



Energy Efficiency Post-2011 Phase 2

Workgroup 2 Meeting 6

September 29, 2010

1:00pm to 4:00pm

Conference Call Only

Overview

- Workgroup 2 continues to seek ideas and suggestions on providing methods and incentives to increase the installation of EE measures in the service territories of Small Rural Residential utilities.
- We discussed the proposal of 10/10/66 (Utilities with less than 10 aMW; Utilities with less than 10 customers per line mile; and Utilities with 66% Residential customers).
- The idea of having a fixed incentive, like C&RD, in the \$35,000 to \$40,000 range for Small Utilities was discussed.
- BPA is concerned that based on the current 10/10/66 plan, there will be too many Utilities (84 Utilities) and this may be excessive from an administrative cost standpoint that will reduce the amount of funds available for all Energy Efficiency installed measures.
- We reviewed the “Possible Benefits” think piece submitted 9/27/10.

Decision/Action Items

- Utilities are urged to send in their ideas to focus on measures that the SRR programs (to Matt Tidwell: mttidwell@bpa.gov). Matt will pull together the previous ideas presented for measures and any new ideas he receives.
- Eugene Rosolie will draft an outline of a suggested way to move forward with an incentive program.
- In review of the SSR meeting, BPA asked this Workgroup 2 to provide support why the 10/10/66 and/or a base payment would be recommended and endorsed by this Workgroup 2.

Meeting Notes¹

Facilitators:

Eugene Rosolie
Boyd Wilson

BPA Participants:

Josh Warner
Matt Tidwell

¹ Due to privacy concerns, only BPA staff and workgroup co-chairs are listed in these meeting notes.

1. ER: jump right into proposal on how to define SRR.
2. Person A: I think the proposal looks good.
3. BW: there is some concern about too many utilities qualifying under the 10/10/66 criteria.
4. Person B: may be difficult to say that too many utilities qualify if we don't know what they get if they do qualify.
5. JW: that is true, but at some point 80-something utilities is a pretty big number. It also depends on the problem(s) we're trying to solve.
6. ER: the problem is that everyone needs to be able to use or have a good chance of using their EEI budget. This is the problem. Concurrently, people need to have the ability to acquire conservation services to residential and rural areas.
7. JW: then the next question is: are there 84 customers that need help in that regard. First piece is, can they spend their EEI budget? I would imagine that people on the upper aMW end of the 84 qualifying utilities wouldn't have a problem spending their money.
8. ER: this comes back to the chicken and the egg problem.
9. MT: some other proposals to consider: capping by aMW the number of SRR utilities; if a utility is over 10aMW, then it would need to qualify under both of the other two criteria. Then there is a proposal concerning a "base payment." Utilities with EEI budgets less than the base payment (e.g., \$40,000), then they could use all of their EEI budget as admin and not have to report kWh savings. If your EEI budget is above the base payment, then you could claim up to the base payment or 20%/30% of their total EEI budget as admin/performance payment.
10. Person C: this is a really good idea and decoupling admin from kWh savings would be helpful for many of these utilities.
11. ER: since this is all tied to everybody's EEI budget, you're not taking anything from the whole pie, you're *not* getting any extra dollars. And even if everyone spends all of what they're able to claim on admin, then only an extra \$2million would go to admin out of the EEI fund. So maybe a MW. It's also important to make sure when we mention "benefit," we aren't making people think about getting something extra, i.e., all the "benefit" comes from their own EEI budget.
12. JW: with very aggressive conservation targets, there might be a philosophical problem with letting people under the base payment just take it and put it toward admin without acquiring kWhs. It's a very small number of EEI dollars, but a problem philosophically.
13. ER: you're right, but when you're talking about these very small utilities, they can't get the kWhs savings anyway (or the conservation isn't there), but they're paying in rates, so it's fair to have this opportunity.
14. JW: how would we frame this in terms of how those dollars need to be used if their EEI budget went to admin and not kWh savings.
15. ER: under C&RD there were forms that you had to complete, e.g. provide pamphlets that you paid for, etc.
16. Person C: I think it's important to set up clearly what the dollars have to spent on. Those reports would have to be filed.

17. JW: I think Person C is right. Whatever comes out of this workgroup, state clearly what the problem is up front and how this addresses the problem. I still worry about the number of utilities that are involved.
18. ER: I would suggest that I sit down with Boyd and Matt to put together this recommendation.
19. JW: I'm still concerned about the number of qualifying utilities. It's my hope that we're going to get recommendations that we as BPA will be very comfortable with. I would ask people to continue to think about this and if there's a way that makes sense to reduce the number of qualifying utilities.
20. Person A: we put this proposal out and we got some push back from people that didn't qualify but want to qualify, so there's going to push back on both sides.
21. ER: the real question is how do you make the cut and to make this thing simple? The number is large in terms of utilities, but this is the demographics of BPA's customers.
22. JW: this is a strong argument.
23. Person C: this is *the* argument. It's not about total number, it's about total % of BPA's load and it's only 25% of total load. These are the types of utilities of BPA serves.
24. BW: (moving to discussion of think piece on SRR incentives).
25. Person C: maybe for some of the rural utilities maybe the WTP is higher for some utilities or measures.
26. JW: a few thoughts on that: that makes things much more complicated in terms of implementation by doubling, at least, the number measures. This would also very much intensify the conversation of who's in and who's out.
27. JW: under the last bullet of Payments/Financial, this is addressed by the "base payment" discussion we had earlier.
28. JW: (discussion of "Measures" section).
29. Person D: the situation is how to get the homeowner to actually move forward on investing in a duct system. It's difficult for the contractor to make the homeowner realize the problem.
30. JW: might be beneficial to talk to Sarah Moore. My understanding is that the reimbursement for ductwork is very generous.
31. ER: How would these recommendations going to fit into what is going on at NEEA and the RTF in terms of their looking at SRR issues. If we come up with this list, is BPA going to take these recommendations and just turn them over the RTF?
32. JW: we could share them and we could advocate for some of them, but probably not all of them. When we look at what we want to ask the RTF, some of these may be useful, but other things may be more beneficial for them to look at and lead to more savings. There is a balance between these measures for SRRs and those measures that help us reach the targets. Just like how we do at utility roundtables, we would take the input very seriously.
33. Person C: the key to this thing is decoupling the admin from getting kWh savings.
34. MT: I'll go back through the notes and pull out other measures.
35. Person E: the 30% admin for SRRs is the best option for SRRs, but for the measures these should be available for everybody.

36. BW: agreed, JW told us already that we can't have two sets of measures.
37. Person C: it's good to get the maximum credit for audits. One measure is an on-site verification of a CFL in a high-use socket.
38. JW: there is a direct install with a higher reimbursement and higher savings.
39. BW: everyone with suggestions for measures should contribute to emailing one of the co-chairs or Matt.
40. JW: (moving to "Assistance" section).
41. Person F: first bullet, I've found that for the ESI to have someone "take over" a big project would be very helpful. There is an industrial program, but I'm thinking of large commercial projects. Someone who would do the essential assessment, all the way through the whole process.
42. ER: I think she is talking about something along the lines of ESI.
43. JW: how does TSP relate to this?
44. Person E: TSPs are paid based on kWhs savings, so for rural areas this may not be available.
45. ER: (moving to "Other" section).
46. JW: I think a lot of this goes back to the RTF. When you re-open measures and ask the RTF to reconsider, you open up everything. Some things are put upon by BPA, but others are by RTF.
47. Person E: Some relaxes in M&V where if we had someone doing insulation we could check periodically to make sure they're doing the work properly, not having to check every single site would make it a lot easier.
48. JW: these are good suggestions and we'll look at them seriously.
49. JW: the last bullet is really getting at "behavioral savings." This is a part of the ESI program, but for residential behavior there might be a pilot taking place. This is an instance of a custom program might be a useful tool for a customer utility to put together a program and on an ex-post evaluation claim savings, but we really have no idea what the savings are. This is not just a SRR issue. No one has cracked this nut yet sufficiently.

Break

1. MT: I'll put together all of the documents floating around for WG2 into one document and present it to the group.
2. JW: I want to make sure that the document that Matt ends up sending around will include everything that's been discussed and that there are not general pieces that are missing.
3. BW: next meeting will be October 13 from 1 to 4. We'll review the draft recommendation.