



# Post-2011 Distribution Utility Energy Efficiency Challenges

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# Purpose of Presentation

- Introduce new northwest public power funding system
  - New system will shift certain responsibilities from BPA to individual utilities
- Intent:
  - Identify activities for which utilities will have primary responsibility
  - NOT to conclude whether current or new system is preferable

# Budget Management Shifts

- All BPA-provided utility energy efficiency incentive funding will be allocated to individual utilities at the beginning of the rate period
- The challenge and the opportunity
  - BPA will no longer determine *where* funding will flow on a case-by-case basis
  - Provides opportunity to create economic opportunities for your customers
  - Offers deeper utility self-determination
  - Removes budget fall-back BPA often provided

# Financial Management for Success

- Allocate funds for continuity of individual EE programs
- Develop adaptive budget management
  - Monitor each EE program in “real-time” to ensure best allocation of budgets
  - Plan early, plan often
  - Take special care with large projects
    - Potential for BPA \$10 million Large Project Fund to be over-subscribed

# Crafting Your Plan

- Analyze portfolio to stretch your dollars
- Project market acceptance for each of your programs and adjust assumptions based on performance
- Consider EE Measurement and Verification at earliest stages of planning
- Prioritize individual programs to optimize expected returns
- Decide marketing approaches needed for each EE program

# Resource Considerations

- What technical support do I need in planning local administration?
- What technical support is needed for delivery to end-users?
- How will you utilize BPA staff vs. utility acquired services?
- How will you ensure contractors are secured and on-board proactively?

# Conclusions

- Actual opportunities/challenges will vary by utility, available resources, and specific programs offered
- Learn from and coordinate with others
- Share your experiences on CONDUIT