

## **Utility Sounding Board (USB) Meeting Summary April 9, 2008**

### **USB members in attendance:**

- Doris Abravanel – Snohomish Co. PUD
- Larry Blaufus – Clark Public Utilities
- Darroll Clark – Franklin Co. PUD
- Robert Kajfasz – City of Port Angeles
- Theresa Lackey – Midstate Electric Co-op
- Dawn Senger – Richland Energy Services
- Wes Thomas – McMinnville Water & Light
- Dan Villalobos – Inland Power & Light (via phone)

### **BPA staff in attendance at various times:**

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| <ul style="list-style-type: none"><li>• Becky Clark</li><li>• Jennifer Eskil</li><li>• Ray Hartwell</li><li>• Abigail Howard</li><li>• Mark Johnson</li><li>• Margaret Lewis</li><li>• Karen Meadows</li><li>• Jean Oates</li></ul> | <ul style="list-style-type: none"><li>• Mark Ralston</li><li>• Tim Scanlon</li><li>• Gary Smith</li><li>• Mira Vowles</li><li>• Josh Warner</li><li>• Boyd Wilson</li><li>• Jillianne Welker</li></ul> |
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### **2008 Utility Energy Efficiency Workshop Debrief (Becky Clark)**

Becky Clark, BPA Workshop Lead debriefed the USB on the March 18 – 19 Utility Workshop and requested USB feedback about the event.

- Requested a list of attendees [Becky will e-mail the list].
- Add more specific questions to the evaluation form.
- Requested having the vendor room available all day, where people can go back and forth.
- Suggested mixing up the sessions, e.g., don't have all industrial sessions at the same time.
- March is much better than April or May; February would be a second option.
- Unanimous decision to end the second day by 2 or 3 p.m.
- The flyswatters (voting paddles) didn't work well; they were bulky and had to be carried around. Suggested using electronic voting? [BPA will check into electronic voting devices]

Mira Vowles asked the USB how the roundtables worked as compared to the panel sessions.

- There were too many speakers in some roundtables sessions.
- The casual setting was good for the roundtables
- People like PowerPoint (ppt) presentations. [Most of the ppts will go on the EE Web site]

BPA will look for workshop dates in March 2009, will try to have vendors available all day, and the second day will end at 3 p.m.

Karen Meadows praised Dan Villalobos for the great job he did as workshop chairperson.

### **BPA Services and Activities (Karen Meadows/Josh Warner)**

Karen Meadows and Josh Warner of BPA's Energy Efficiency Planning group lead a discussion on which BPA services and activities provide the most value to utilities. During BPA's fiscal year 2002 – 2006 rate period, the EE focus was on building infrastructure. That goal still exists for the current rate period, but the main focus is on acquisition of cost-effective conservation as well, such as third-party programs and meeting the specific needs of large, medium and small utilities. Energy efficiency, both for BPA and for its customers, is significantly resource-constrained both in

terms of staff and dollars. What should BPA do to prepare for the future? Your feedback will help EE prepare for 2012, especially what we can do now to help us all move forward.

BPA would like to develop several scenarios as talking points for the January-February public process for the new rate period.

- We appreciate access to BPA EE technical expertise. For example, Adam Hadley came to our service territory and talked with our contractors.
- We're 90 percent residential accounts, and have four and a half to five customers per mile of line. We need more options and flexibility in the residential sector. [Margaret Lewis suggested re-categorizing utilities by sector, rather than by large, medium or small size.]
- It's wonderful to be able to call the Energy Efficiency Representative (EER) and have them find the answers to technical questions. Sometimes they're like a part of my staff. [Other USB members expressed the same feeling.]
- We need help with commercial design work. Commercial new construction (CNC) represents a lot of lost opportunities. We need more infrastructure funding for CNC education, training and outreach. Architects and engineers aren't necessarily going to design for energy efficiency unless they're asked.
- Washington utilities need help interpreting a law that doesn't allow them to acquire savings for utility-funded new construction projects. While they can't fund directly, they can use BPA pass-through dollars to fund such projects. Snohomish PUD has found a way to acquire savings for utility-funded new construction projects. [Maybe BPA could facilitate a discussion on a Brown Bag call with Snohomish PUD.] BPA can share lessons learned. Even large utilities can't try everything. [Maybe BPA can support pilot programs and document what works.]
- It's important that BPA continue some sort of credit; otherwise general managers may not want to do conservation programs.
- Are we talking about now or when Tiers 1 and 2 kick in? Slice utilities look at saved kilowatt-hours (kWh) differently. Slicers can sell the saved kWh. Tier 2 will be a signal to conserve.
- We have Tier 2 exposure now because of load growth. We need to get on it right now – we're in crisis mode now. The role of BPA now is very different than after 2011.
- Need more flexibility with measurement and verification (M&V) and determining cost effectiveness. We need help from BPA engineers negotiating M&V requirements; it works better with an engineer present. We don't want to have any low-hanging fruit left by October 2009.
- The discussion needs to be more specific about whether we're talking about now or in the future. [Karen and Josh polled the USB and listed the issues on a flip chart and marked items as now, future or both.]

With such a diversity of customers, one size doesn't fit all. How does BPA create equity?

- Pay only for what you use.
- Lesson the CPA review burden if administrative costs are overspent. It's not clear how much an auditor needs to review. [This will be a discussion topic at a future meeting. EE's overarching theme this year is to streamline and simplify.]

How about research, development and demonstration (RD&D) or third-party programs or pilots?

- Need help with hard-to-reach markets, e.g., churches, schools or groceries.
- Need help with niche marketing; chains don't want to talk to me; need help getting my foot in the door, e.g., Wal-Mart. [Would love to have deemed standalone measures. A lot of times, there needs to be a package to ensure cost effectiveness.]
- There's value in some third-party programs, but not a lot of clarity and multiple mechanisms. Having a "menu" of third-party services would be helpful. [This will be a discussion topic at a future USB meeting.]

- The utility will always have to do some coordination with the third-party.
- Will additional incentives be available after a third-party goes in?
- A canned approach doesn't provide enough flexibility for utilities.

Is there value in BPA doing market research and evaluation? Is it helpful to the utilities to segment groups of people in a service territory and how to market to each? Call or e-mail ideas to Karen or Josh. Would a summary of segment markets in your service territory be helpful, so you can market to each market segment?

- We want to know the cost first.
- It may be helpful to find out what's installed in my territory in order to acquire all cost-effective conservation. Every utility is different. A global view doesn't work for specific utilities. Give the utilities tools so they can do it.

### **Proposed Hospitality Initiative (Tim Scanlon, Gary Smith and Abigail Howard)**

Tim Scanlon, BPA Commercial Sector Lead, introduced the discussion of the BPA/Energy Trust of Oregon (ETO) Hospitality Initiative. Program Manager Gary Smith explained the initiative in more detail and requested USB feedback and questions.

- Would the ETO have guest accounts set up on the Planning, Tracking and Reporting (PTR) System? [Yes. The utility doesn't have to verify PTR reports, just move them forward.]
- What about utility credit for the High Water Mark (HWM) if the measure fails to realize savings? [BPA would take that risk and not hold the utility responsible; that way risk is regionalized.]
- Will the ETO use local vendors and subcontractors to do the work? If not, we have issues with this regional approach. There may be hidden costs.
- Prefer uniform deemed measures that anyone can implement. A lot of times, there needs to be a package to ensure cost effectiveness.
- Prefer to work with my customers. Want to retain that relationship, be the one to "push the button."
- Why couldn't this be utility-delivered? There would be fewer layers. Now there are too many middlemen, weighted admin.
- The ETO dominates the market; this way we can match what ETO does.
- What mechanism is in place for quality control? [The ETO has three steps for quality control – at implementation, during implementation, then a full scale evaluation (impact and process) of the entire program.]
- Request more detail on quality control and the process for customer complaints.

Is this viable for your utility?

- Several "yes" responses [Generally, USB members thought direct acquisition would be viable for their utility]
- Maybe – dissatisfied customers will call the utility.
- What's the timing for rolling this out to Washington? [BPA will evaluate the pilot and then look at options for expansion. We can share lessons learned as we go along. In 2010 or 2011, it may be ready for a regional scale initiative.]
- Is the pilot to determine deemed savings? [Partially. Some are already deemed. If the measures are non-standard, do a custom project proposal.]
- Marketing materials shouldn't say ETO.
- Utilities might prefer to do some front-end marketing with their customers, and then get out of the way. [BPA's approach is to let the utility decide their level of involvement with marketing – pick and choose. Utilities need to be engaged and visible; they are contributing.]
- Sending two checks doesn't make sense, but it needs to be clear both that the public utility is providing the funding, and that another check won't be coming from the public utility.
- Include the utility in ETO marketing; utilities need early input on marketing.
- The utility would need admin reimbursement. [There are still questions about this.]

- The point of direct acquisition is to streamline; wouldn't want to send separate letters with the check.
- Direct acquisition is the ticket to getting into elusive chain stores.
- Like the adjoining utility aspect of this; it makes measures and incentives seamless. It's a great opportunity for Oregon utilities.
- How is gas split out from electric incentives? [Perhaps make a note on the check]
- If the contractor and BPA are both players . . . need to avoid conflict with current customers and/or trade allies.
- Monthly reports – project completions need to be communicated.
- We need more discussion of this.
- Would utilities get a list of participants? [Yes; the ETO would provide monthly reports.]

### **Industrial Update (Jennifer Eskil and Jillianne Welker)**

Jennifer Eskil, BPA Industrial Sector Lead, updated the TSP on the industrial sector.

1. BPA contracted with Quantec to suggest improvements to BPA's industrial program.
2. BPA is working on TSP consistency across sectors.
3. A small group of utilities– PacifiCorp (PAC), Puget Sound Energy (PSE), Snohomish PUD, Seattle City Light (SCL), Tacoma Power, ETO and Idaho Power Co. (IPC) meets every four to six weeks to discuss developing consistent tools for small compressed air projects. IPC, PAC, BPA and ETO are sharing costs. The group is working on a calculator, which could become a regional tool. Contact Tom Osborn at BPA for more information.

Jillianne (pronounced Jilly-Anne) Welker, Industrial Project Manager, briefed the USB on the Green Motors initiative. The Regional Technical Forum (RTF) deemed Green Motor savings. BPA and utilities have not worked with service centers, which is where the bulk of decisions are made for rewind or new motor purchases. BPA is working with the Green Motor Practice Group (GMPG) to ensure efficient rewinds. A recent survey indicates people think they are getting green motor rewinds, but the service centers don't have the necessary equipment or post their practices for consumers to see.

Is this a viable program for utilities?

- BPA had rebates, and then it didn't. The Northwest Energy Efficiency Alliance (NEEA) came out with a program, then it was gone; now it's coming back. A system approach is superior. Need more consistency over time.

Motor efficiency standards used to be lower; there were lots of free riders. Since then standards and efficiencies have gone up, and there aren't as many free riders. Incremental savings aren't as big. The cost of the program is very low for the potential savings. There are big savings in the system approach, but this gets you in the door to look at those measures. GMPG will enter the data into the PTR.

Is the issue not having an opportunity for the utility to opt in or out? GMPG will credit the utility in the PTR. The utility could follow-up with the consumer after their GM rewind to say, "Okay, let's look at system efficiency." The utility will get a credit they weren't getting before.

- Could we get a flow chart of the process from start to the HWM? [Jillianne will send the chart to the USB; savings are applied to the HWM. As BPA determines its willingness to pay, it is also trying to get alignment with ETO. Jillianne will also send deemed savings values and GMPG FAQs]
- The concept is good. We need to get into the system approach; need follow through to be clear.

Ten to 12 services centers are signed up. Part of GMPG is to encourage motor system management through custom projects. We're trying to loop utilities into this. GMPG will send monthly reports to utilities. Service centers are supposed to provide reports, too.

### **Trade Ally Network (Ray Hartwell)**

Ray Hartwell, BPA's Trade Ally Network Coordinator, asked the USB for feedback on trade ally networks (TAN).

- Need to tailor the NWTAN lighting training to different areas. Contractors in the Puget Sound area didn't need the technical information.

Summit Blue emphasized the importance of trade allies. How can BPA expand TAN?

- How can trade allies help with motors? [A trade ally can be defined in a number of ways. In the energy field, if it isn't BPA, a utility or end-user, it's probably a trade ally]

Summit Blue benchmarked retail utilities. The ETO approach is common, where acquisition is delivered through a third party contractor, including program design and outreach elements. If we help vendors and end users make the energy efficient choice, that's success.

- Even in the 1990s, trade allies were the way to go. We need to have market signals that if a vendor installs energy efficient lights, they make more money and may get a maintenance contract.
- We need to sell contractors on PTCS. Vendors are starting to get there, but we haven't done a good job of educating them about the economic benefits.
- Programs are similar, but have different implementation procedures. Consistency is important. How can we all be on the same page? [The hassle factor is as important as the cost/rebate. How can BPA help navigate through the confusion?]
- The lighting training in our area resulted in 13 projects.
- We got projects from the TAN training, too. Most were local contractors. The TAN brought an educational factor to contractors who were already out there doing work.
- The two utilities in our area haven't had any activity as a result of the training.
- There was one in my area.
- Utilities need help keeping up with technology changes.
- Has there been the same type of approach with heat pumps? [No]
- Need help educating appliance retailers NEEA used to do this.

The TAN Web site has a utility locator and other information. What else would be useful?

- Is it possible to have a trade ally to help with marketing?
- There is an opportunity for BPA to help trade allies navigate to and understand the different utility programs – this would be helpful.
- ETO has an easy time; they're the entity across the state of Oregon; we're different. How can this work for us? [It may be valuable for utilities to develop some consistency]
- List what each utility offers.
- The TAN could certify contractors and do periodic inspections. That way the utility isn't on the hook for pre- and post- inspections for each installation.
- Relax some of the M&V restrictions, which limit our ability to do programs.

### **Options for Assisting Smaller Utilities (Mark Johnson and Mark Ralston)**

Mark Johnson, BPA Residential Sector Lead, and Mark Ralston, Energy Efficiency Representative, opened the discussion with a question: Based on what we've been hearing, new direct acquisition programs are six months to a year off. So we probably can't rely on these in the near term to help utilities spend their CRC.

What reactions are there to circuit riders?

- Are utilities concerned about losing load? Some utilities don't want to do conservation, while others do not have the staff to do it.
- Customer participation is an issue for some utilities, so offering new programs wouldn't help.
- Customers that are required to do action plans differ widely in their need for help in spending their CRC. Larger customers are already implementing a variety of programs to

spend it. An issue for them is low response rates. BPA could ask customers required to do action plans what kind of assistance they need form a circuit rider.

- BPA could certify contractors (e.g., for insulation installation) as part of TAN effort, do spot checks on work, and eliminate the requirement that utilities conduct inspections. This might remove a hurdle for some utilities.
- Are the utilities required to do action plans primarily residential? If so, a commercial lighting circuit rider might not contribute much. However, even small residential utilities will have some commercial end users.
- Utilities who don't want to do the work would get help that everyone else has to pay for. They may have made a decision not to participate. Only help utilities that want the help – ask them whether they want the help.
- Is the circuit rider approach fair? Should utilities that have done conservation help subsidize other utilities that haven't?
- Is the approach cost/effective? BPA could spend more on circuit rider support for small utilities than the utilities have remaining in unspent CRC funds.
- We like the idea of a commercial circuit rider, but only if it's cost effective.
- We could go back to the C&RD approach of reducing what's required for small utilities, i.e., allow them to just submit a letter documenting what they've done to promote conservation.
- Our utility thinks it can spend its CRC, even with the downturn in the economy and increased requirements.
- We had to wait until our Integrated Resource Plan (IRP) was in.
- If the utility is very small and wants the help, it may make more sense to do something other than a circuit rider, which is expensive.
- Should circuit rider support be limited to utilities required to do action plans? Other utilities in the region would welcome the support.
- It takes a lot of ramping up in the first year; utilities that haven't spent a lot of money, may have most of it committed.

How about sending out compact fluorescent lights (CFL)?

- We've made them available at events.
- We sent a letter to apartment managers who came to the utility and picked up CFLs.
- Go through a local business or give out in a parking lot (CFLs).
- If BPA goes forward with circuit rider approach, CFLs and showerheads are good measures to go after.
- EE could perhaps mail out CFLs using one of its current contracts (e.g., PEI); all utilities would need to do is provide a list of their customers.

How about appliances? The utility doesn't have to do pre-installation inspection, just post-installation.

### **USB Business (Mira Vowles)**

- Mira will send the rotation schedule to USB members.
- Dan Villalobos has a class on Wednesday evenings for the next 10 weeks, and will miss the June face-to-face meeting. Mira mentioned an option of going to BPA offices to participate in face-to-face meetings via video conference call. This would have to be coordinated, so let Mira know if you're interested in this option. It's always preferable to be there in person at face-to-face meetings.
- BPA will send a link to meeting summaries, rather than the Word document.
- BPA will send the agenda to non-USB utilities, encouraging them to talk with USB members about issues.

**Action Items**

BPA	<ul style="list-style-type: none"><li>▪ Becky will e-mail the 2008 Utility Workshop attendee list to the USB</li><li>▪ BPA will check into electronic voting devices for the 2009 workshop</li><li>▪ Jillianne will send the USB a flow chart of the Green Motor Practices Group process from start to the HWM. She will also send deemed savings values and GMPG FAQs</li><li>▪ Mira will send the rotation schedule to USB members</li><li>▪ Send meeting agendas to non-USB utilities, encouraging them to talk with USB members about issues</li><li>▪ Send links to USB meeting summaries, rather than the Word document</li></ul>
USB	<ul style="list-style-type: none"><li>▪ Call or e-mail Karen or Josh about BPA market research and evaluation? Would a summary of segment markets in your service territory be helpful, so you can market to each market segment?</li></ul>

**Next Meetings**

• May 14	Conference call, 8:30 a.m. to 10:30 a.m.
• June 11	Face-to-face meeting, 8:30 a.m. to 3:30 p.m.

**Potential Agenda Items for Next Meeting:**

- Reporting administrative costs: It's not clear what an auditor needs, and the auditor doesn't know, either.
- More on third-parties
- Continued discussion of hospitality initiative