

Kevin Lucas

From: Gray, Susan T <SGray@dnr.state.md.us>
Sent: Thursday, September 27, 2012 3:25 PM
To: Kevin Lucas
Subject: RE: EmPOWER Planning Draft Report and Supporting Documentation

Kevin,

We've reviewed the draft report and have the following comments:

1. We suggest that MEA clearly define what is meant by "top-down" and "bottom-up." We do not believe that the intended audience will be familiar with these terms and will find the differences in the two sets of calculations confusing.
2. MEA needs to include a discussion regarding which Business-as-Usual (BAU) case it is using. In particular, is this the original BAU forecast prepared in 2007-2008 or something of more recent vintage? If it is the original BAU case, then it needs to be noted that the economic environment has changed substantially since the forecast was first done.
3. The report would be improved if there were some discussion in the demand reductions section concerning the impact of the economic recession.
4. The graph on page 12 shows projected exogenous reductions in energy usage for the years 2012 through 2015. MEA indicates that these exogenous reductions are related to weather conditions and economic conditions. It would be helpful to know what underlying economic and weather-related assumptions are being relied upon to generate the projected exogenous impacts.
5. On page 6, MEA states that due to demand response programs, Maryland will receive \$221 million in payments from the capacity market. This may not be the best way to characterize capacity payments. Demand Response participants and Curtailment Service Providers will receive payments. Customers will continue to pay for capacity, though potentially at a bit of a lower rate.

In addition to these comments, there are a few minor items that should be addressed. These include:

1. On page 14, the heading is "Summary of Potential Studies for Natural Gas, Fuel Switching, and Combined Heat and Power." It appears as though the "potential" studies have all been completed and we suggest that the word "Potential" be removed from the section heading.
2. On page 10, second line up from the graph, the word "historic" should be "historical."
3. On page 9, there is a reference to electric vehicle penetration potentially affecting the demand reduction forecast. This potential impact is far outweighed by other factors, including the speed and magnitude of the economic recovery.
4. On page 20, the two-star item under the table should have an initial capitalization on the word "includes."

One other thing – will stakeholders have an opportunity to review the draft recommendations?

Thanks,

Susan

From: Kevin Lucas [mailto:KLucas@energy.state.md.us]

Sent: Monday, September 24, 2012 4:59 PM

To: Anne M. Linder; Bill Paul; Bill Wolf; Brent Barkett; Brian P. Toll; Carl LaVerghetta; Charlie Driggs; Chuck Wilson;