MEETS: A Simple Path to Deep Energy Efficiency and Healthy CCAs

MEETS is the Metered Energy Efficiency Transaction Structure. It is currently in use under a long-term contract between Seattle City Light and Seattle’s Bullitt Center. In April, 2018, Seattle City Light requested and received regulatory approval to expand the pilot to 30 buildings.

MEETS is a structure, not an incentive. It was designed to avoid the “lost unit” issue utilities and CCAs face from traditional EE.\(^1\) MEETS is a significantly simpler and more cost-effective way to make buildings more energy efficient and keep CCAs healthy.

Under MEETS

1) The energy efficiency is metered against a *dynamic* baseline, agreed to by all parties. This creates a monthly reading of the number of saved kWhs.\(^2\)

2) The CCA then bills the building at retail rates for both energy and EE, in kWh units.

3) The CCA is now selling both energy units and EE units. Hence, there is no loss of unit sales or gross revenue from EE. This reduces upward pressure on rates.\(^3\)

4) The CCA pays no incentives. This reduces upward pressure on rates.

5) The CCA pays the EE developer (the EnergyTenant) under a long-term power purchase agreement (PPA) for the delivered, metered EE.

6) The CCA pays the EE developer (EnergyTenant) *less* under the PPA than the CCA collects from the building for the metered EE. Hence, the CCA and its customers come out *ahead.* This reduces upward pressure on rates.

7) The EE developer (EnergyTenant) pays the building owner a negotiated portion of the PPA revenue as rent\(^4\) for use of the building. (In the same way a windfarm developer pays a rancher for use of the land.)

8) The building owner shares whatever amount they wish with the tenants.

9) The tenants get a much better building for free.

10) Investors (through the EnergyTenant) have a long-term contract with the CCA, allowing for much deeper retrofits of buildings and much more capital investment in the community, resulting in many more local jobs.

---

\(^1\) Traditional EE results in fewer units in the system. This forces CCAs to raise rates on the remaining units to meet the CCAs’s costs. MEETS avoids this.

\(^2\) Or other units, such as therms.

\(^3\) See footnote 1.

\(^4\) This is a negotiated rent payment for use of the building. It is paid under a standard rental agreement.
How MEETS Works

Using MEETS at Seattle’s Bullitt Center, Seattle City Light avoiding paying out $84,000 in upfront incentives, and over the 20-year contract, the utility will receive more than $33,000 in net revenues from the transaction. In addition, the transaction retained ~630,000 kWh per year in the ratebase that would normally have left the ratebase, reducing upward pressure on rates.

For more information: Rob Harmon – Director, MEETS Coalition. 206-463-4986  Rob@MeetsCoalition.org