



BPA's Energy Efficiency Role Post-2011

1/13/09

The purpose of this document is to serve as the foundation for a regional discussion on energy efficiency.

BPA is initiating this conversation to help determine the agency's role in the development and use of energy efficiency (conservation) for the Post-2011 period under the new Regional Dialogue power sales contracts. This open, public conversation will bring various stakeholders together in a collaborative process to inform the direction of the agency.

To build on the region's leadership and low-cost acquisition of energy efficiency and to remain consistent with BPA obligations in the Northwest Power Act, BPA's goal from the Regional Dialogue Final Policy is as follows:

BPA will work collaboratively with its public utility customers to pursue conservation equivalent to all cost-effective conservation in the service territories of such customers at the lowest cost to BPA.

While this goal forms the baseline from which we will begin the conversation, BPA is seeking input from the region to help shape how BPA will achieve this goal.

Background: A number of significant changes in the region's energy horizon will affect BPA utility customers' motivation to implement energy-efficiency programs starting in FY 2012.

Drivers:

- **Tiered Rates:** BPA power rates will provide a price signal for utilities to acquire least-cost resources.
- **Cost:** Energy efficiency is the least-cost resource
- **Sixth Power Plan:** Increased avoided cost and higher regional energy efficiency targets are expected
- **Regulation:** State-mandated utility actions require implementation of energy efficiency, such as Washington State's I-937
- **Climate Change:** State, regional and national targets are on the horizon
- **Risk:** Energy efficiency is a hedge against the fuel and price risk of other resources
- **Smart Grid:** Electricity industry is on the cusp of major technological shift
- **Energy Independence:** Energy efficiency is a domestic resource
- **Capacity and Transmission Constraints:** Energy efficiency actions such as demand response can be part of the solution to address these issues

While these are strong drivers, barriers to energy efficiency still exist in the region. Facing a weakening economy and the prospect of buying power at market prices, BPA and its public utility customers need to assure both the development and use of cost-effective energy efficiency.

Challenges:

- BPA public utility customers have a broad range of energy-efficiency staffing, capabilities and philosophies on energy efficiency.
- Some utility boards may focus on revenues and choose not to reduce load — and hence spend money — by implementing energy- efficiency measures, even if it is the least-cost resource and can reduce end-use customer bills in the long run.
- The current national economic recession and financial meltdown may constrain new capital expenditures and hence may slow the development and use of the energy efficiency resource.

Given these challenges, the region needs to discuss how BPA and its public utility customers pursue energy efficiency equivalent to all cost-effective conservation in the service territories at the lowest cost to BPA. To develop and use cost-effective energy efficiency means that the tools developed must accommodate the shared interests of BPA, its customers and the region, as balanced by BPA's need to meet its statutory obligations.

The following issues will likely influence the role BPA will play in the development and use of energy efficiency during the Regional Dialogue contract period.

1. What type of **regional infrastructure** activities and costs should be included as part of the Tier 1 cost pool?
 - a. Planning, Tracking & Reporting (PTR), Regional Technical Forum (RTF), NEEA, data collection & evaluation, emerging-technology work, regional marketing, etc.
 - b. State and tribal low-income weatherization (LiWx)
2. What **implementation assistance/support** activities and costs, if any, should be included in the Tier 1 cost pool?
 - a. Third-party programs (Green Motors Initiative, EnergySmart Grocer)
 - b. Technical assistance
 - c. Community-based implementation
 - d. Easy-to-administer programs with customizable design and marketing
3. How should **incentives** to end users be funded?
 - a. Rate credit type program
 - b. Bilateral contracts
 - c. Opt-in to BPA program/activities at a Tier 2 rate
 - d. Customer choice opt-out options to utilities — allow utilities to avoid a specific Tier 1 cost if the utility does not use incentives; in exchange, the utility agrees to report a specified level of savings to BPA.
4. To accomplish BPA goal, what amount of BPA **oversight and measurement and verification (M&V)** is needed, given the following considerations:
 - a. How rigorous should oversight and M&V be to ensure energy-efficiency savings are real and reduce load? Should there be a different rigor between BPA-funded and utility self-funded savings?

- b. How will state law reporting requirements and other potential drivers affect utilities? (avoid above-High-Water-Mark (HWM)) purchases, state mandates, etc.)?
 - c. RTF relies on the Council's estimates of "avoided cost"; can the RTF estimate the value of energy-efficiency savings using various avoided-cost estimates taking into account the effects of climate differences where appropriate?
 - d. Is a single regional deemed database still feasible with multiple avoided costs?
 - e. How do we create sufficient flexibility in BPA M&V and oversight for utilities while ensuring savings are real and administrative costs are reasonable?
5. What should BPA's **backstop** role be to ensure public power meets the regional energy efficiency target?
- a. One perspective might be that no role is necessary because BPA programs are robust.
 - b. Alternatively, if BPA is not providing incentives and/or implementation assistance, include funding in the Tier 1 cost pool to acquire savings if utilities are not meeting targets.
 - c. Another option is to charge individual utilities a surcharge for not meeting a predetermined target and allow BPA to work directly in the utility's service territory to acquire missed savings.

Answers to these questions will shape the role BPA will play in energy efficiency moving forward. An initial outline of a number of options is included in the table below.

Key Issues and Options for BPA’s Role in Energy Efficiency Post-2011

Goal: *BPA will work collaboratively with its public utility customers to pursue conservation equivalent to all cost-effective conservation in the service territories of such customers at the lowest cost to BPA.*

Regional Infrastructure Activities	Implementation Assistance Activities	Incentive Activities	Oversight/M&V Role	Backstop Role
<ul style="list-style-type: none"> • LiWx (states & tribes) • NEEA support • RTF • PTR support (regional database) • Facilitate networking • RD&D, emerging technology and behavioral change assessment • Data collection, market research & evaluation • Regional marketing and training support • Regional coordination • Extended Infrastructure (e.g., Expanded RTF to segment the region into more specific zones to reflect avoided cost and measure cost; Expanded RD&D; Expanded NEEA funding) • Conservation Potential Assessments (CPA) 	<ul style="list-style-type: none"> • Third-party programs (e.g. Green Motors, EnergySmart Grocer, commercial lighting) • Targeted turnkey programs • Engineering/technical assistance • M&V equipment and assistance • On the ground assistance (e.g., community-based support and implementation; e.g., circuit riders) 	<ul style="list-style-type: none"> • Rate credit type mechanism • Bi-lateral contracts (similar to CAA) • Opt-in to BPA funding as a Tier 2 product • Opt-out: allow a utility to elect not to participate in an incentive activity and to not be allocated any of the costs to its Tier 1 PF rate. Utility would be required to report savings to BPA in exchange for opting out.* 	<ul style="list-style-type: none"> • Oversight and M&V requirements are maintained for all utility savings (BPA and utility self-funded) • System for reporting savings; no BPA oversight/confirmation of the veracity of the savings reported (e.g., BPA accepts auditor’s report on savings accomplished by a utility – state auditor or independent auditor in lieu of BPA oversight) but utility submits savings to PTR 	<ul style="list-style-type: none"> • No role is necessary because BPA programs are robust • Include funding in Tier 1 cost pool to acquire savings if necessary because utilities are not meeting targets • Charge individual utilities a surcharge for not meeting a predetermined target and BPA works directly in the utility’s service territory to acquire savings

* This option is responsive to what BPA has heard from customers to date. BPA has not fully assessed the option but might consider it if BPA finds it feasible and can be implemented.

This table is intended to provide examples of what roles might be possible for BPA in the post-2011 timeframe. It is not intended to include all possibilities and can be expanded upon.

Discussion of Key Issues and Options for BPA's Role in Energy Efficiency Post-2011

A brief discussion of each of the five key issues is presented below.

I. Regional Infrastructure

Energy efficiency infrastructure activities that BPA funds or conducts help ensure that current and future energy-efficiency programs and the individual utility level will be effective. Some of these activities can only be performed at a regional level, while others can be accomplished at the local or sub-regional level. At this smaller scale however, some activities may not be as cost effective. Major programs currently provided by BPA are listed below with further descriptions provided in Attachment A.

Acquisition Support

- Market Transformation (NEEA)
- Regional Technical Forum (RTF)
- Planning, tracking and reporting (PTR)
- Market research, data collection & coordination (e.g., market & building characterization study)
- Evaluation
- Manufacturer buy-downs & bulk purchasing
- Trade Ally Network (TAN)

Emerging Technologies and Practices

- RD&D
- Emerging technology and behavioral change assessments, including fielding measures for M&V and testing new program concepts
- Developing new deemed measures (RTF process)
- Development of analytical tools
- Technical assistance
- Demand Response — potential assessments, technology and pilot program strategy demonstration
- Smart Grid demonstrations

Education/Networking

- Energy efficiency education and outreach
- Networking opportunities and best practices information (e.g., brown bags, utility roundtables, annual utility energy efficiency summit)
- Regional coordination (Commercial New Construction Focus Group; Evaluator/Market Research Network)
- Expanded retailer/trade ally training and support

Regional Support

- Low-income weatherization (state)
- Tribal energy efficiency funding
- Marketing assistance (e.g., development of messaging and materials)

The primary question for the post-2011 process is what type of regional infrastructure activity costs should be included as part of the Tier 1 cost pool? BPA believes value is created by

providing funding to organizations or performing specific activities, as long as such funding and activities achieve conservation benefits for BPA and its customers.

II. Implementation Assistance/Support

Implementation assistance is hands-on, direct help that BPA or BPA contractors provide to our customer utilities and in-region federal agencies to ensure energy efficiency is accomplished. This could include, among other things:

- Third- party programs (e.g., Green Motors, EnergySmart Grocer, commercial lighting)
- Turnkey programs that are easy to administer for any size utility
- Engineering/Technical assistance
- Metering and verification assistance
- On-the-ground assistance for utilities with limited staff or supplementing existing staff (e.g., community-based support and implementation; circuit riders)
- Administrative payments for utility staffing (currently available through CRC administrative payments)
- Program design and customizable marketing materials

With regards to implementation assistance and support costs, a primary question for the post-2011 process is what costs, if any, should be included in the Tier 1 cost pool? Because customer utilities vary in size and have a range of energy efficiency staffing and capabilities, a broad range of need exists for implementation services. While some programs, such as EnergySmart Grocer or the Green Motors Initiative, can meet the needs of a very large number of BPA's customer base, other initiatives provide benefit to a smaller number of customers, such as circuit riders (on-the-ground people to assist with implementation of programs).

III. Incentives

Incentives are the dollars a utility provides to an end-user to encourage them to implement an energy-efficiency measure. Incentives may also be offered directly to distributors and other trade allies. Today, BPA provides incentives to utility customers in the form of the Conservation Rate Credit (CRC), the Conservation Acquisition Agreements (CAA) and the Irrigation Rate Mitigation Program (IRMP) conservation incentive. These dollars are generally passed through to the end-user with a predetermined percentage of the incentives used by the utility to support energy efficiency program administration and technical assistance costs. Funding can be added by the utility to increase the incentive amount to the end user.

The CRC program is currently based on the amount of power that is purchased by the utility from BPA – 0.5 mills per kWh. The CAA is a bilateral program which is on a first-come, first-served basis. The IRMP incentive applies to irrigation load purchases from BPA – 0.25 mills per kWh.

As noted above, BPA utility customers have a wide range of needs and capabilities for accomplishing energy efficiency. Incentives are a key piece of implementation. BPA staff has heard differing opinions from customers as to whether or not BPA should continue to offer incentive programs to utilities. Some utilities have stated they prefer to fund conservation themselves; removing BPA from the business of providing incentives and lowering BPA power rates commensurately. Other utilities have expressed support for a CRC type program. These are key points to consider when determining what utility incentives costs, if any, should be included in the Tier 1 cost pool.

Several potential options exist for incentive funding for post-2011:

- Local utilities fund conservation incentives rather than BPA
- A BPA rate credit mechanism
- Bi-lateral contract mechanisms between utilities and BPA
- Opt-in to BPA funding as a Tier 2 product
- Opt-out option approach where incentives are provided through bi-lateral contracts with a discount from the PF rate available for utilities able to accomplish and report to BPA a pre-specified amount of conservation (please see qualifications to this option below)

These potential options are further described below:

Local Funding: This would remove BPA from providing any direct funding for energy-efficiency incentives. That responsibility would fall to the local utility to fund through their rates. Selection of this option would make BPA's backstop role very important.

Rate Credit: A rate credit is an equitable way to distribute revenue collected in rates for conservation. However, offering only a rate credit assumes conservation is equally distributed around the region, which is not the case. Customers have also expressed some concerns about the current structure of the CRC program and how it may or may not fit into the post-2011 framework. These utilities are concerned that moving to two-year rate periods will cause starts and stops in conservation programs because CRC budgets are currently tied to rate periods.

Bi-lateral contracts: Many utilities have expressed a desire to discontinue the current bilateral funding mechanism (CAA) in the post-2011 world because of equity issues. The current CAA mechanism was established to provide a way to fund additional conservation (above that achieved with the rate credit) recognizing that conservation is not equally distributed throughout the region. A future bi-lateral contract mechanism could be designed to provide a more equitable distribution of conservation funds. The benefit of bi-lateral contracts over a rate credit type mechanism is that a true-up is not necessarily required at the end of each two-year rate period. This has the potential for eliminating the "start-stop" that a rate credit requires at the end of the rate period. Using a bi-lateral contract mechanism that allows bridging of funding between rate periods has the potential to cause cash flow challenges for BPA.

Opt-in Tier 2: This approach would effectively remove BPA from providing implementation incentives for energy efficiency as part of the Tier 1 cost pool and would allow a utility to contract with BPA to provide some type of incentives subject to Tier 2 rates.

Opt-out option: An alternative approach would allow a utility customer to elect not to participate in an incentive activity and to receive a discount off the PF rate. This approach is based on an allocation of cost within the PF rate to direct the cost of the incentive to only those customers that did not opt out and elect to take the incentive. This would in effect allow a utility to opt-out of the BPA incentive program if they choose. However, in return for being allowed to opt-out, the utility will have to contractually agree to achieve and report a predetermined level of cost-effective kWh savings to BPA. If the target is not met, the utility will either have to pay a surcharge penalty or be required to enter back into the BPA incentive program the next rate period, or both. This approach would require agreement on individual utility targets for those utilities that choose to opt-out.

This option is responsive to feedback from BPA customers. BPA has not fully assessed the option but might consider it if BPA finds it feasible and it can be implemented. Some of the issues that need to be evaluated include, but are not limited to: how to set targets, what the penalty is for not reaching the target and how a customer qualifies to opt-out. If this option is of interest to stakeholders, BPA needs input on how to address these issues.

IV. BPA Oversight, Measurement and Verification (M&V) Role

Oversight, measurement and verification (M&V) are key to ensuring that the energy-efficiency resource that is reported is real and will actually reduce BPA's or a utility's load. This will be of particular importance to individual utilities in a tiered-rates framework because they will rely on energy efficiency to reduce their load and to offset market priced purchases. It is important to ensure that an appropriate amount of oversight and M&V takes place. This will require close collaboration and flexibility in the relationship between BPA and customer utilities to meet the needs of the agency and individual utilities at the same time.

Some utilities customers would like to have a different level of BPA oversight and M&V for utility self-funded vs. BPA-funded energy efficiency. With the implementation of I-937 and other possible state legislation requiring energy efficiency with independent oversight requirements, a need exists to review what BPA oversight will still be necessary.

Some utilities' concerns about BPA's M&V and oversight role relate to flexibility, free ridership issues and how the total resource cost test (TRC) is implemented. Historically, BPA has assumed a regional avoided cost to standardize its rules and used a region-wide deemed measure database to minimize administrative costs. In the last several rate periods, BPA has focused the TRC at a measure level rather than project/facility or program level. Recently, BPA shifted the TRC for custom projects to the project/facility level.

In the future, many utilities will be conducting their own conservation potential assessments and Integrated Resource Plans. These would result in utility-specific avoided costs that may be very different than the regional avoided cost and utility conservation targets that may or may not match their share of the Northwest Power Planning Council (the Council) targets as a percent of load. During the post-2011 process, how BPA actually implements M&V and oversight may need to be discussed in a Phase 2 workgroup.

V. Backstop Role

How should BPA provide a backstop mechanism to ensure the regional target is met over time? The answer to this question depends largely on the how robust BPA involvement in programs and incentives is determined to be. If BPA has a robust role, then the need for backstop funding is diminished, but not eliminated, because programs are already in place to acquire savings.

Alternatively, if BPA has limited involvement in helping utilities with acquisition and does not provide funding for incentives, then BPA may need to provide a backstop if the public share of the regional target is not met.

BPA can provide this backstop in a number of ways. For example, BPA could create a “rainy day” fund for this purpose. The agency could increase the conservation budget in the next rate period to “make up” the savings that were not acquired or BPA could assess a conservation surcharge. Each of these mechanisms would require BPA and the utilities to agree in advance what each utility’s conservation target is. In addition, BPA might need to work directly in the service territory of utilities that are not meeting their target to acquire savings.

Attachment A: Current BPA Regional Infrastructure Activities

NEEA funding – BPA currently provides 50 percent of NEEA’s general funding budget to cover the regional Consumer Owned Utilities (COU) share for market transformation in the region. BPA also participates on a case-by-case basis in other market transformation initiatives that are incremental to the base level of NEEA activities such as the 80-plus efficient computer power supplies project.

Regional Technical Forum (RTF) – BPA funds the COU share of the RTF to research costs and savings of energy efficiency technologies. This information supports the measure deeming process by the RTF and provides essential information for program design and budgeting for regional utilities. BPA additionally supports regional research activities, including research for estimating potential for the Council Power Plans, such as Commercial Building Stock Assessment for baseline inputs and Assessment of Industrial Potential, in addition to other key research needs.

Developing new measures and regional programs – BPA staff provides input into the RTF process to ensure that high-priority technologies and program options are analyzed by the regional body and included in programs. In addition, BPA conducts field studies of emerging technologies such as ductless heat pump field studies; develops analytical tools for estimating savings such as the lighting savings calculator; implements pilot programs such as the AirCare Plus commercial rooftop HVAC pilot; and implements program design activities for regional programs such as the regional grocery store, green motors and hospitality programs. Future areas of focus include assessment of savings from behavioral changes such as O&M, home energy monitors and benchmarking, and continuing efforts to join a west coast collaborative targeting consumer electronics.

RD&D (Research, Development & Demonstration) –

1. **Emerging Technologies Development and Demonstration Program** – BPA collaborates to develop and disseminate emerging technology information to the region. The agency is undertaking a multi-year program to identify, assess and develop emerging energy efficiency technologies. The goal is to select several new technologies each year, starting in FY 2009 and develop these into usable energy efficiency measures through field tests or other RD&D activities.
2. **BPA Technology Innovation Projects** – Working with BPA’s Technology Innovation group, BPA Energy Efficiency is participating in the following RD&D projects in FY 2009:
 - Smart Grid Demonstration Project
 - EPRI: Development and Demonstration of Advanced Lighting Technologies for Energy Efficiency and Demand Response Applications
 - Development of a Monitoring and Communication System for Distributed Energy Resources
 - Development of High-Efficiency Low-Lift Vapor Compression System
 - Self-Correcting Building HVAC Controls Technology Development
3. **Continuing RD&D Activities**
 - Ductless Heat Pump Pilot Project

- Low Temperature Heat Pump field tests
- Grocery store gasket, door closure and strip curtain lab tests
- Scientific irrigation scheduling calculator development
- Packaged Rooftop Unit RD&D
 - AirCare Plus demonstration with pre/post metering
 - Premium Ventilation Package field tests
 - Automated Diagnostics field testing of energy impacts
 - RTF Rooftop Unit subcommittee lab and filed tests

Engineering/Technical Assistance –

1. The entire engineering staff provides on-site and phone technical support and assessments for customer utilities in all sectors (commercial, industrial, residential and agricultural) and for federal projects.
2. Engineers support the creation of custom energy efficiency projects.
3. Each engineer is assigned to specific areas of expertise for not only customer support but also regional areas.
4. Engineers provide M&V equipment, assistance and review, Technical Service Provider (TSP) review and oversight, and engineering analysis and recommendations as related to efficiency measures.

Market Research – BPA conducts market research in several areas, including research to understand building characteristics, attitudes of customer segments, estimate end-use load shapes and to understand the supply chain for technologies. BPA often coordinates with other regional organizations to complete these efforts, both to share costs and ensure a fully regional perspective is gained. For example, BPA recently undertook a residential customer segmentation study to determine how end-user attitudes about energy efficiency vary across the region and to what marketing messages those various customers will respond.

Program Evaluations – BPA conducts program evaluations to ensure that the predicted savings are reliable and cost effective. In addition, the agency conducts process evaluations to enhance the programs’ continuous improvement. The results from program evaluations are key inputs for RTF and the Council, and they provide insight to other organizations interested in developing similar programs. For example, BPA recently completed an impact evaluation of the commercial lighting program. Evaluations currently under way include the grocery store program evaluation.

Education, Sponsorships and Outreach –

1. Holds approximately 20 memberships in organizations that focus on energy efficiency and provide resources for staff and stakeholders.
2. Co-sponsors approximately 20 events each year across the region to promote energy efficiency and maintain a local presence.
3. BPA hosts or co-hosts a variety of workshops such as conservation potential assessments, commercial lighting technology, metering and verification, compressed air training, commercial new construction prescriptive path training, and demand response.
4. Maintains Web resources for customers and stakeholders
5. Organizes and hosts semi-monthly brown bag teleconferences on topics of interest for utilities, staff and other stakeholders.

6. Publishes a quarterly newsletter designed as a resource for utility conservation staff.
7. Teams with national, state and regional entities to coordinate energy efficiency activities. Groups include the Energy Trust of Oregon, Washington State University Extension, Lane Community College, ENERGY STAR®, the Department of Energy, the Montana Department of Environmental Quality, etc.
8. Co-sponsors national events to further the regions knowledge of energy efficiency such as Affordable Comfort, ACEEE Summer Study, etc.

Planning, Tracking and Reporting (PTR) – BPA currently funds the development and maintenance costs of the Regional Technical Forum (RTF) Planning, Tracking and Reporting (PTR) system. This Web-based system allows all utilities in the region to track and report their cost-effective conservation activities to BPA and the Council in a consistent manner.

Networking, best practices information – Interaction with customers and stakeholders includes:

1. Co-plans and facilitates an annual regional utility energy efficiency networking summit
2. Co-plans and facilitates customer roundtables in the region as needed
3. Coordinates ongoing networking groups such as the commercial new construction focus group and the regional evaluator’s network, etc.
4. Conducts an annual customer satisfaction survey and responds to concerns
5. Responds to requests for supporting local exhibitions/fairs with models/demonstrations, give-away items, and/or staff attendance
6. Facilitates utility trade-ally coordination and networking activities
7. Prints handouts for use in training or utility energy efficiency programs
8. Attends out-of-region conferences (such as CEE, ACEEE, AESP) and reports to staff and stakeholders

Low Income Weatherization (states) – BPA currently provides Oregon, Washington, Montana and Idaho with a total of \$4.5 million per year on a proportional basis to fund the installation of residential weatherization measures. Community Action Partnership (CAP) agencies who have sub-grantee arrangements with each state complete weatherization projects.

Tribal – BPA currently provides \$500,000 per year to fund energy efficiency initiatives aimed at tribal-owned residential properties. This money funds a variety of activities, including training to help tribal members develop program administration capability, technical training to create home energy analysts and inspectors and efficiency measures such as weatherization, windows, lighting and appliances.

Federal Facility Work – BPA works with both direct serve federal agencies and federal agencies served by COUs to achieve energy efficiency improvements. The federal agencies reimburse BPA for staff time and costs.

Oversight – BPA primarily acquires conservation through and in association with BPA customers, where the source of conservation is typically a result of the installation of measures in end-use consumer facilities. Because BPA funds conservation through customer energy efficiency programs, the agency conducts annual oversight visits. These include reviews of files

maintained by BPA customers and visits to end-use consumer facilities to view the measures installed. Customers are responsible for the claims they make and BPA has a fiduciary responsibility to oversee the development of conservation resource acquired to ensure we are receiving good value for the ratepayer funds that are spent.

Trade Ally Network (TAN) – BPA sponsors the Commercial and Industrial Lighting Trade Ally Network to support utilities working with contractors under their lighting programs. The network provides training to contractors in new lighting technologies and program requirements and also serves as a forum through which utilities can promote their programs.

Providing specific training to utility personnel and trade allies conducting business in the service territory – BPA is identifying opportunities to help utility staff work effectively with trade allies to reach conservation goals.

Regional marketing including development of messaging and materials – BPA’s work in this area includes:

1. Direct support to utility customers through seven energy efficiency representatives
2. Production of fact sheets and case studies on successful energy efficiency projects for utilities to use in marketing their own conservation efforts. Examples include the compressed air toolkit and the commercial lighting roadmap.
3. Limited marketing and outreach materials for utilities to use in marketing efficiency programs to their customers

Expanded retailer/trade ally training & support – BPA is developing cost-effective approaches to support utilities in their work with trade allies and retail partners in program implementation to leverage economies of scale and increase conservation-delivery capacity.

Manufacturer buydowns – BPA works upstream in markets to leverage its investments in energy efficiency. One notable example of this is the current Change-A-Light program, which pushes a variety of ENERGY STAR compact fluorescent lamps into retailers located in rural and other hard-to-reach markets.

Demand response programs – BPA is performing a strategic analysis of regional demand response potential and implementation opportunities. Part of this process involves developing demand response supply curves for the BPA service territory. These supply curves will feed into the Resource Program, which is set to be completed in August 2009. The Resource Program will detail an optimal resource mix for BPA, based on input data and future growth forecasts.

Based on the outcome of the resource program and resource acquisition strategy, BPA will need to be prepared to develop a robust program to acquire a significant amount of demand response. In FY 2009, BPA will undertake both pilot projects and technology demonstration projects. The pilot projects will give BPA experience developing and managing demand response programs, while the technology demonstration projects will help BPA better understand how promising demand response technologies will work in the Northwest climate. Additionally, BPA will engage our utility customers in a conversation about demand response to identify optimal, mutually beneficial programs and strategies.