



Missouri Energy Stakeholder Process:  
Public Participation Meeting, November 14, 2011

*Convened by the Missouri Department of Natural Resources  
at the Reynolds Alumni Center  
Maryland and Conley Avenue, Southeast Corner  
University of Missouri, Columbia*

Meeting Summary

**Attendees**

**Stakeholders**

Glenda Abney	Guy Black	Josh Campbell	Allen Dennis
Mollie Freebairn	Bill Frick	Barry Hart	John Hennis
David Klindt	Pam Levetzow	Dan Mohrman	Stacey Paradis
Robert Reed	Henry Robertson	Heidi Schoen	Thomas Schultz
Irl Scissors	Ed Smith	Frank Snelson	Tony Stafford
Brent Stewart	Roger Walker	Joe Wilkenson	Warren Wood

**Missouri Department of Natural Resources**

Martha Buschjost	Patrick Lynn	Sara Parker Pauley	Sreedhar Upendram
Llona Weiss	Brenda Wilbers		

**Cadmus Team**

Paul Parker	Adam R. Saslow	Robert Winters	Michele Wynne
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**Welcoming Remarks**

*Sara Parker Pauley, Director, Missouri Department of Natural Resources*

*Llona Weiss, Director, Missouri Department of Natural Resources/Division of Energy*

*Adam R. Saslow, Senior Facilitator, RESOLVE*

Ms. Parker Pauley opened the meeting at 1:45 p.m. and thanked the attendees for taking the time to participate in this process.

Ms. Weiss welcomed the participants and summarized the process that led to this workshop. The Missouri Department of Natural Resources (MO DNR) Division of Energy (DE) engaged The Cadmus Group, Inc. to convene a stakeholder process to identify issues and priorities in

Missouri's energy future and the DE's role in that future. Cadmus identified Missouri stakeholders who had either a broad, general knowledge of energy issues (advisors to the process) or expertise in renewable energy resources (subject matter experts, known as SMEs, within the process).

Three workshops were held in three different parts of the state to provide broad access to the citizens of Missouri. The three workshops included: (1) an energy efficiency discussion in Rolla on October 25; (2) a traditional energy sources discussion in St. Louis on October 27; and (3) a renewable energy sources discussion in Kansas City on November 10. In this final workshop, a public meeting where participation was unconstrained, all attendees were invited to share their thoughts, both within the structure of the meeting and more freely during the public comment periods.

Mr. Saslow continued describing this stakeholder process. Advisors to the process had been asked to commit to participating in at least three of the four meetings. The SMEs participated in the workshop focused on their area of expertise, although they were invited to also attend and observe any other meeting of their choosing. Additional observers to the process were welcome to leave and return. Each workshop was designed to yield consensus around high-priority DE activities for the years ahead.

By workshop focus, the priorities identified in each meeting included the following.

### **Energy Efficiency/Rolla:**

1. Convene an 'adult conversation' (transparent, facilitated and structured process) about energy-efficiency issues.
2. Develop a vision of the DE's role within Missouri's energy-efficiency landscape.
3. Act as a clearinghouse for vetted information on energy efficiency.
4. Develop a clear message on energy efficiency in the state.
5. Facilitate the adoption of stronger energy-efficiency building codes.
6. Develop a state energy plan.

### **Traditional Energy Sources/St. Louis**

1. Provide analyses on the costs and other impacts associated with retiring aging energy generation infrastructure and federal regulations.
2. Develop a state energy plan.
3. Convene an adult conversation about energy issues.
4. Develop an Energy Center, a clearinghouse of vetted energy information.
5. Contribute to Public Service Commission (PSC) proceedings.

### **Renewable Sources/Kansas City**

1. Act as a clearinghouse of vetted information.
2. Provide a forum for open conversation related to renewable energy sources.
3. Develop a process for evaluating new renewable energy resources.

## Orientation to the Dialogue

*Adam R. Saslow, Senior Facilitator, RESOLVE*

The purpose of the public participation meeting was to regroup the recommendations from the three workshops into three activity areas and allow the participants to prioritize those activities. The three activity areas are:

- Current critical programs and policies;
- Data gathering, analysis, and clearinghouse; and
- Convening policy discussions and other roles.

The public was encouraged to actively participate in the discussions. In addition, time was set aside to allow for public input on any energy topic or issue.

Mr. Saslow discussed the following topics.

### **The Charge**

The stakeholder process will strive to elicit meaningful discussion on complex energy issues, trends, opportunities, and challenges for the state of Missouri, the MO DNR, and the DE. Thus, the director of the MO DNR issued the following charge to the participants:

*The stakeholder process will strive to elicit meaningful discussions on complex energy issues, trends, opportunities, and challenges for the State of Missouri, the DNR, and the DE.*

*Participants in the energy stakeholder process will work together with our project facilitator (Cadmus) to build consensus on what critical energy issues face Missouri today and in the near future. Together, we will identify and prioritize key implementable recommendations for where the DE should focus its efforts and expend its resources, post American Recovery and Reinvestment Act of 2009. The results of the stakeholder process will be used to develop an agenda for DE action and to inform the DE's strategic planning, budget planning, and resource allocation decisions.*

### **Agenda**

The agenda outlined six goals for participants:

- Gain a firm grasp on the energy stakeholder process;
- Understand the statutory responsibilities and the DE's mission;
- Review high-priority energy issues the state faces as suggested by stakeholders in the process;
- Review and discuss potential DE programs and services that would be valuable to the citizens of the state of Missouri;
- Discuss the possible role the DE might have for addressing issues and providing valuable programs and services; and

- Provide feedback on how the DE might prioritize desirable programs and services, which will inform their agenda for action.

## Code of Conduct

Mr. Saslow introduced the code of conduct and the ground rules for the stakeholder process. The code defines the culture, tenor, and cadence adopted for the duration of the process. It was designed to ensure a safe environment and a productive and progressive discussion.

The facilitators agreed to focus on identifying critical issues and the tasks that MO DNR might complete to address these issues.

## Decision Rules

Mr. Saslow noted that the meeting was a gathering of stakeholders. It was not intended as a consensus-based process of any kind, it was not a state advisory group, and it does not have a formal title or responsibility. The meeting was simply a conversation between people on various sides of the issues. The facilitators agreed to accurately characterize the information/perspectives from the meeting as representing all, most, some, or none of the stakeholders.

## The Public Participation Meeting Process

Mr. Saslow stated that in the three workshops, stakeholders (invited participants and the DE) were seated around a U-shaped table to facilitate a dialogue. In this meeting (and in contrast to the previous stakeholder meetings), the participants were seated at round tables. Each table was provided with a list of current and suggested DE activities for each of the three discussion areas noted above. Participants at each table were asked to discuss the material presented and then to add, subtract, or reprioritize the recommendations based on a consensus. Each group identified its priorities and provided insight on its decisions.

## Energy Programs and Planning: Perspectives from Other States and Within Missouri

*Mr. Ron Binz, Center for the New Energy Economy (Denver, CO)*

*Michele Wynne, Chief Operating Officer, GSM Development*

Mr. Binz spoke about his experience transforming energy policy in the State of Colorado. The process was driven by Governor Bill Ritter and led by the Governor's (cabinet level) Energy Office (GEO). The goal was to increase the use of renewable energy in the state while driving economic development, energy efficiency, and equity among all constituents. The focus was on clean energy. The GEO achieved several positive results:

- Largest number of solar jobs per capita in the nation. Second only to California in the total number of solar jobs.
- Vestas, a wind turbine manufacturer, selected Colorado for its investment in a production facility, creating 3,000 jobs.
- Community energy coordinators raised awareness of energy-efficient building practices and increased the number of ENERGY STAR<sup>®</sup> new homes.

- Energy from renewable sources increased to 30%; up from 10%.
- Electric rates increased at a rate less than inflation.

Stringent rules on new shale gas production and processing are now a model for the industry.

Mr. Binz had three points for the DE to consider:

1. Be a leader in stitching together the various parts of state government to create a holistic energy process;
2. Effectively communicate with Missouri citizens about energy options and opportunities; and
3. Extend activities (post-ARRA) by attracting energy-efficiency and manufacturing related companies to locate in the state.

Ms. Wynne provided the stakeholders with an overview of the purpose of state energy plans. Energy plans are neutral assessments of present and forecasted energy supply, production, and consumption, usually covering all forms of energy resources. In some states, the plans also identify policies that advance the state's energy goals. These goals may be associated with energy efficiency, energy independence, and/or decreasing the use of traditional fuels. This was followed by several examples of how other states fund and deploy their energy programs. These examples included:

- Kentucky has a venture capital-like fund for seed and early stage alternative and renewable energy companies. The initial funding can be recovered by participating in later funding rounds.
- New York State Energy Research and Development Authority is funded by a system benefits charge of 1.42% of the utilities' 2004 revenue and greenhouse gas auction as part of the Regional Greenhouse Gas Initiative.
- Maine has two public benefits funds: an energy-efficiency fund that receives 1.45 mills/kWh and a renewable resource fund that receives voluntary monies from consumers who check a box on their bill to contribute \$1, \$5, or \$10 per month on their electric bill.

## The Division's Critical Programs

*Llona Weiss, Director, MO DNR/DE*

*Adam R. Saslow, Senior Facilitator, RESOLVE*

Ms. Weiss introduced the current DE critical programs and activities. They include:

### Energy Revolving Loan Program

- Low-interest loans to schools, local governments, and other sectors.
- Only source of state funding; the interest pays some DE administrative costs.

### Weatherization Assistance Program

- DE partners with US DOE, utilities, and local agencies to provide low-income energy efficiency services for lower utility bills, more comfort, and better safety. This is primarily federally funded, but uses some utility funds.

#### Work with PSC and Utilities

- Promote energy efficiency and renewable energy in utility planning processes, rate cases, rulemakings, and utility advisory groups.

#### Energy-Efficiency Programs

- Training/certification of home energy auditors and commercial building operators.
- State government building and fleet energy efficiency/alternative fuels.

#### Renewable Energy Programs

- Renewable energy standard implementation and eligibility certifications.
- Alternative energy tax credits (wood energy and alternative refueling infrastructure).

Mr. Saslow introduced the programs and activities the stakeholders proposed during the three workshops, subdivided into first, second, and third tiers to represent the degree of agreement on each item. The stakeholder suggested programs by tier were:

#### ***First Tier***

- Revise the DE vision and mission.

#### ***Second Tier***

- Identify and leverage sustainable funding sources for energy-efficiency programs.
- Develop a state energy plan to track energy uses in the state, forecast growth, and outline policies needed to meet state energy goals.

#### ***Third Tier***

- Provide education on energy-efficiency technologies, advanced building techniques, and programs.
- Develop energy-efficiency standards for buildings.
- Develop a singular message (and perhaps ultimately a brand) for Missouri energy efficiency.
- Advocate for renewable energy policies.

#### **Recommendation**

The stakeholders at each of the four tables prioritized the current and stakeholder recommended critical programs and policies listed above. The current Energy Revolving Loan Program was rated in the top three at three of the four tables. The current Weatherization Assistance Program

and stakeholder proposal to work with the PSC and local agencies to promote energy efficiency and renewable programs garnered the top three priorities at two of the four tables.

## Data Gathering, Analysis, Information Management, and the Clearinghouse Concept

*Llona Weiss, Director, MO DNR/DE*

*Adam R. Saslow, Senior Facilitator, RESOLVE*

Ms. Weiss introduced the current DE data and information-related programs:

- Gathering energy data; conducting analysis of resources, usage, expenditures, prices, and renewable resource potential; and publishing information on the MO DNR Webpage, fact sheets, and energy bulletins.
- Providing technical and financial assistance on energy efficiency and renewable energy projects and policies in response to constituent inquiries.
- Disseminating funds and/or conducting studies and pilot projects on renewable energy.
- Disseminating information about energy-efficiency programs offered by DE and the Missouri utilities.
- Hosting public outreach events, such as home shows, state fair, Webinars, and workshops.

Mr. Saslow introduced the data-related programs the stakeholders proposed during the three prior workshops, subdivided into first, second, and third tier priorities to represent the degree of priority and/or agreement on each item.

### ***First Tier***

- Be a central clearinghouse for reviewed information on all types of energy issues and policy, both within and outside Missouri, including information on emerging technologies, fuel costs, case studies, financing, jobs, training programs, resources, incentives, cost-effectiveness of projects and technologies, government programs, policy information and updates, environmental benefits, and information on energy-efficiency levels of public buildings.
- Establish a common vocabulary of terms related to energy efficiency, renewable energy, and traditional energy sources.
- Conduct an objective analysis of the costs and other impacts associated with: (1) retiring aging energy infrastructure, (2) national energy policies, (3) cost/benefit analysis of increasing rates to support alternative energy and energy-efficiency programs.
- Promote public education on the relationship (and the dichotomy) between costs and renewable energy.

### **Second Tier**

- Provide unbiased information and outreach on energy efficiency and emerging technologies, and develop case studies on best practices in Missouri and elsewhere.
- Conduct public outreach on energy efficiency, initially targeting small business and the residential and low-income sectors, which are currently the least served.

### **Third Tier**

- Conduct non-political, objective research and analysis to identify energy-efficiency enabling legislation and regulatory actions that could best serve Missouri citizens and align with utility needs.
- Provide objective analysis and evaluation of new and emerging energy technologies to potential investors in Missouri projects (e.g., establish a Renewable Energy Technical Advisory Committee).

### **Recommendation**

The stakeholders at each of the four tables prioritized the current and stakeholder recommended data gathering activities listed above. Two current activities, gathering energy data and disseminating information, were rated in the top three at three of the four tables. The stakeholder-recommended activities of clearinghouse and unbiased information were among the top three priorities at two of the four tables.

## **Public Comment Period**

Mr. Saslow opened the floor for any participant who wanted to make a statement.

Tom Schultz from Laclede Gas stated that the process has been enlightening and helpful. Laclede Gas was hopeful that the DE would continue to host similar discussions each quarter. He did not want the momentum created from the series of workshops to be lost. He offered to host one-day events to continue the discussions at no cost to the state and to help coordinate the process. He asked others to volunteer to host these kinds of meetings.

Dan Mohrman stated that Barnes Jewish Hospital's utility bills are \$10-\$12 million annually. They predict that the increase in utility costs will accelerate over the next five to seven years. They would like to be invited to continue this discussion. It has been a good process and allows for transparency. He appreciates the MO DNR/DE hosting this process. He offered to make the Barnes Jewish Hospital education facilities available for this ongoing effort.

## **Convening Discussions and Other Important Roles for the Division**

*Llona Weiss, Director, MO DNR/DE*

*Adam R. Saslow, Senior Facilitator, RESOLVE*

Ms. Weiss introduced the current DE programs related to convening discussions:

- Energy stakeholder dialogue.

- Participation in PSC rulemakings and forums.
- Collaboration on emergency planning and response.

Mr. Saslow introduced the programs and activities the stakeholders proposed in the three prior workshops, subdivided into first, second, and third tier to represent the degree of agreement on each item.

### ***First Tier***

- Convene an adult conversation on energy efficiency and cost recovery.

### ***Second Tier***

- Convene an adult conversation on a renewable energy standard.
- Expand discussions on statewide energy policy and evaluate best practices with regard to legislative activity in other states.
- Paint a picture of the roles and responsibilities of various participants and stakeholders in energy policy in Missouri.
- Facilitate cooperative, proactive dialogue to build consensus on mandatory state energy building codes, or alternatively on building guidelines.
- Integrate energy efficiency, renewable energy, and traditional energy sources policies and programs.
- Establish a standing DE Advisory Committee, which could potentially comprise the group that would facilitate an adult conversation.

### ***Third Tier***

- Collaborate with the transportation community.
- Support energy-efficiency collaboration among utilities, policymakers, and developers.
- Advocate for filings before the PSC to ensure an effective energy policy that aligns consumer and utility interests and includes (1) cost recovery, (2) lost margin recovery, and (3) incentives to support utility energy-efficiency programs.

## **Recommendation**

The stakeholders at two of the four tables prioritized the current and stakeholder recommended activities listed above. Two current activities, participation in PSC workshop dockets and collaboration on emergency planning and response, were rated among the top three priorities at both tables.

## **Issues for the Adult Conversation**

*Adam R. Saslow, Senior Facilitator, RESOLVE*

Mr. Saslow asked the participants to consider what issues should be discussed in an adult conversation. Seven issues were suggested: (1) energy-efficiency legislation, (2) energy-

efficiency standards, (3) building codes, (4) utility cost recovery, (5) energy portfolio diversification, (6) energy-efficiency marketing strategy, and (7) the cost to consumers for federal regulations.

The stakeholders determined that the initial topic for an adult conversation should be energy-efficiency standards. These standards should be applied to multiple industries and sectors.

## Review of Progress and Next Steps

*Adam R. Saslow, Senior Facilitator, RESOLVE*

Mr. Saslow thanked the participants for their efforts at this and the previous three workshops. Participants were directed to contact any of the Cadmus Team if they want to provide additional thoughts on the process and/or recommendations. The Cadmus Team will prepare a draft report with recommendations for the DE to review. A small group of advisors will be asked to provide input on the report prior to finalization.

## Adjourn

Ms. Weiss adjourned the meeting at 7:30 p.m.