

**FINANCIAL ASSISTANCE OPPORTUNITY FOR
INNOVATIVE BEHAVIOR BASED ENERGY EFFICIENCY PILOT PROGRAMS
ROUND TWO**

APPLICATION DUE DATE: MARCH 1, 2013

OPEN APPLICATION PERIOD: through JUNE 3, 2013

BPA invites applications for innovative behavior based energy efficiency pilots. Behavior based energy efficiency programs focus on verifiable energy savings resulting from changes in individual or organizational behavior and decision-making.

The first round of funding for INNOVATIVE BEHAVIOR BASED ENERGY EFFICIENCY PILOT PROGRAMS was awarded in 2012 to [Cowlitz PUD, Clark Public Utilities and Snohomish PUD](#) (Funding Opportunity Number 2077). Funding is now available for additional innovative behavior based energy efficiency pilots. Applications are welcome from any BPA public utility customer. BPA has a special interest in working with small, rural or residential utilities and program models that have not yet been tested in the Pacific Northwest.

GOALS AND OBJECTIVES

BPA's overall goal is to enable, validate and increase the amount and persistence of energy savings achieved through BBEE programs in the Northwest. The specific objective associated with this funding opportunity is to collaborate with interested BPA public utility customers and their market partners to implement and evaluate innovative BBEE pilot programs. These innovative BBEE pilot programs will allow the region to advance its collective knowledge, experience and understanding of BBEE program strategies and implementation. While verified cost-effective savings are the ultimate goal, it is also important to learn about program design, successful strategies and tactics, and identify important elements of evaluation.

TIMELINE

Applications are due on March 1, 2013. Applications received by that date will be evaluated by the BPA Energy Efficiency program and considered for funding. If any funding remains, BPA will review additional applications until June 3, 2013. Parties interested in submitting applications after March 1 are encouraged to first contact BPA.

Application submitted by March 1, 2013 should assume a May 1, 2013 award date, if funded. Any applications received thereafter should assume an October 1, 2014 award date. In addition to the guidance provided for budget and cost share, applications should estimate funding by BPA's Fiscal Year.

PROPOSAL REQUIREMENTS

For the second round of INNOVATIVE BEHAVIOR BASED ENERGY EFFICIENCY PILOT PROGRAMS, the following are requirements of all proposals:

- Proposals with the residential or commercial sectors (Required)
- Verified energy savings from behavior change, as opposed to energy savings acquired from the purchase/install of a technology (Required)
- Proof of readiness to implement and be completed within the time period of January 1, 2013-September 30, 2014. (Required). (Projects may extend beyond this period but all BPA funds must be spent by September 30, 2014.)

FUNDING

BPA has approximately \$100,000 available for new awards in Fiscal Year 2013 and another \$150,000 available in Fiscal Year 2014. BPA's fiscal years begin October 1

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and end September 30. Pilots may span both fiscal years, but funding may be awarded incrementally on a fiscal year basis.

While teaming arrangements are encouraged between utilities and other parties (e.g. consulting firms, school districts or other government entities), only BPA public utility customers may apply and receive financial assistance from BPA for this pilot program.

SUBMITTING YOUR APPLICATION

Utilities must follow the [Application Guidelines for BPA Energy Efficiency Grants and Cooperative Agreements](#). Applications shall be submitted electronically to Summer Goodwin, BPA Energy Efficiency Program Marketing, sggoodwin@bpa.gov. Applicants are advised to review Funding Opportunity Number 2077 [insert link to FOA 2077] as background.

Bonneville financial assistance is subject to the policies and procedures outlined in the Bonneville Financial Assistance Instructions (BFAI) which is prescribed by the Head of the Contracting Activity (HCA). The BFAI may be downloaded [here](#). If you have any questions, please contact Summer Goodwin at 503-230-3158 or email sggoodwin@bpa.gov.

BACKGROUND

Behavior Based Energy Efficiency (BBEE) programs are being tested around the country. Utilities, both nationally and regionally, are initiating BBEE programs as a means of achieving energy savings beyond what can be obtained through more traditional utility energy efficiency program efforts focused on encouraging adoption of energy efficient technology. A [recent BPA review of current residential BBEE programs](#) concluded that energy savings from these programs could be significant

The promise associated with BBEE programs is tempered by the challenges these programs pose. BBEE programs are in their infancy. The information, program design features and motivational tactics that work best in getting energy consumers to be more efficient in their use of energy is largely unknown. What works for different types of customers requires experimentation. Evaluation of energy savings for BBEE programs relies on methods new to utility energy efficiency efforts, and the persistence of the energy savings is uncertain. Yet for all these challenges, the promise is too significant to ignore. A conservative estimate of potential energy savings in the Northwest public utility residential sector ranges from 50-75 average megawatts. Comparable savings are possible in other sectors.

PROJECT TYPES

BBEE programs focus on energy savings resulting from changes in individual or organizational behavior and decision-making. A basic foundation for behavior change is providing energy consumers with feedback on their energy consumption. Providing energy consumers with feedback on their usage is not particularly innovative on its own. However, using feedback as a basic foundation, the innovation comes from employing strategies and tactics for further customer engagement, motivating customers to change behaviors and achieve greater levels of energy savings than would be achieved through feedback alone.

In the residential sector, customer feedback on energy use can be provided via paper reports, in-home displays, or on-line; and can be independent of, or leverage, utility advanced metering infrastructure (AMI) investments.

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Utilities, both nationally and regionally, have been operating customer feedback programs, including use of normative or comparative information, for several years now, with documented energy savings of 2-3% common across program participants in the residential sector. Providing customers with feedback appears to be a foundation of successful behavioral program, but there is much to be learned about other effective engagement strategies and tactics. Some examples include:

- *Social Norms:* Peer to peer comparison and getting the buy-in of one household member may lead to behavior change
- *Marketing and Communications:* Use of traditional marketing channels and newer social media options such as Facebook, Twitter, You Tube, and devices, e.g., computers and mobile phone apps, to communicate messages and encourage customer dialogue may stimulate customers to be more efficient.
- *Tips and Assistance:* Customers may not know what behavior changes make the most sense and are likely to have the biggest impact on their energy consumption. Educating customers on the most effective actions to take, and assisting them in taking those actions through prompts, such as shower timers, may help them move forward.
- *Pledge/Goal Setting:* Once a customer or a community commits to an energy reduction goal, they may be more likely to change energy use related behaviors.
- *Rewards and Recognition:* Monetary rewards or prizes may be highly motivating in stimulating behavior change, as may recognizing those customers (or communities) that have been successful. Rewards can be fixed or random, with random rewards adding an entertainment component to the program that customers may find appealing.

In the commercial sector, customer feedback on energy use often begins with benchmarking building energy consumption using Energy Star Portfolio Manager or similar tools. Using building benchmarking results, or related building energy use index (EUI) metrics as a foundation, there are innovative customer engagement strategies and tactics that can be employed to motivate behavior change. Some examples include:

- *Tune-Ups and Enhanced O&M:* Tuning up commercial building systems and equipment, and improving building operating and maintenance (O&M) routines, may yield significant energy savings. This can apply to small buildings with packaged rooftop HVAC equipment or larger buildings with more centralized equipment and controls.
- *Occupant/Tenant Outreach:* There is a growing recognition that occupant/tenant behavior has a big impact on building energy consumption. Engaging building occupants on best practices, from managing plug loads to use of natural lighting or programmable thermostat controls, may prove effective.
- *Strategic Energy Management:* Strategic energy management (SEM) addresses a wide range of energy related business practices, from building

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operating performance to energy related purchasing practices and financial decision-making. Executive level commitment and organization-wide energy reduction goals set the stage for changes in organizational behaviors.

- *Rewards and Recognition:* As in the residential sector, monetary rewards and recognition may be highly motivating. Rewards for businesses are likely to be monetary, such as a financial incentive per kWh saved. Recognition can focus on the local business community and highlight specific company achievements.

While BPA is researching BBEE opportunities, it has not pre-determined innovative BBEE pilot programs, and welcomes utility suggestions. The examples characterized above are not meant to be a comprehensive list of potentially innovative BBEE program strategies and tactics, and are simply meant to provide some examples of what is possible based on observed market activity. Applicants may draw from these elements, other models, and/or a combination thereof.

TYPE OF AWARD INSTRUMENT

BPA anticipates projects that funding will be awarded as cooperative agreements, but reserves the right to fund projects as grants if determined by BPA to be more appropriate. Cooperative agreements permit substantial involvement between BPA and the selected applicants in the performance of the work supported.

BPA INVOLVEMENT

Although BPA will negotiate precise terms and conditions relating to substantial involvement as part of the award process, the anticipated substantial BPA involvement for this project may include:

- Collaboration in refinement of the pilot program evaluation plan. The evaluation approach and methods must directly address what is to be learned from the pilot program design features and motivational tactics to be tested. Evaluation of energy savings for BBEE programs may require methods new to utility energy efficiency efforts;
- Requiring the recipient to meet or adhere to specific procedural requirements before subsequent stages of a project may continue. Pilot program implementation must allow for any needed real-time adjustments to maximize the pilot program learning experience;
- Working jointly with the recipient in carrying out the scope of work or by training recipient personnel; and,
- Limiting recipient discretion with respect to scope of work or key personnel.

AWARD PROCESS

Prior to a comprehensive review, BPA will perform an initial review to determine that (1) the Applicant is eligible for an award; (2) the information required by the application has been submitted; (3) all mandatory requirements are satisfied; and (4) the proposed project is responsive to the objectives.

COMPREHENSIVE SELECTION CRITERIA

1. Technical
 - a) Merits of the Pilot Program Design Features.

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- b) Comprehensiveness of the operating plan, including participant recruitment, delivery of services, and monitoring strategies.
 - c) Potential Benefits to the Region.
 - d) Appropriateness of the methodology for evaluating the pilot program.
 - e) Staffing Capabilities.
2. Non-Technical
- a) Appropriateness of Budget.
 - b) Demonstration of Sponsor Commitment.

3. Other Selection Factors

BPA may consider the following program policy factors in the selection process:

It may be desirable to select for award a group of projects which represents a diversity of technical approaches and methods;

It may be desirable to support complementary and/or duplicative efforts or projects, which, when taken together, will best achieve the pilot's goals and objectives;

It may be desirable to select different kinds and sizes of organizations in order to provide a balanced programmatic effort and a variety of different technical perspectives;

It may be desirable, because of the nature of the type of projects envisioned, to select a group of projects with a broad or specific geographic distribution;

It may be desirable to select project(s) of less technical merit than other project(s) if such a selection will optimize use of available funds by allowing more projects to be supported and not be detrimental to the overall objectives of the program; and

It may be desirable to select project(s) of less technical merit than other project(s) if such a selection is likely to present a significantly lower level of risk for successful execution due to the higher proposed level of cost share.