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

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. Seattle City Light has announced its plans to expand the program.

MEETS is a structure, not an incentive. It was designed to avoid the “lost unit” issue utilities face from traditional EE.\(^1\)

MEETS is a significantly simpler and more cost-effective way to make buildings more energy efficient and keep utilities 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 utility then bills the building at retail rates for both energy and EE, in kWh units.
3) The utility 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 utility pays no incentives. This reduces upward pressure on rates.
5) The utility pays the EE developer (the EnergyTenant) under a long-term power purchase agreement (PPA) for the delivered, metered EE.
6) The utility pays the EE developer (EnergyTenant) less under the PPA than the utility collects from the building for the metered EE. Hence, the utility 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 (highly credit worthy) utility, allowing for much deeper retrofits of buildings and much more capital investment in the community, resulting in many more local jobs.

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\(^1\) Traditional EE results in fewer units in the system. This forces the utility to raise rates on the remaining units to meet the utility’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 the 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.

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