

EMAIL Dated: Fri 7/1/2011 9:55 AM

Erin:

Thanks for working on this. Yesterday, we noticed an error (or oversight) in the description of the Future 8 base case. We believe that the F8 load growth and DR/EE assumptions were supposed to essentially mirror what was used for F4. Although the MWG memo from the March 2011 Chicago meeting does not mention load growth and DR modifications, the following language is in the Future 8 high level description that the SPWG and SSC adopted one month earlier, on February 7 and 8, 2011– and mentions increased EE, DG and DR as critical drivers:

Brief Description: “Emissions cuts driven by a federal cap on carbon emissions combined *with a suite of policies primarily designed to advance efficiency* and renewable technologies. The electricity sector is responsible for nearly 60 percent of the total emission reductions by 2030 as a result of *investments in energy efficiency, renewable energy, distributed generation, smart grid and other low-carbon technologies by 2030*”. (emphasis supplied).

Narrative: “More energy-efficient buildings, industries, appliances and Vehicles”

Key Driver: Industry and Buildings Policies

- An energy efficiency resource standard requiring retail electricity and natural gas providers to meet efficiency targets
 - Minimum federal energy efficiency standards for specific appliances and equipment
 - Advanced energy codes and technologies for buildings
 - Programs that encourage more efficient industrial processes
 - Wider reliance on efficient systems that provide both heat and power
- R&D on energy efficiency

Key Driver: Load/Demand Growth

Declining to moderate. The energy efficiency and smart grid policies are expected to lead to an overall reduction in electricity demand below current consumption levels under low and moderate economic futures.

Based on this language, this Future should include enhanced DR, DG and EE. Our recollection was that these inputs would mirror F4. And, from the NGOs’ perspective, the F8 base case was always designed to include CO2 emission reductions, enhanced RPS, *and* increased EE and DR.

The latest EIPC schedule indicates that the Future 8 + S1 modeling would not be completed for another 6 ½ weeks (until 8/19/11) but Ralph’s email from yesterday seems to indicate that CRA may have started looking at future 8 already. Thus, we should discuss how to best correct this oversight as soon as possible.

Thanks,

Wil

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