

# BPA Energy Efficiency Post-2011 Kickoff Meeting

January 27, 2009



# Meeting Agenda

- 9:00am**      **Welcome**
- 9:15am**      **Setting the Stage**
- 9:30am**      **Key Elements of a Successful Regional Energy Efficiency Effort**
- 10:00am**    **Open Discussion with BPA Executive Panel** (*Anita Decker, Paul Norman, Mark Gendron, Mike Weedall*)
- 12:00pm**    **Break for Lunch**
- 1:00pm**      **Small Group Discussion of Key Elements**
- 3:00pm**      **Full Group Report-out on Small Group Discussions**  
(*facilitated*)
- 3:30pm**      **Open Discussion** (*facilitated*)
- 4:00pm**      **Wrap-up and Next Steps**
- 4:15pm**      **Adjourn**



# Process Goal

- BPA wants to bring stakeholders together in a collaborative process to reach the following 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*

- The program that is established in this process will not go into effect until FY2012



# Setting the Stage

- The landscape will be different in FY2012 than it is today



# Setting the Stage (cont.)

- **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



# Setting the Stage (cont.)

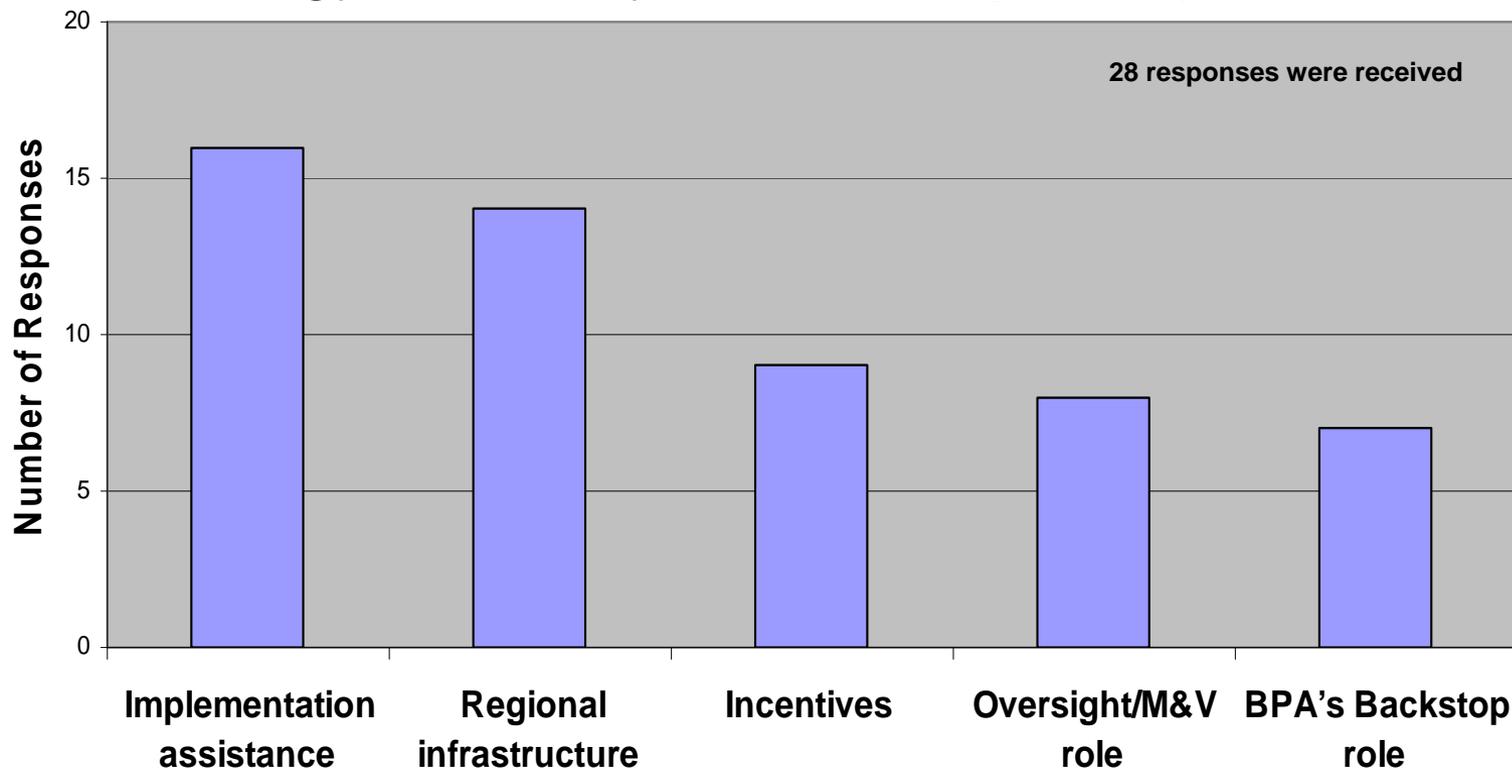
- **Challenges:**

- 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 by implementing energy- efficiency measures, even if it is the least-cost resource and is a long run benefit to end-users.
- The current national economic recession and financial meltdown may constrain new capital expenditures and slow the development and use of the energy efficiency resource.



# Survey Results

What are your top two priority issues in the BPA Energy Efficiency Post-2011 public process?



The list of responses to “what other key issues should be added” is available.



# Key Elements

1. Regional Infrastructure Activities
2. Implementation Assistance
3. Incentive Activities
4. Oversight/M&V Role
5. Backstop Role



# Regional Infrastructure Activities

- What type of **regional infrastructure** activities and costs should be supported by BPA?
  - Planning, Tracking & Reporting (PTR), Regional Technical Forum (RTF), NEEA, data collection & evaluation, emerging-technology work, regional marketing, etc.
  - State and tribal low-income weatherization (LiWx)



# Implementation Assistance Activities

- What **implementation assistance/support** activities and costs, if any, should be supported by BPA?
  - Third-party programs (Green Motors Initiative, EnergySmart Grocer)
  - Technical assistance
  - Community-based implementation
  - Programs with customizable design and marketing



# Incentive Activities

- How should **incentives** to end users be funded?
  - Rate credit type program
  - Bilateral contracts
  - Opt-in to BPA program/activities at a Tier 2 rate
  - 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.



# Oversight/M&V Role

- To accomplish BPA's goal, what amount of BPA **oversight and measurement and verification** is needed, given the following considerations:
  - How rigorous should oversight and M&V be to ensure energy-efficiency savings are real and reduce load?
  - How will state law reporting requirements and other potential drivers affect utilities?
  - 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?
  - Is a single regional deemed database still feasible with multiple avoided costs?
  - How do we create sufficient flexibility in BPA M&V and oversight for utilities while ensuring savings are real and administrative costs are reasonable?



# Backstop Role

- What should BPA's **backstop** role be to ensure public power meets the regional energy efficiency target?
  - No role is necessary because BPA programs are robust.
  - 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.
  - 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.



# Open Discussion

- Tell BPA what you think.



# Key Elements Options

Regional Infrastructure Activities	Implementation Assistance Activities	Incentive Activities	Oversight/M&V Role	Backstop Role
<ul style="list-style-type: none"> <li>•LiWx (states &amp; tribes)</li> <li>•NEEA support</li> <li>•RTF</li> <li>•PTR support (regional database)</li> <li>•Facilitate networking</li> <li>•RD&amp;D, emerging technology and behavioral change assessment</li> <li>•Data collection, market research &amp; evaluation</li> <li>•Regional marketing and training support</li> <li>•Regional coordination</li> <li>•Extended Infrastructure (e.g., Expanded RTF to segment the region into more specific zones to reflect avoided cost and measure cost; Expanded RD&amp;D; Expanded NEEA funding)</li> <li>•Conservation Potential Assessments (CPA)</li> </ul>	<ul style="list-style-type: none"> <li>•Third-party programs (e.g. Green Motors, EnergySmart Grocer, commercial lighting)</li> <li>•Targeted turnkey programs</li> <li>•Engineering/technical assistance</li> <li>•M&amp;V equipment and assistance</li> <li>•On the ground assistance (e.g., community-based support and implementation; e.g., circuit riders)</li> </ul>	<ul style="list-style-type: none"> <li>•Rate credit type mechanism</li> <li>•Bi-lateral contracts (similar to CAA)</li> <li>•Opt-in to BPA funding as a Tier 2 product</li> <li>•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.*</li> </ul>	<ul style="list-style-type: none"> <li>•Oversight and M&amp;V requirements are maintained for all utility savings (BPA and utility self-funded)</li> <li>•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</li> </ul>	<ul style="list-style-type: none"> <li>•No role is necessary because BPA programs are robust</li> <li>•Include funding in Tier 1 cost pool to acquire savings if necessary because utilities are not meeting targets</li> <li>•Charge individual utilities a surcharge for not meeting a predetermined target and BPA works directly in the utility’s service territory to acquire savings</li> </ul>



# Wrap-up & Next Steps

## Sub-Regional Meeting Schedule

- **Feb. 10 in Seattle**  
Red Lion SeaTac, 18220 International Blvd., Seattle, WA  
1 to 5 pm
- **Feb. 11 in Idaho Falls**  
Shilo Inn & Convention Ctr, 780 Lindsay Blvd., Idaho Falls, ID  
9 am to 1 pm
- **Feb. 12 in Spokane**  
Mirabeau Park Hotel, 1100 N. Sullivan Rd., Spokane, WA  
8:30 am to 12:30 pm
- **Feb. 20 in Pasco**  
Best Western Pasco, 2811 N. 20th Ave., Pasco, WA  
9 am to 1 pm

**Comment period closes March 2nd**

