

Post-2011 Review

Workgroup 2:

The Implementation Manual

February 11, 2014



Agenda

- Introductions
- Overview/Workgroups & Timelines
- “Big Tent” Meetings
- Rules of Engagement/Team Goals
- Scoping Document Statement
- Utility Perspective
- BPA Perspective
- Workgroup Objectives
- Options
- Ancillary Issues
- Next steps
- Adjourn

From There to Here



- *Post-2011 Dialogue*: conducted from January 2009 to March 2011
- *At that time*: BPA committed to the public review process after sufficient experience had been gained (end of rate period)
- *Today*: undertaking the review process to consider improvements to the BPA energy efficiency policy framework and associated implementation elements put in place on October 1, 2011

Workgroups

<p>Workgroup One: Model for Achieving Programmatic Savings</p> <ul style="list-style-type: none"> • EEI Allocation Methodology Using TOCAs • Utility Self-Funding • Two-Year EEI Budgets • BPA Redirect of EEI Funds • BPA's Backstop Role • Regional Program Administration • Limitations of the Post-2011 Framework • Performance Payments for Regional Programs 	<p>Margaret Lewis and Doug Brawley (PNGC) Proposing First and Third Wednesday</p> <p>Seven Meetings Tentatively Scheduled: 1/16, 1/29, 2/19, 3/5, 3/26, 4/9, 4/23</p>
<p>Workgroup Two: Implementation Manual</p> <ul style="list-style-type: none"> • Frequency of Changes to the Implementation Manual 	<p>Dan Villalobos and Ross Holter (Flathead)</p>
<p>Workgroup Three: Low Income</p> <ul style="list-style-type: none"> • Funding Low-Income Residential Energy Efficiency 	<p>Boyd Wilson and Eugene Rosolie (Cowlitz)</p>
<p>Workgroup Four: Flexibility Mechanisms</p> <ul style="list-style-type: none"> • Large Project Fund • Unassigned Account Allocation Methodology 	<p>Melissa Podeszwa and Ray Grinberg (Pen Light)</p>
<p>Workgroup Five: Reporting and Verification of Savings</p> <ul style="list-style-type: none"> • BPA Role in Verifying Self-funded Savings • Timing of Utility Reporting to BPA • Reporting and Consistency of Utility Self-funded Savings 	<p>Mark Ralston and Mary Smith (Snohomish)</p>

Proposed Timeline

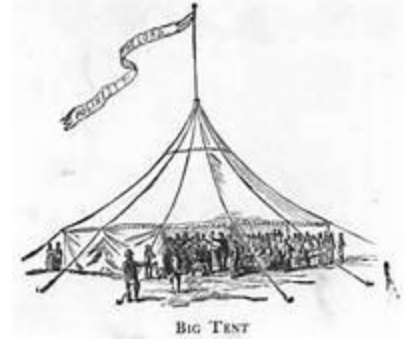
Plan for the Post-2011 Review

DRAFT: 1/7/2014

OPEN TO REVISION

	Fiscal Year 2014								
	Q2			Q3			Q4		
	Jan	Feb	Mar	Apr	May	Jun	July	Aug	Sep
Formal stakeholder meetings to work out solutions to the "issues of importance" identified in the updated scoping document (regional meetings and workgroups)	■	■	■	■	■	■			
Develop "Draft Proposal" based on feedback from regional meetings and workgroups					■	■			
Public comment period on "Draft Proposal"						■	■		
Develop final "Post-2011 Review" based on public comments							■	■	■
Prepare for any agreed upon changes, i.e., draft necessary IM language								■	■

Big Tent Meetings



Four/Five Regional “Big Tent” Meetings Scheduled

- Meeting #1 Tacoma, WA (Tacoma Power to host)
February 26 9:00 a.m.-3:00 p.m.
- Meeting #2 Eugene, OR (Emerald People’s Utility District to host)
March 20 9:00 a.m.-3:00 p.m.
- Meeting #3 Kennewick, WA (Benton PUD to host)
May 8 2:00 p.m.-5:00 p.m. (Efficiency Exchange Conference)
- Meeting #4 Portland (Tentative – BPA to host)
June 17 1:00-4:00 p.m.
- Meeting #5 Kalispell (Tentative - Flathead Electric Coop to host)
June 25 9:00 a.m.-3:00 p.m.

Rules of Engagement

- *6 to Mute – Please DO NOT put us on “Hold”
- All voices should be heard
- Not longer than it needs to be
- Try not to get bogged down on ancillary issues

Team Goal

Arrive at consensus-based*
recommendations that address
the issue(s) outlined in the
scoping document



***Consensus decision-making** is a group decision making process that seeks the consent of all participants. Consensus may be defined professionally as an acceptable resolution, one that can be supported, even if not the "favorite" of each individual.



Post 2011 Revised Scoping Document

“Problem Statement – Depending on one’s perspective, the current frequency of changes to the Implementation Manual (IM) may not be frequent enough or too frequent.”

The Utility Perspective

- The frequency of publication of the IM makes program planning and implementation, administration, marketing and oversight very challenging, at times confusing and adds costs.
- There is often a lack of clarity on proposed changes given at the 6 month's notice.

The Utility Perspective, cont.

- Frequency and uncertainty of changes or proposed changes does not allow customers adequate time to make adjustments to their local program delivery approach, marketing materials and outreach.
- The ideal solution would be a rate-period IM but BPA at a minimum should consider moving to an annual IM.

The BPA Perspective

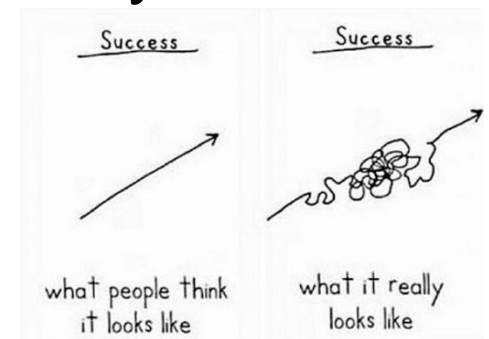
- BPA should be consistent with the RTF changes to savings estimates.
- Under the current model, BPA could be booking savings values that the RTF no longer supports for possibly as long as 15 months given the time it takes to update the IM ahead of the six month notice.

The BPA Perspective, cont.

- This is too long to conform to BPA's reliable savings standard because BPA could be paying more than it costs to implement the measure and in some circumstances will pay for conservation measures that are non-cost-effective for an extended period of time.
- Moving to an annual IM could prolong this by an addt'l 6 months.

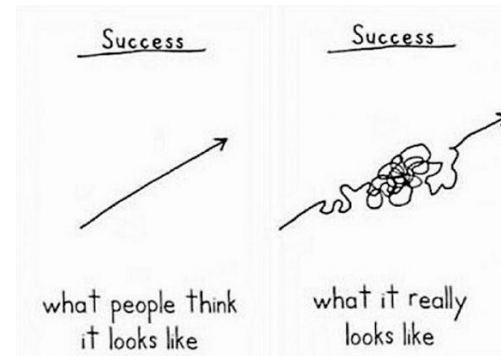
Workgroup Objectives

- Provide a greater degree of stability in programs and policy.
- Ensure Manual publication process, including clarity on how and why changes are made, is transparent, systematic and structured.
- Allow customers adequate time to make changes to their local program delivery approach and materials.



Workgroup Objectives, cont.

- Correctly assign and capture energy savings.
- Allow for adoption of marketplace trends, technical updates, customer suggestions and technology changes in a timely manner.
- Allow BPA staff to effectively and accurately perform job duties.





WG/SD Option

- Option #1; Status quo: BPA continues with required six month notices for increases/decreases to savings and reimbursements and adding/substituting requirements (new measures, optional lighting calculators, and removing requirements requires no notice).
 - May not satisfy workgroup objectives

WG Option



- Option #2; Publish Implementation Manual twice per year in October and April with no periodic updates and revisions.
 - May not satisfy workgroup objectives

SD Option



- Option #3; Flexible manual: BPA implements changes to the IM anywhere from immediate (i.e., no advance notice needed) to the current six month notice, depending on the change.
 - May not satisfy workgroup objectives

WG Option

- Option #4; Publish IM once per year in October and give notice of changes in April. No other changes would be permissible.
 - May not satisfy workgroup objectives



SD Option



- Option #5; Annual manual: For increases/decreases to savings and reimbursements and adding/substituting requirements, BPA changes the IM annually (as opposed to every six months).
 - May not satisfy workgroup objectives

WG Option

- Option #6; Publish Implementation Manual once per year in October and give notice of pending changes in April. Clarifications or corrections or discretionary changes to kWh savings not affecting BPA WTP may be made more frequently.

- May satisfy workgroup objectives



SD Option

- Option #7; Hybrid: BPA implements certain changes to the IM on an annual basis with other changes occurring more frequently.



- May satisfy workgroup objectives

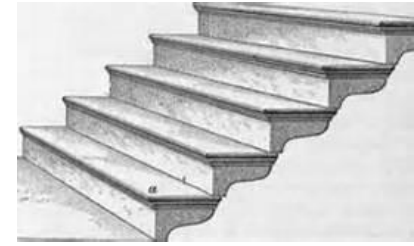
Ancillary Issues

- There is often a lack of clarity on proposed changes to IM given at the 6 month's notice.
- Measure values change (kWh, WTP) but Refno remains the same.
- Tracking, reporting and record keeping requirements are cumbersome.

Ancillary Issues, cont.

- BPA should not publish kWh savings in IM
- Make sure Refno Measure changes are easily supported in Summarizer tool

Next Steps?



- Submit proposal to BPA for consideration and comment
- Schedule meeting to review and respond to BPA response and (attempt to) resolve any outstanding issues
- Submit proposal with recommended issue resolution to for consideration/comment to BPA
- Repeat if necessary!

Remember, if plan “A” doesn’t work...



... there are 25 more letters in the alphabet!

Thank you!

Contact info;

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