

## BPA Energy Efficiency Capital Briefing

The energy efficiency capital budget provides funding for regional programs (such as the Energy Smart Grocer and Energy Smart Industrial program), infrastructure projects (such as EE Central) and incentive and associated performance payments to utilities for qualifying energy efficiency efforts under the Energy Conservation Agreement (ECA).

This briefing package provides information in response to four questions posed by BPA utility customers to:

1. explain the trajectory of funding authorization in ECAs
2. share the distribution, by utility, of ECA Implementation Budgets
3. share the spending, by month, from BPA on its regional program support
4. describe actions BPA can undertake to reduce BPA-managed capital spending on regional programs this year.

### BPA Energy Efficiency Capital Budget and Forecast

BPA’s energy efficiency department began FY11 with \$80M in authorized capital budget. That budget was increased by \$35M in May. Recent forecasting activities have shown there is significant risk of BPA spending beyond the authorized \$115M energy efficiency capital budget.

**Figure A** outlines BPA’s energy efficiency capital expenditures through May, along with two forecasts. The first forecast depicts bottoms-up insight<sup>1</sup> collected by BPA staff from programs and utility engagement. This scenario was gathered as Energy Efficiency Representatives reviewed utility program expenditures, pending projects, and in many cases, discussed with utilities their expectations for invoicing BPA during the remainder of the fiscal year. The second forecast depicts a more restrained view of spending based on past experience, wherein invoicing for programs and utility energy efficiency achievements are not as robust as the bottoms-up exercise predicts. This second forecast was the basis for the Q3 forecast the energy efficiency department delivered to BPA’s Administrator.

**Figure A - 2011 Actuals and Forecasted Capital Spending (\$M)**

	Actuals through May	Bottoms up forecasts @Q3 <sup>1</sup>	Q3 Forecast*	Uncommitted ECA <sup>2</sup>
<b>Utility Contracts (ECA)</b>	\$ 61.1	\$ 142.9	\$ 114.0	\$ 2.1
<b>BPA Programs/Projects</b>	\$ 16.1	\$ 32.3	\$ 29.0	
<b>Total</b>	<b>\$ 77.2</b>	<b>\$ 175.2</b>	<b>\$ 143.0</b>	<b>\$ 2.1</b>

**Notes:**

\* The Q3 Forecast for ECA applies a realization rate of 65% on the ECA spend, effectively discounting the bottoms-up forecast 35%

<sup>1</sup> This forecast includes a projection of utility spending. In some cases, utilities have authorized ECA budgets in excess of their program and project plans, thus, this bottoms-up forecast is ~\$10M less than the maximum ECA expenditure, as shown on in Figure B.

<sup>2</sup> Utility funding requests that have yet to be approved plus forecasted spending that has not yet been formally requested. This uncommitted ECA is included in the Q3 bottoms-up forecast. The actual total uncommitted ECA that utilities might request will shift as utilities bring forward additional refinements to their plans and gaps in funding.



## ***ECA Overview***

BPA has provided bi-lateral capital funding for energy efficiency through utility contracts since 1999. The ECA was established in late 2009 as a five-year agreement (2010-2014) to provide utilities with funding certainty and ease utility budget management across years. The ECA establishes the Implementation Budget; the funding authorized for qualifying conservation and associated performance payments available to a utility from BPA. When the ECA was established, it had no mechanism to delineate between fiscal years for Implementation Budget. The authorized budget in the contract was accessible by the utility at any time during the contract period. In April, 2011, BPA provided notice that on October 1, 2011, each utility's ECA Implementation Budget would be re-set to equal their allocation of BPA's Energy Efficiency Incentive for the rate period, as calculated based on the utility's share of the Tier One Cost Allocator. Until that announcement, BPA did not have clear delineation between fiscal years or rate periods in the existing ECA Implementation Budgets. Establishing the protocols to administer EEI allocation among utilities created a natural break in the existing authorized ECA Implementation Budgets.



## 1. ECA Authorization vs. Expenditure

In order to leverage BPA capital funding for energy efficiency reimbursements, utilities obtain funding authorization for their ECA, increasing their Implementation Budget to fund their projected project or program delivery. As part of the funding authorization documentation, a utility's Energy Efficiency Representative provides BPA an estimate of timing (fiscal year) at which the utility would complete the projected work and invoice BPA. Because BPA requires an ECA to be in place for funding in advance of custom project approval for utilities, we saw a steep ramp-up in ECA authorizations in FY10 and early FY11, even when the associated projects and programs were slated to be completed in future years. It is only on invoicing that an authorized Implementation Budget translates to an actual expenditure.

Based on the funding authorized throughout FY10, we had estimated that ~35% of the aggregate ECA funding authorization would be expended each year in FY10 and FY11. If that utilization rate had materialized, we would have seen \$40M invoiced in FY10. Actual FY10 utilization lagged that estimate, with actual invoicing of \$31M. Based on this lower than anticipated utilization rate, there appeared to be a low risk of having a high expenditure rate, since actual expenditure was ramping at a slower than anticipated rate.

Of the \$81.5M remaining ECA authorizations at the start of FY11, we anticipated that \$28M would be invoiced during FY11. As we authorized additional ECA funding during FY11, our projected utilization rate increased significantly. Using the timing projection from ECA funding requests, our May estimate of FY11 ECA invoicing totaled \$96M of the \$150M authorized.

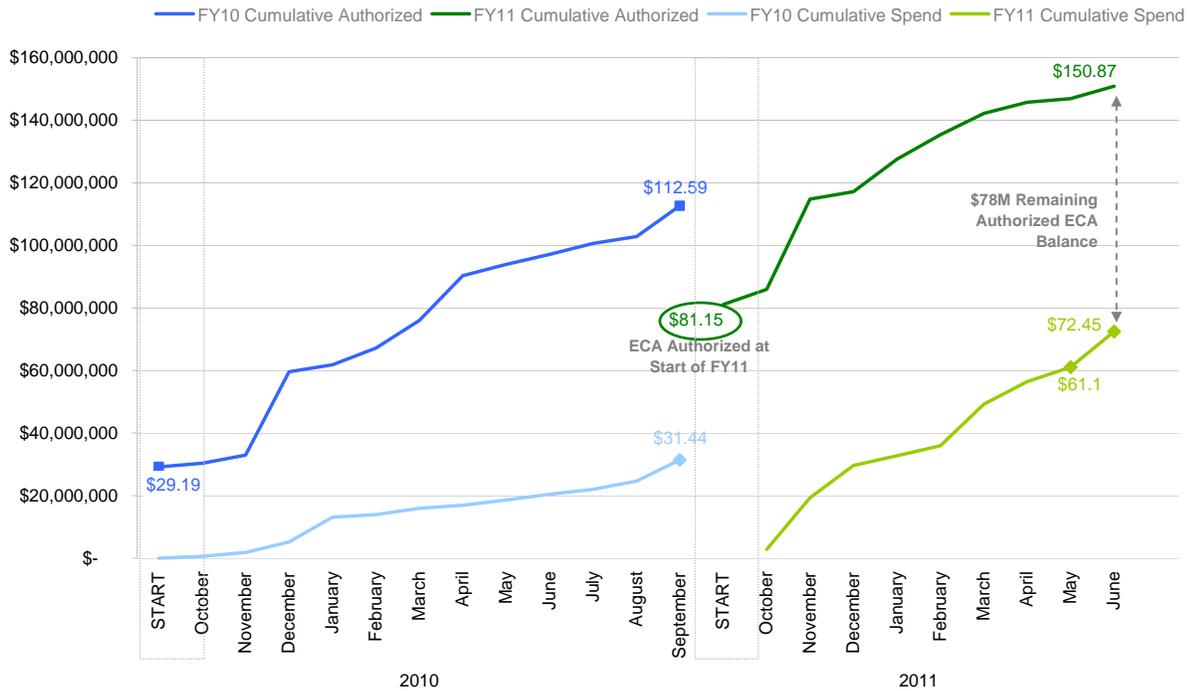
As we entered FY11, we saw an increased rate of ECA expenditures as compared with the "expected" utilization rate. Toward the close of Q3, the Energy Efficiency Representatives worked with utilities to estimate the utility's forecast for ECA invoicing over the remainder of the year. Those bottoms-up utility forecasts tallied to \$142.9M, as shown in Table A, a markedly higher forecast than expected based on prior experience with actual expenditures.

Because the ECA has no defined timing constraints, once funding is authorized and added to an Implementation Budget, a utility has significant flexibility to use that funding for reimbursement for any combination of qualifying energy efficiency achievements, with associated flexibility in reporting and invoice timing.

**Figure B** shows ECA funding authorization vs. actual expenditures in graph form. **Figure C** provides the underlying data in tabular form.



**Figure B - ECA Authorization and Spending Patterns (\$M)**



**Figure C - ECA Authorization and Spending Patterns (\$M)**

Fiscal Year	Month	Added ECA Authorizations	Actual Invoicing By Month	Fiscal Cumulative Authorized	Fiscal Cumulative Invoiced	Remaining Authorization (left to spend)
2010	(Start)	\$ 29.19	\$ -	\$ 29.19	\$ -	\$ 29.19
	October	\$ 1.12	\$ 0.65	\$ 30.31	\$ 0.65	\$ 29.67
	November	\$ 2.59	\$ 1.20	\$ 32.90	\$ 1.84	\$ 31.06
	December	\$ 26.66	\$ 3.35	\$ 59.56	\$ 5.19	\$ 54.37
	January	\$ 2.26	\$ 7.91	\$ 61.83	\$ 13.10	\$ 48.72
	February	\$ 5.29	\$ 0.80	\$ 67.12	\$ 13.91	\$ 53.21
	March	\$ 8.87	\$ 2.06	\$ 75.99	\$ 15.97	\$ 60.02
	April	\$ 14.37	\$ 0.97	\$ 90.36	\$ 16.94	\$ 73.42
	May	\$ 3.61	\$ 1.64	\$ 93.97	\$ 18.58	\$ 75.39
	June	\$ 3.19	\$ 1.85	\$ 97.16	\$ 20.43	\$ 76.73
2011	July	\$ 3.47	\$ 1.62	\$ 100.64	\$ 22.05	\$ 78.59
	August	\$ 2.15	\$ 2.62	\$ 102.79	\$ 24.67	\$ 78.12
	September	\$ 9.80	\$ 6.77	\$ 112.59	\$ 31.44	\$ 81.15
	(Start)			<b>\$ 81.15</b>		<b>\$ 81.15</b>
	October	\$ 4.81	\$ 2.79	\$ 85.97	\$ 2.79	\$ 83.18
	November	\$ 28.85	\$ 16.48	\$ 114.82	\$ 19.27	\$ 95.55
	December	\$ 2.36	\$ 10.36	\$ 117.18	\$ 29.63	\$ 87.55
	January	\$ 10.40	\$ 3.07	\$ 127.58	\$ 32.70	\$ 94.88
	February	\$ 7.82	\$ 3.24	\$ 135.41	\$ 35.94	\$ 99.47
	March	\$ 6.82	\$ 13.30	\$ 142.22	\$ 49.24	\$ 92.99
April	\$ 3.56	\$ 7.22	\$ 145.78	\$ 56.46	\$ 89.32	
May	\$ 1.12	\$ 4.64	\$ 146.90	\$ 61.10	\$ 85.80	
June	\$ 3.97	\$ 11.35	<b>\$ 150.87</b>	\$ 72.45	\$ 78.42	

A B C = Σ (A) D = Σ (B) E = C - D

Note - Netted out FY10 Invoices for |



## 2. Individual Utility Funding and Payments

Beginning October 1, 2011, BPA will move from its current energy efficiency capital approach to an approach that provides for TOCA-based<sup>1</sup> access to BPA's incentive funds. If BPA's energy efficiency capital expenditures exceed its 2011 capital budget, and BPA balances that overage through reductions in future years (after TOCA-based allocation is implemented), such a potential shift in BPA's budget timing raises questions of equity among utility customers As Steve Wright summarized in his letter of July 20, 2011:

“Inter-customer equity issues arise because the current ECA program is based on responding to individual utility requests using one collective source for funding from BPA. These dollars are not allocated to each utility based on load, as will happen beginning in FY2012. So, those utilities that have been proportionately slower in requesting or using ECA funding from BPA during 2011 could be at risk of having their post 2011 funding diminished to support a higher regional activity in 2011. “

**Figure D** provides insight to each utility's authorized ECA Implementation Budget (through May), the proportion of total authorized funding that utility represents, as well as the utility's spending in FY10 and FY11 (through May). BPA presents this information to provide transparency regarding the collective nature of ECA authorization and spending to date. Our current budget situation stems from BPA having an inadequate picture of the overall authorizations, timing and having an adequate forecast of FY11 spend against the authorization ceiling, not from any specific utility action or funding level.

In some cases, the authorized funding exceeds the utility's anticipated invoicing for FY11. This is driven in some cases by the nature of the ECA Implementation Budget as it was originally designed, which does not differentiate funding between fiscal years, and in other cases reflects slower than anticipated program or project performance. In other cases, the authorized funding reflected in this report is forecast to be insufficient to fund the utility's planned program and project performance.

In reviewing Figure D, please note that the Total Authorized ECA Budget includes the funding authorized *and* expended in FY10, whereas Figure B and Figure C net out the FY10 invoices paid to show the remaining authorized ECA Implementation Budget in FY11 (\$150.87M).

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<sup>1</sup> Tier One Cost Allocator. See the accompanying document, titled [At A Glance Summary of Changes in BPA Energy Efficiency Funding](#)



**Figure D - Total ECA Funding and Payments (\$)**

UTILITY	All Data Through May			
	TOTAL AUTHORIZED ECA BUDGET	FY10 INCENTIVES PAID	FY11 INCENTIVES PAID	TOTAL RATE PERIOD INCENTIVES PAID
ASHLAND	\$ 476,187	\$ 267,350	\$ 161,119	\$ 428,469
ASOTIN PUD	\$ 1,000	\$ -	\$ -	
BANDON	\$ 304,750	\$ 149,500	\$ 86,209	\$ 235,709
BENTON CO. PUD #1	\$ 500,000	\$ -	\$ -	
BENTON REA	\$ 1,593,770	\$ -	\$ 892,599	\$ 892,599
BIG BEND ELECTRIC COOP.	\$ 1,943,000	\$ 770,797	\$ 542,783	\$ 1,313,580
BLAINE	\$ 280,000	\$ 65,583	\$ 175,452	\$ 241,035
BONNERS FERRY	\$ 442,401	\$ -	\$ 48,574	\$ 48,574
CANBY	\$ 217,155	\$ -	\$ 100,624	\$ 100,624
CASCADE LOCKS	\$ 80,000	\$ 25,467	\$ 14,288	\$ 39,755
CENTRAL LINCOLN PUD	\$ 1,192,400	\$ -	\$ 698,329	\$ 698,329
CENTRALIA, (CITY)	\$ 502,558	\$ 156,257	\$ 69,526	\$ 225,783
CHENEY	\$ 50,000	\$ -	\$ -	
CHEWELAH	\$ 265,000	\$ -	\$ 168,221	\$ 168,221
CITY OF TROY	\$ 10,000	\$ -	\$ 7,109	\$ 7,109
CLALLAM CO. PUD #1	\$ 3,036,327	\$ 1,380,985	\$ 790,959	\$ 2,171,944
CLARK CO. PUD #1	\$ 9,895,016	\$ 1,743,234	\$ 4,670,443	\$ 6,413,677
CLATSKANIE PUD	\$ 1,500,000	\$ -	\$ -	
COLUMBIA BASIN COOP.	\$ 3,000	\$ -	\$ -	
COLUMBIA POWER COOP.	\$ 15,000	\$ -	\$ 5,205	\$ 5,205
COLUMBIA REA	\$ 1,127,767	\$ 495,243	\$ 527,388	\$ 1,022,631
COLUMBIA RIVER PUD	\$ 1,986,691	\$ 140,598	\$ 840,304	\$ 980,902
CONSOLIDATED IRRIGATION DISTRICT	\$ 25,000	\$ -	\$ 7,473	\$ 7,473
COULEE DAM	\$ 10,000	\$ -	\$ -	
COWLITZ CO. PUD #1	\$ 35,177,980	\$ 6,632,633	\$ 8,035,510	\$ 14,668,143
ELLENSBURG	\$ 477,000	\$ 121,211	\$ 35,980	\$ 157,191
ELMHURST MUTUAL	\$ -	\$ -	\$ -	
EMERALD PUD	\$ 2,710,000	\$ -	\$ 428,994	\$ 428,994
ENERGY NORTHWEST	\$ 10,000	\$ -	\$ -	
EUGENE	\$ 8,500,000	\$ -	\$ 5,685,993	\$ 5,685,993
FERRY CO. PUD #1	\$ 255,000	\$ 3,915	\$ 152,986	\$ 156,901
FLATHEAD ELECTRIC COOP.	\$ 5,811,220	\$ 1,263,509	\$ 2,344,582	\$ 3,608,091
FOREST GROVE	\$ 811,322	\$ 319,911	\$ 275,891	\$ 595,802
FRANKLIN CO. PUD #1	\$ 4,698,120	\$ 675,958	\$ 2,035,794	\$ 2,711,752
GLACIER ELECTRIC COOP.	\$ 649,000	\$ 283,261	\$ 178,293	\$ 461,554
GRANT CO. PUD #2	\$ 6,312,399	\$ 470,583	\$ 934,727	\$ 1,405,310
GRAYS HARBOR CO. PUD #1	\$ 1,092,000	\$ -	\$ -	
HARNEY ELECTRIC COOP.	\$ 5,000	\$ -	\$ -	
HERMISTON ENERGY SERVICES	\$ 41,598	\$ -	\$ -	
HOOD RIVER ELECTRIC COOP.	\$ 287,974	\$ -	\$ 21,394	\$ 21,394
IDAHO CO. L & P COOP.	\$ 90,000	\$ 19,387	\$ 65,110	\$ 84,497



**Figure D - Total ECA Funding and Payments (\$)**

UTILITY	All Data Through May			
	TOTAL AUTHORIZED ECA BUDGET	FY10 INCENTIVES PAID	FY11 INCENTIVES PAID	TOTAL RATE PERIOD INCENTIVES PAID
IDEA ENERGY AUTHORITY POOLING GROUP <sup>1</sup>	\$ 1,863,000	\$ -	\$ -	
INLAND POWER & LIGHT CO.	\$ 4,595,426	\$ 1,547,905	\$ 826,424	\$ 2,374,329
KITTITAS CO. PUD #1	\$ 97,000	\$ -	\$ -	
KLICKITAT CO. PUD #1	\$ 185,067	\$ -	\$ 57,006	\$ 57,006
KOOTENAI ELECTRIC COOP., INC.	\$ 1,201,240	\$ 194,518	\$ 389,651	\$ 584,169
LAKEVIEW L & P CO.	\$ 429,934	\$ 12,058	\$ 70,080	\$ 82,138
LEWIS CO. PUD #1	\$ 1,677,854	\$ 506,837	\$ 162,235	\$ 669,072
LINCOLN ELECTRIC COOP. MONT	\$ 735,611	\$ 419,896	\$ 112,468	\$ 532,364
LOWER VALLEY ENERGY	\$ 1,722,396	\$ -	\$ 386,837	\$ 386,837
MASON CO. PUD #1	\$ 161,098	\$ 33,839	\$ 46,504	\$ 80,343
MASON CO. PUD #3	\$ 1,962,559	\$ 450,424	\$ 432,793	\$ 883,217
MCCLEARY	\$ 130,000	\$ -	\$ 31,540	\$ 31,540
MCMINNVILLE	\$ 6,800,000	\$ 4,358,350	\$ 1,721,962	\$ 6,080,311
MIDSTATE ELECTRIC COOP.	\$ 448,000	\$ 111,013	\$ 85,053	\$ 196,066
MILTON (CITY)	\$ 115,198	\$ -	\$ -	
MILTON-FREEWATER	\$ 384,019	\$ 80,647	\$ 163,604	\$ 244,251
MISSION VALLEY POWER	\$ 1,302,500	\$ 253,148	\$ 285,887	\$ 539,036
MISSOULA ELECTRIC COOP.	\$ 2,025,000	\$ 634,892	\$ 295,121	\$ 930,013
MODERN ELECTRIC WATER	\$ 221,052	\$ 24,498	\$ 111,375	\$ 135,873
MONMOUTH	\$ 597,216	\$ 176,545	\$ 223,488	\$ 400,033
NESPELEM VALLEY ELECTRIC	\$ 205,000	\$ -	\$ 6,673	\$ 6,673
NORTHERN WASCO PUD	\$ 254,000	\$ -	\$ 111,866	\$ 111,866
OHOP MUTUAL	\$ -	\$ -	\$ -	\$ -
OKANOGAN CO. PUD #1	\$ 270,000	\$ 99,305	\$ 44,264	\$ 143,569
ORCAS POWER & LIGHT CO.	\$ 500,000	\$ -	\$ -	
OREGON TRAIL ELECTRIC COOP.	\$ 1,321,000	\$ 278,457	\$ 526,414	\$ 804,871
PACIFIC CO. PUD #2	\$ 1,771,830	\$ 463,976	\$ 983,139	\$ 1,447,115
PARKLAND P & L	\$ 10,000	\$ -	\$ -	
PEND OREILLE CO. PUD #1	\$ 1,257,508	\$ -	\$ -	
PENINSULA POWER & LIGHT INC.	\$ 3,862,404	\$ 1,190,001	\$ 859,762	\$ 2,049,763
PLUMMER	\$ 10,000	\$ -	\$ -	
PNGC <sup>2</sup>	\$ 7,524,772	\$ 1,303,410	\$ 2,825,378	\$ 4,128,787
PORT ANGELES	\$ 1,600,401	\$ -	\$ 25,000	\$ 25,000
PORT OF SEATTLE	\$ 1,000,000	\$ 615,165	\$ -	\$ 615,165
RAVALLI ELECTRIC COOP.	\$ 700,000	\$ 551,453	\$ 59,593	\$ 611,045
RICHLAND	\$ 1,672,165	\$ 194,956	\$ 577,034	\$ 771,990
SALEM ELECTRIC	\$ 1,167,545	\$ 158,700	\$ 660,119	\$ 818,819
SEATTLE	\$ 10,000,000	\$ 98,627	\$ 3,613,614	\$ 3,712,241
SKAMANIA CO. PUD #1	\$ 613,950	\$ 9,607	\$ 402,417	\$ 412,024
SNOHOMISH CO. PUD #1	\$ 10,721,250	\$ -	\$ 3,443,571	\$ 3,443,571
SOUTH SIDE ELECTRIC INC	\$ 15,000	\$ -	\$ -	\$ -
SPRINGFIELD	\$ 2,617,820	\$ 955,443	\$ 690,676	\$ 1,646,119



**Figure D - Total ECA Funding and Payments (\$)**

UTILITY	All Data Through May			
	TOTAL AUTHORIZED ECA BUDGET	FY10 INCENTIVES PAID	FY11 INCENTIVES PAID	TOTAL RATE PERIOD INCENTIVES PAID
STEILACOOM	\$ 3,000	\$ -	\$ -	\$ -
SUMAS	\$ 268,533	\$ -	\$ 3,978	\$ 3,978
SURPRISE VALLEY ELECTRIC CORP.	\$ 3,000	\$ -	\$ -	\$ -
TACOMA	\$ 12,000,000	\$ -	\$ 8,435,542	\$ 8,435,542
TILLAMOOK PUD	\$ 2,704,126	\$ 491,269	\$ 517,922	\$ 1,009,191
UMPQUA INDIAN UTILITY COOPERATIVE	\$ 30,000	\$ -	\$ -	\$ -
UNITED ELECTRIC COOPERATIVE, INC.	\$ 375,000	\$ 86,912	\$ 159,340	\$ 246,251
VERA WATER & POWER	\$ 442,785	\$ 52,775	\$ 159,705	\$ 212,480
VIGILANTE ELECTRIC COOP.	\$ 321,210	\$ 70,828	\$ 37,998	\$ 108,826
WAHIAKUM CO. PUD #1	\$ 25,000	\$ -	\$ -	\$ -
WASCO ELECTRIC COOP.	\$ 16,000	\$ -	\$ 6,250	\$ 6,250
Wells Rural Electric Co.	\$ 900,000	\$ -	\$ -	\$ -
WHATCOM CO. PUD #1	\$ 20,000	\$ -	\$ -	\$ -
YAKAMA NATION	\$ 3,500	\$ -	\$ -	\$ -
<b>TOTALS</b>	<b>\$183,246,604</b>	<b>\$ 30,410,834</b>	<b>\$ 59,554,141</b>	<b>\$ 89,964,975</b>

NOTE - Data is captured from the Planning Tracking and Reporting tool and reflects a data extract from late May. Current authorized budgets and expenditures have shifted from this snapshot. Additionally, the FY10 incentives paid, as reflected in the PTR do not capture the impact of BPA's accrual process during fiscal year close-out. Actual realized ECA incentives paid in FY10, as reported in BPA's financial system sum to \$31.4M

Additional BPA customers without ECA agreements include Alder Mutual, City of Drain, City of Eatonville, City of Minidoka, Tanner Elec Coop, Jefferson County PUD #1, U.S. Airforce Base, Fairchild, U.S. DOE Albany Research Center, U.S. DOE Richland Operations Office, U.S. Naval Base, Bremerton, U.S. Naval Station, Everett (Jim Creek), and U.S. Naval Submarine Base, Bangor

<b>IDEA Members</b>
Albion, City of
Burley, City of
Declo, City of
East End Mutual Electric
Farmers Elec Coop
Heyburn, City of
Idaho Falls Power
Riverside Elec Coop
Rupert, City of
Soda Springs, City of
Weiser, City of

<b>PNGC Members</b>
Blachly Lane Elec Coop
Central Electric Coop
Clearwater Power
Consumers Power
Coos Curry Elec Coop
Douglas Electric Cooperative
Fall River Elec Coop
Lane County Elec Coop
Lost River Elec Coop
Northern Lights
Okanogan County Elec Coop
Raft River Elec Coop
Salmon River Elec Coop
Umatilla Elec Coop
West Oregon Elec Coop



### 3. BPA Managed Programs and Capital Expenditures

BPA administers regional programs that provide a variety of services to accelerate and support utility energy efficiency achievements. The BPA programs vary from infrastructure required for reporting and quality assurance on utility-run efforts (e.g. Performance Tested Comfort Systems, PTCS, registry) to business development and project support for large, complex custom projects. The bulk of BPA’s program capital supports two efforts: the Energy Smart Industrial program, in which BPA funds the administration and project development support through a contract (but for which utilities administer all project incentives) and the Energy Smart Grocer program, in which BPA offers a turn-key solution for the grocery niche market, offering a full suite of services from business development through incentive payment through issuance of participant rebates.

**Figure E** shows the pace of spending by BPA on its regional program support, by major program category. This table ties to the BPA Programs/Projects line in Figure A. Energy Smart Industrial and Energy Smart Grocer are each shown separately. The balance of activities, rolled together under “Other Activities” include: PTCS support, Ductless Heat Pump support, Simple Steps upstream sales, and Federal Agency program incentives. Additionally, BPA’s energy efficiency capital budget covers the development costs for the new EE Central reporting system, which will replace the Planning, Tracking and Reporting system on October 1, 2011.

Figure E - Spend by month for BPA's regional program support

	Industrial Contract	Grocery Contract	Grocery Incentives	Federal	Other**	Residential	EE Central*	
Oct	\$ 688,275	\$ 395,833	\$ 646,733	\$ 14,830	\$ 34,532	\$ 201,236	\$ -	
Nov	\$ 671,534	\$ 395,833	\$ 682,638	\$ 32,054	\$ 9,121	\$ 221,171	\$ -	
Dec	\$ 752,507	\$ 395,833	\$ 504,598	\$ 29,612	\$ 15,007	\$ 321,342	\$ -	
Jan	\$ 721,614	\$ 395,833	\$ 297,724	\$ 115,827	\$ 18,549	\$ 138,598	\$ -	
Feb	\$ 810,147	\$ 395,833	\$ 116,746	\$ 447,441	\$ 8,143	\$ 518,546	\$ -	
Mar	\$ 721,232	\$ 395,833	\$ 130,333	\$ 16,610	\$ 30,519	\$ 272,209	\$ 123,269	
Apr	\$ 1,030,054	\$ 395,833	\$ 186,262	\$ 280,693	\$ 7,427	\$ 479,449	\$ 134,479	
May	\$ 780,488	\$ 395,833	\$ 354,016	\$ 495,294	\$ 14,383	\$ 191,738	\$ -	
Jun	\$ 834,624	\$ 395,833	\$ 405,121	\$ 1,179,411	\$ 30,194	\$ 172,006	\$ 354,491	
Jul	\$ 853,761	\$ 645,833	\$ 671,188	\$ 428,000	\$ 119,921	\$ 273,333	\$ 335,722	
Aug	\$ 966,667	\$ 645,833	\$ 671,188	\$ 1,000,000	\$ 56,588	\$ 273,333	\$ 335,722	
Sep	\$ 966,667	\$ 395,833	\$ 671,188	\$ 2,453,291	\$ 67,088	\$ 284,089	\$ 335,722	
	<b>\$ 9,797,570</b>	<b>\$ 5,249,999</b>	<b>\$ 5,337,737</b>	<b>\$ 6,493,064</b>	<b>\$ 411,472</b>	<b>\$ 3,347,050</b>	<b>\$ 1,619,405</b>	<b>\$ 32,256,297</b>

\*EE Central is the software replacement for the PTR system. Software development costs are being capitalized through 2011 and 2012.

\*\*Other includes Green Motors, Industrial TSP and HPEM agreements

### 4. Potential Savings from Forecast BPA Managed Programs Capital

The bulk of BPA’s program costs are fixed costs that cover contract administration, field services, technical services and other program support activities. Based on the contract terms, BPA has very little flexibility to adjust those fixed cost expenditures for the duration of FY11. BPA has a limited opportunity to suspend or cancel project activity only within the Energy Smart



Grocer program, where firm commitments (e.g. signed agreements) have not been executed between the program implementer and the grocery facility operator.

**Figure F** shows the budget savings potential of suspending this finite set of Energy Smart Grocer projects, broken down by the serving utility for the grocery facilities which have been contacted by the program but have not yet contracted for new efficient equipment to be installed. Suspending or cancelling these currently uncommitted projects could potentially avoid up to \$619K in capital expenditure this year, and would forego the associated kWh savings, projected at the attractive cost of ~\$1M/aMW.

**Figure F - FY '11 Capital Reduction Scenario Project totals by utility**

	Sum of Potential kWh	Sum of Rebate Amount
Ashland, City of	22,648	\$2,660
Bandon, City of	65,343	\$8,276
Benton Rural Electric Association (REA)	45,500	\$5,824
Cascade Locks, City of	45,570	\$4,491
Central Lincoln People's Utility District	62,260	\$11,475
Clark Public Utilities	969,422	\$67,019
Clatskanie People's Utility District	6,980	\$893
Clearwater Power Company	18,000	\$1,600
Columbia River Public Utility District	53,200	\$7,730
Coos Curry Electric Cooperative	41,687	\$6,447
Cowlitz County, Public Utility District No. 1	328,075	\$44,466
Elmhurst Mutual Power & Light Co.	14,666	\$3,464
Emerald People's Utility District	207,062	\$19,561
Flathead Electric Cooperative	40,850	\$11,160
Grant County Public Utility District	99,631	\$14,400
Grays Harbor PUD	268,618	\$42,114
Hood River Electric Cooperative	44,187	\$5,400
Lakeview Light & Power	74,525	\$17,075
Lewis County, Public Utility District #1	183,481	\$24,396
Lower Valley Energy	18,813	\$4,275
McCleary, City of	104,038	\$16,271
McMinnville Water & Light	174,927	\$22,570
Midstate Electric Cooperative, Inc.	191,775	\$19,520
Okanogan County PUD No. 1	443,200	\$31,955
Oregon Trail Electric Consumers Cooperative	91,034	\$11,727
Pacific County Public Utility District No. 2	226,979	\$29,209
Pend Oreille Public Utility District	11,968	\$2,090
Salem Electric	21,600	\$3,000
Seattle City Light	411,032	\$47,424
Snohomish County Public Utility District No. 1	604,072	\$82,706
Springfield Utility Board	61,276	\$9,933
Tacoma Power	83,904	\$20,134
Umatilla Electric Cooperative Association	102,850	\$13,165
West Oregon Electric Cooperative, Inc.	43,366	\$5,386
Unassigned	8,000	\$1,024
<b>Grand Total</b>	<b>5,190,539</b>	<b>\$618,838</b>



This document provides background information to build a shared understanding of the potential for spending overruns in energy efficiency during FY11. BPA is hopeful that we will be able to partner to both reduce the size of the spending overrun at the close of this year and to diligently work toward solutions that continue to deliver the savings we have promised and are faithful to the original energy efficiency capital budgets established through 2014. Thank you for taking the time to understand the challenges. We look forward to working with you.

