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## MEMO

To: Montana RCI Technical Working Group  
CC: Montana DEQ Staff  
From: Michael Lazarus, Alison Bailie, and David Von Hippel, CCS  
Re: Consolidation of Catalog of Montana RCI Options  
Date: October 30, 2006

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At the 2<sup>nd</sup> TWG call (Oct 24), it was agreed that prior to TWG members “voting” on which of the Policy Options in the Catalog of State Climate Mitigation Options should be considered high priority for further elaboration and analysis, it would be very helpful to consolidate the list of options into a group of more aggregate options. During the October 24 call, several TWG members provided ideas for consolidation, and these ideas, together with thoughts from David, Michael and Alison, have been used to produce the following draft consolidation of options. For those of you who missed the call, the call summary should be available within the next week at the usual website location: [http://www.mtclimatechange.us/Residential\\_Commercial\\_Industrial.cfm](http://www.mtclimatechange.us/Residential_Commercial_Industrial.cfm).

The following is a grouping and listing of the proposed aggregated options for RCI to consider. We’ve given these new, aggregated options a different numbering system (RCI-A.1, -A.2, etc.) to distinguish these new, aggregated options from those previously in the catalog. Each aggregate title is followed, in parentheses, by a listing of options from our previous catalog that would be included, either directly or as “supporting policies” (see definition below) under the aggregated option. In some cases elements of the original option from the catalog listed in parentheses, but not all of the elements implicit in the option, are included in the new, aggregated option.

## **NEW LISTING OF CONSOLIDATED POLICY OPTIONS**

### **RCI-A. Energy Efficiency Programs, Funds, and Goals**

- A.1 Demand Side Management Programs, Efficiency Funds and Requirements (**includes old 1.1, 1.2, 1.3, 4.1, 4.2, 6.4, 6.6, 9.2, 9.8, 9.11**)
- A.2 Market Transformation and Technology Development Programs (**includes old 1.4, 4.1, 4.2, 6.6**)

### **RCI-B – Appliance Standards**

- B.1 State Level Appliance Efficiency Standards and State Support for Improved Federal Standards (**old 1.4, 2.1, 2.2, 4.1, 4.2**)

### **RCI-C – Building Efficiency Improvement**

- C.1 Building Energy Codes (**includes old 3.1, 3.3, 3.4, 4.1, 4.2, 6.6, 9.2**)
- C.2 “Beyond Code” Building Design Incentives and Mandatory Programs (**includes old 3.2, 3.3, 4.1, 4.2, 6.6, 9.1, 9.2, 9.3, 9.4, 9.5, 9.7, 9.8, 9.11**)
- C.3 Building Commissioning, Recommissioning, Retrocommissioning, and Operations Improvements (**includes old 3.3, 3.5, 3.6, 4.1, 4.2, 9.2, 9.3, 9.4, 9.7**)
- C.4 Alternative Building Designs, Materials and Construction Practices (**includes old 3.3, 3.7, 3.8, 4.1, 4.2, 6.5, 9.2, 9.4**)
- C.5 Urban, town and subdivision design (**old 3.9**)

### **RCI-D – Education, Promotional Programs, and Specialist Training**

- D.1 Consumer Education Programs (**old 4.1**)
- D.2 Introduce in School Curriculum (**old 4.2**)

### **RCI-E – Pricing and Purchasing**

- E.1 Green Power Purchasing (**includes old 5.1, 9.1**)
- E.2 Bulk Purchasing Programs for Energy Efficiency or Other Equipment (**old 5.2**)
- E.3 Time of Use Rates (**old 5.4**)
- E.4 Tiered (inclining block) rates (**old 5.5**)

### **RCI-F – Technology-specific options**

- F.1 Support for Implementation of Clean Combined Heat and Power (**includes old 5.3, 6.2, 9.7**)
- F.2 Support for Renewable Energy Applications (**includes old 5.3, 5.4, 6.1, 6.3, 9.7**)
- F.3 Non-traditional (non-utility) Energy Efficiency Programs (**includes old 6.3, 6.4, 6.6, 6.3, 9.1, 9.3, 9.4, 9.5, 9.8, 9.9, 9.11**)

### **RCI-G – Industrial Sector Policies and Goals, and Non-Energy Emissions/CO<sub>2</sub> Process Emissions**

- G.1 Non-Energy Emissions Reduction Initiatives (**includes old 7.1, 7.2, 7.3, 7.4**)

- G.2 Industrial Sector Emissions Cap and Trade Programs (**includes old 8.2, 8.4**)
- G.3 Voluntary Emissions Reduction Measures (**includes old 7.5, 8.1, 8.3 through 8.5, 9.5, 9.6**)
- G.4 Carbon tax (**old 8.6**)

**RCI-H – Other Policies**

- H.1 Industrial Energy Audits and Recommended Measure Implementation (**includes old 6.6, 9.5, 9.6, 9.7**)
- H.2 Low-income energy efficiency programs (**includes old 9.2, 9.8**)
- H.3 Water Use Reduction (**includes old 6.6, 9.8**)

Our proposal is that this consolidated list be used as a starting point for voting on TWG priorities for further analysis. Please review the consolidation suggested here, and provide any alternative consolidations or suggested changes.

We have sent a “ballot” accompanying this memo that we hope you will use to indicate your priorities among these options for further elaboration and analysis, and send back to us for tallying. You will also, on the ballot, have an opportunity to provide ideas for further consolidation, or to suggest modifications to this consolidation, which is very much a draft for your review. We will discuss both the voting results and the consolidated list at our next TWG meeting on **November 14<sup>th</sup>**.

You are of course welcome and encouraged to provide your comments and suggestions during our next TWG call, but you are also encouraged to write down your thoughts and provide them to David, Michael and Alison by e-mail. If we have your thoughts in writing, it will help the process of modifying the consolidated list along, and also help us to quickly identify areas of agreement, disagreement, or uncertainty to pursue in the TWG call. The substance of any comments provided by e-mail will be discussed in the TWG call. To facilitate our review and, as appropriate, compilation of the comments provided by e-mail, we would request that you get comments to us on or before **November 3<sup>rd</sup>**, but comments e-mailed after that date will also be appreciated.

### Cross-Reference Table of Policy Options

The table below cross-references the previously discussed policy options from the “catalog” with the above consolidated options in categories A through I, as indicated by a **X**. An **S** indicates an option that could be considered a “supporting policy” for a consolidated option.

Old No.	GHG Reduction Policy Option from Existing Catalog of Options	Consolidated Policy Options																							
		A.1	A.2	B.1	C.1	C.2	C.3	C.4	C.5	D.1	D.2	E.1	E.2	E.3	E.4	F.1	F.2	F.3	G.1	G.2	G.3	G.4	H.1	H.2	H.3
<b>1.</b>	<b>Energy Efficiency Programs, Funds, and Goals</b>																								
1.1	Utility Demand Side Management (DSM) Programs for electricity, natural gas, propane, fuel oil	<b>X</b>																							
1.2	Energy Efficiency Funds (e.g. Public Benefit Funds) administered by State agency, utility, or 3rd party (e.g. Energy Trust)	<b>X</b>																							
1.3	Energy Efficiency Requirements (e.g. Utility Savings Goals or Energy Portfolio Standards)	<b>X</b>																							
1.4	Market transformation and technology development programs		<b>X</b>	<b>X</b>																					
<b>2.</b>	<b>Appliance Standards</b>																								
2.1	Development of State-level Appliance Efficiency Standards			<b>X</b>																					
2.2	State Voices Support for Adoption of More Stringent Federal-level Appliance Efficiency Standards			<b>X</b>																					

Old No.	GHG Reduction Policy Option from Existing Catalog of Options	Consolidated Policy Options																							
		A.1	A.2	B.1	C.1	C.2	C.3	C.4	C.5	D.1	D.2	E.1	E.2	E.3	E.4	F.1	F.2	F.3	G.1	G.2	G.3	G.4	H.1	H.2	H.3
<b>3.</b>	<b>Buildings</b>																								
3.1	Improved Building Codes				X																				
3.2	Promotion and Incentives for Improved Design and Construction (e.g. LEED <sup>1</sup> , green buildings)					X																			
3.3	Training and Education for Builders and Contractors (e.g. HVAC <sup>2</sup> sizing, duct sealing)				X	X	X	X																	
3.4	Training of Building Code and other Officials in Energy Code Enforcement				X																				
3.5	Building Commissioning and Recommissioning, including Energy Tracking and Benchmarking							X																	
3.6	Energy Management Training/Training of Building Operators							X																	
3.7	Increased Use of Blended Cement (substituting fly ash or other pozzolans for clinker reduces CO <sub>2</sub> emissions)								X																
3.8	Reduction of Emissions from Diesel Engines Used in New Construction Developments								X																
3.9	Urban, town and subdivision design									X															
<b>4.</b>	<b>Education and Outreach</b>																								
4.1	Consumer education programs	S	S	S	S	S	S	S		X															
4.2	Introduce in School Curriculum	S	S	S	S	S	S	S			X														
<b>5.</b>	<b>Pricing and Purchasing</b>																								
5.1	Green Power Purchasing												X												

<sup>1</sup> LEED = Leadership in Energy and Environmental Design, a national building certification program.

<sup>2</sup> HVAC = Heating, Ventilation, and Air Conditioning

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		A.1	A.2	B.1	C.1	C.2	C.3	C.4	C.5	D.1	D.2	E.1	E.2	E.3	E.4	F.1	F.2	F.3	G.1	G.2	G.3	G.4	H.1	H.2	H.3
5.2	Bulk Purchasing Programs for Energy Efficiency or other Equipment (Public or Private sector)											X													
5.3	Net-metering policies															X	X								
5.4	Time of Use Rates (and Smart Metering)												X			X									
5.5	Tiered (Increasing Block) Rates													X											
<b>6.</b>	<b>Technology-Specific Policies</b>																								
6.1	Incentives for Renewable Energy Applications (Solar roofs, water heaters, etc.)																X								
6.2	Clean Combined Heat and Power (CHP)															X									
6.3	Promotion and Tax or Other Incentives (e.g. EnergyStar, credits for solar hot water)															X	X								
6.4	Appliance Recycling/Pick-Up Programs	X																X							
6.5	White Roofs, Rooftop Gardens, and Landscaping (including Shade Tree Programs)							X																	
6.6	Focus on specific end-uses/technologies: air-conditioning, lighting, water heating, plug loads, networked PC management, power supplies, motors, pumps, boilers, etc. Consumer products programs, may include incentives, retailer training, marketing and promotion, education, etc ,	X	X			X	X											X						X	
<b>7.</b>	<b>Non-Energy Emissions (HFCs, PFCs, SF<sub>6</sub>, CO<sub>2</sub> Process Emissions)</b>																								
7.1	Participation in Voluntary Industry-Government Partnerships																		X						

Old No.	GHG Reduction Policy Option from Existing Catalog of Options	Consolidated Policy Options																								
		A.1	A.2	B.1	C.1	C.2	C.3	C.4	C.5	D.1	D.2	E.1	E.2	E.3	E.4	F.1	F.2	F.3	G.1	G.2	G.3	G.4	H.1	H.2	H.3	
7.2	Process Changes/ Optimization																		X							
7.3	Leak Reduction /Capture, Recovery and Recycling of Process Gases																		X							
7.4	Use of Alternative Gases (other HFCs, hydrocarbon coolants/refrigerants, etc.)																		X							
7.5	Cement Industry: Use of Alternative Fuels																				X	X				
<b>8.</b>	<b>GHG Emissions-Specific Goals and Policies</b>																									
8.1	Support for switching to less carbon-intensive fuels (coal and oil to natural gas or biomass)																				X	X				
8.2	Industry-Specific Emissions Cap and Trade Programs																			X						
8.3	Voluntary emissions targets																				X					
8.4	Small-source Aggregation																			X	X					
8.5	Negotiated Emissions or Energy Savings Agreements																				X					
8.6	Carbon Tax																					X				
<b>9.</b>	<b>Other</b>																									
9.1	Government Agency Requirements and Goals (including procurement)					X			X			X							X							
9.2	Focus on specific market segments: existing homes (weatherization), new construction, apartments, low income, etc.	S	S	S	S	S	S	S	S			S													X	
9.3	Reinvestment Fund	X				X	X												X							
9.4	Municipal Energy Management					S	S	S	S										S							

Old No.	GHG Reduction Policy Option from Existing Catalog of Options	Consolidated Policy Options																								
		A.1	A.2	B.1	C.1	C.2	C.3	C.4	C.5	D.1	D.2	E.1	E.2	E.3	E.4	F.1	F.2	F.3	G.1	G.2	G.3	G.4	H.1	H.2	H.3	
9.5	Focus on Small and Medium Enterprises (SMEs)					X												S				S	S	S		
9.6	Industrial ecology/ by-product synergy																				S	S	X			
9.7	Industrial (and Residential/Commercial building) Audits					X	X										X							X		
9.8	Low-income energy efficiency programs.	X				X												X							X	
9.9	Right of Refusal for Utility Hookups																	S								
9.10	Water conservation																								X	
9.11	Incentives for individuals for reducing GHG emissions through reduction in their residential consumption (natural gas, electricity, water, garbage)	S				X												S								