

**Virginia Commission on Energy and Environment**  
**Energy Efficiency and Conservation Subcommittee**

September 16, 2009, 1:00 pm  
Meese Conference Room, Mason Hall, George Mason University  
Fairfax, Virginia

**Summary**

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**Members Present:** Senator Petersen, Senator Stuart, August Wallmeyer, Arlen Bolstad.

Senator Petersen, Chairman of the Energy Efficiency and Conservation Subcommittee, called the meeting to order and members of the Commission provided brief introductions. Presentations made to the Commission can be found on the Commission's website at <http://dls.virginia.gov/energy.htm>.

**Staff Review of State and Federal Energy Efficiency Programs**

At the request of Senator Petersen, Commission staff provided an overview of statutory energy efficiency and conservation programs in the Commonwealth. A document containing these provisions is located on the Commission's website. Additionally, staff provided a brief overview of federal programs, which is also located on the Commission's website.

**Demand Side Management (DSM) Efforts of Virginia Utilities: Current Programs**

*Shannon Venable*, VP, Dominion, provided a brief presentation on Dominion's current DSM programs as well as programs the company expects to implement in the near future. Mrs. Venable's presentation contained information regarding Dominion's generation mix, a comparison of carbon intensity among the 100 largest power producers in the US, and a recent history of the increase in demand for electricity in the Commonwealth.

Dominion is currently seeking approval for one peak-shaving program and 11 energy efficiency programs. If approved by the SCC, these programs would be implemented in 2010. For an increase of about \$0.95 per month to cover the cost of DSM programs, Mrs. Venable stated that the cost savings of delaying the construction of new generation would result in savings of more than \$1.2 billion over a 15 year period.

*Ron Jefferson*, AEP, provided the subcommittee with a brief synopsis of DSM efforts at AEP. AEP has recently completed a market study of DSM programs and has moved forward with a voluntary renewable portfolio standard (RPS) with 400 megawatts of wind power already under contract. In addition to contracts for clean energy, AEP also offers customers the opportunity to purchase green energy credits at an additional rate of \$.015 per kilowatt hour.

*Catherine Powers*, VP of Forecasting and Member Services, ODEC, provided a presentation on demand response and energy efficiency, which is available on the Commission's website. Mrs. Powers highlighted ODEC's efforts in providing direct load control and energy efficiency programs as a means to achieving the lowest possible rates for its members. The regional cooperatives also disseminate educational materials to their retail customer members. One of the new programs proposed for 2010 is a refrigerator exchange program aimed at replacing older and less efficient refrigerators with modern high-efficiency models.

### **Overview of First Application for Rate Adjustment Pursuant to HB 2506**

SCC staff reported that Dominion was the first utility to apply for a rate increase pursuant to HB 2506. SCC staff expects to see more utilities filing applications as they initiate DSM programs.

### **Review and Update of PUE-2009-00023**

SCC staff reviewed the pending case in response to HB 2531/ SB 1348. SCC staff will issue its final report on or before the November 15th reporting deadline.

### **Open Discussion**

Senator Petersen asked SCC staff if they expect to see any legislative recommendations in case 00023. SCC staff said that it was likely that some of the recommendations in the final report could require legislative changes. SCC staff will report its findings at the next meeting of the Energy Efficiency and Conservation Subcommittee.

### **Public Comment**

A representative from the Sierra Club submitted a written comment requesting the Commission to investigate the use of an inclining block rate structure for electricity rates in Virginia.

A representative from the natural gas industry reminded the Commission members that natural gas is a large component of the residential energy supply in the Commonwealth and the industry is actively pursuing energy efficiency programs to take advantage of the alternative ratemaking legislation (HB 543) passed in 2008.

## **Members**

The Honorable Mary Margaret Whipple, Chair

The Honorable J. Chapman Petersen

The Honorable Richard H. Stuart

The Honorable Samuel A. Nixon, Jr.

The Honorable Clarke N. Hogan

The Honorable Charles D. Poindexter

The Honorable Joseph P. Johnson, Jr.

The Honorable Mark D. Sickles

Mr. Patrick G. Hatcher

Ms. Karen Kennedy Schultz

Mr. Hugh E. Montgomery, Jr.

Mr. August Wallmeyer

Mr. Arlen K. Bolstad

Mr. David K. Paylor, *ex officio*

Mr. Stephen A. Walz, *ex officio*

## **Staff**

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