The Board is cognizant that significant changes are needed in the electric sector in order to meet the environmental goals, called for in the legislation and by the public, for reducing carbon and emissions. In addition to addressing the 3/5/10 year planning horizons, the 2010 Plan should identify the near-term and medium-term actions and milestones that are needed to accomplish those objectives meet the 2020 and 2050 environmental goals.
- Without overreaching or losing its effectiveness as a primarily electric sector plan, the 2010 Plan should strengthen the interrelationship and intersection with other sectors. The planning process should look beyond electric to anticipate and explain where other sectors, notably transportation, fuels, and the environment, impact the electric sector and how other issues (e.g., climate change, economic development) are affected by the electric sector. It will be important to provide and maintain the analytics for any areas that the plan addresses and to determine what analytics are required to support any longer term goals or policies of the plan.

Goals and Policy Objectives

- The statutory language provides the high level goal for the Plan; the Board must be aware of but not limited by other state goals, for example those expressed in Governor's and federal emissions and GHG goals. Before affirming, modifying, or establishing the goals in CEAB's 2010 Plan, the Board needs to understand what it would take to meet the goals and what the interim goals should be. The goals should be realistic and allow for accountability.
- The 2010 Plan should provide a basis to know the economic impact of alternatives and decision points. (Economic development should not drive the plan, but it is a factor to consider when choosing among alternative plans. Information is needed to evaluate choices and tradeoffs.)
- Short-term and long-term price impacts must continue to be a consideration in the Plan. The price of electricity in Connecticut, currently the highest in the continental US, making near-term price mitigation an important consideration. Longer -term, when considering costs, Plan should consider direct and indirect long-term costs and benefits of the alternatives.
- The level at which goals are expressed (i.e., public policy vs. plan objective) must be clear. To determine the appropriate level as well as to prepare to engage in planning in the regional and national context the Plan should include energy security metrics, discuss fuel diversity.
- In the Procurement Report, the story needs to be told to show people where the trade offs are. CEAB needs to focus on involving and educating key people, communicating along the way and selling final recommendations.

Implementation/Structural

- Plan should be clear about what is needed for implementation; the planning process should not be limited because of questions regarding implementation.
- Once we have recommendations, CEAB needs to consider what needs to happen to implement plan, such as advocating for structural changes and/or legislation.
- CEAB will want to consider whether to recommend that the plan be biennial.

2010 Planning Process

The 10 topic areas identified and pursued in the 2009 planning process continue to be relevant as provided the informational and analytical basis for integrated resource planning.

Resource Adequacy

- Keep on the path we are going and revisit the calculations from the 2009 plan. What is the capacity situation – tells us how much time we have. It is a reoccurring piece – the core of anything else. Need to know what this looks like using traditional planning.
- If called for, we need to tell DPUC why they should intervene with the market (i.e. costs for non-compliance with NOx standards.)

DSM

- The Plan needs to articulate the case for doing more DSM in keeping with legislative directive. Benefits of DSM need to factor in environmental and energy security benefits. Provide the economic case.
- Plan should look at ways to finance more DSM. In addition to considering expansion of incentive-based and educational DSM programs, the 2010 Plan should look at other means of reducing consumption or peak demand such as building codes and standards.
- Expand stakeholder list to include insurance companies and behaviorist.

Renewable Energy

- The plan should revisit availability, cost and technology(ies) and provide metrics to determine the cost effectiveness over a defined period of time.
- Plan should include environmental metrics that go beyond carbon.

Transmission

- Important to continue to communicate with ISO-NE about developments.
- The Plan should address how to integrate various planning processes as well as import strategies.

Nuclear

- The Connecticut Academy of Science and Engineering (CASE) study should provide factual basis for further discussion. (If the CASE study does not go forward, the scope of work for the 2010 Plan would be needed to be changed to provide the CEAB with the information it needs to consider the nuclear generation question.)
- Stakeholder process – conduct a “once in a generation” review.

Combined Heat and Power

- Summarize what has been done.

Environment

- EDCs should work with DEP keep that up to date as things are changing very fast on both short term (particulates) and long term (carbon) issues.
- When considering alternatives, it is essential to understand the environmental implications.
- Seek out a broader range of input into the environmental section.

Energy Security

- Include energy security metrics.
- Make clear the interaction points and the security aspects of decisions.

Resource Financing

- Consider impact of how project funding has changed.
- Look for new funding mechanisms to make sure CT is benefiting from federal programs.
- Consider impact of possible Power Authority as a long term issue.

Emerging Technologies

- Establish an inventory of emerging technologies and provide updates. Point out opportunities or changes that might impact electricity use (i.e. plug-in hybrids)
- Organize technologies by Near term/Medium term/Long term.

Other

CEAB should establish an energy security subcommittee.

CEAB would like to have presentations on the following:

- Emerging technologies
- SmartGrid pilot
- Energy Security – NERC/Homeland Security
- Resource financing