



## Energy Efficiency Post-2011 Phase 2

### Workgroup 3 Meeting 6

Wednesday, October 6, 2010

9:00am to 12:00pm

In-person Meeting and Conference Call

#### Overview

- Workgroup 3 reviewed and discussed the draft recommendations document.

#### Decision/Action Items

- Workgroup 3 will make edits to the draft recommendations document and re-evaluate the draft document at the next workgroup meeting.
- Eugene Rosolie and co-chair Jill Steiner will draft an optional template for utilities to use to address the 25 aMW conservation plan requirement for two year and ten year numbers to satisfy BPA power sales requirements.

#### Meeting Notes<sup>1</sup>

##### *Facilitators:*

Jill Steiner  
Andrew Miller

##### *BPA Participants:*

Josh Warner  
Matt Tidwell  
Carrie Cobb

1. AM: we'll start with a brief presentation by Carrie Cobb of BPA on the Residential Building Stock Assessment.
2. CC: NEEA is doing one of the most comprehensive surveys of the region for at least a decade. (overview of NEEA's Residential Building Stock Assessment.)
3. JS: the result will be a statistically significant sample of public power.
4. CC: one of the best ways to use the data as a utility is to use survey results from neighboring service territories that are similar to yours.
5. JS: we want to make sure the surveys and site visits can help feed into the Utility Potential Calculator already developed by BPA or utility-specific potential assessments.
6. Person A: at a minimum, it sounds like this data will help allow utilities to use the UPC.
7. CC: at a minimum, yes, but most likely more uses as well.

---

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

8. Person B: we will be participating.
9. JS: we see this as a coordinating role of BPA, that there is data collection and market research that goes on, it's complex, so BPA can play a facilitation role and a little extra spoon feeding of this information and make sure we're providing two-way information.
10. AM: (turning to the WG3 draft proposal.)
11. JW: I would like to see the group help determine what the "plan" should look like for those utilities 25 aMW and higher. Some of the intent was potential, but it also has the intent for it to be an action plan.
12. Person C: why was it 25 aMW?
13. JW: everyone's power sale contracts say that if you're bigger than 25 aMW then you have to submit a conservation plan. We don't want to be overly burdensome here, but the more uniform the information coming to us, the better and more useful it is. Staying relatively high level is okay with us. Under I-937, you can just use the regional calculator and provide a number of aMWs, but that doesn't provide a "plan."
14. Person D: how do you define "plan."
15. JW: we want some consensus around what a plan should like that. We don't want to make people duplicate what else they're doing. This was modeled after what is required under I-937.
16. Person E: I think the budgeting process would also have lots of helpful information.
17. JS: you can provide work that has been prepared for other purposes.
18. Person F: it would be BPA's preference not to be inundated with paper. So you're looking for something along the lines of an Excel spreadsheet with two year increments within a ten year timeframe.
19. JW: ideally, I think that would be helpful. If we know everyone wants to run a heat pump water heater, then we could develop our programs accordingly.
20. Person E: I think it would help to have a standardized document. Would this roll into rate setting purposes and the IPR process.
21. JW: yes, assuming the information is helpful.
22. Person F: I think JW is asking us to provide a recommendation on what this should look like.
23. JW: this requirement is not intended to be burdensome on the utilities. We could try to put something together or we could allow this group to have the conservation.
24. JS: with the UPC, there are some opportunities for expanding the output, making it more actionable. You have X amount of MW potential in residential water heating, but that is made up of X number of shower heads, heat pump water heaters, etc. So would BPA be willing to work with the contractor of the UPC to develop a template?
25. Person A: we see the CPAs as a good opportunity for utilities to shape where they're going. I want to go back to what BPA is going to do with this information. It's our position that BPA distributes conservation by load instead of potential. So as a utility that has been doing conservation for 20 years, it's going to cost more for some utilities to get conservation that those that haven't been doing any work.

- So are there any ideas about how BPA will allocate conservation? I'm suggesting that to get the conservation you should go where the cheap conservation is and in areas where it cost more maybe BPA should be willing to pay more.
26. Person E: going to CPAs as a way to distribute conservation funding is very complicated. I don't think we would support that.
  27. Person F: I don't think we would support that either. But I would say that I could see BPA could be more strategic in how it equitably collects and distributes funding.
  28. Person A: rather than using CPAs to make different obligations, just have BPA be willing to pay different amounts for different measures.
  29. JS: so as you move up the conservation supply curve, you have to pay more for the more expensive measures. The one size fits all may not be the best way to get all cost-effective savings.
  30. JW: our willingness to pay includes several considerations, whereas for custom projects it's a flat rate. We're always trying to balance the portfolio to make sure we're paying enough for the more expensive measures and not paying too much for the cheaper measures. If we don't feel like our reimbursements are high enough, then I would encourage everyone to advocate for higher budgets for energy efficiency.
  31. Person F: there are two different levels of budgeting: one at the BPA and another at the utility. The flexibility to be able to pass on incentives helps with our individual budgets, e.g. not having to pass on the 25 cents to every industrial customer helps us pay more for measures in other sectors.
  32. Person F: is JS saying we should all be tied into the UPC?
  33. JS: it's not clear to me looking at the IPR how the capital budgets were determined for 2012 and 2013.
  34. Person F: I would rather have the choice to use the UPC or provide outputs from whatever a utility has done independently.
  35. JS: I feel like we'll be required to be able to describe why our estimates are different from the Council's.
  36. Person A: we think everyone doing the UPC is a good check on the regional targets.
  37. JW: that's right, this was one of the goals coming out of Phase 1. But the check is dependent on everyone doing a CPA. So we have to balance the desires of what comes out with everyone having to do an assessment.
  38. Person F: I don't think the UPC does a good job on agriculture, distributed efficiency, industrial, etc.
  39. JS: my thought is that BPA would continue to work on the UPC.
  40. Person F: but still, not sure the UPC could cover these areas because they're so specific to the utility. The practical issue before us is: when are the plans due? My recommendation is that we come up with a recommendation that a template needs to be created and filled out by these utilities with 2 year increment over a 10 year time period.
  41. JW: does somebody want to take this and frame it out?
  42. Person F: I'll take it on.

43. JS: I'd be happy to work with you on this. So the WG's recommendations will be two parts: 1) here's how BPA could assist utilities assess their potential; 2) here's how the information could be aggregated and that the resulting information would satisfy the power sales contracts' obligation on submitting a "plan." The template would become a suggestive format. It's still up to the utilities to determine if they want to use the template to satisfy their requirements. It may be useful to those utilities under 25 aMW, but they're not required to use it.
44. Person E: with regard to smaller utilities, if I were BPA, I would want to get as much information as possible so you could fill the hole of smaller utilities.
45. JW: this goes back to CC's presentation, that the RBSA helps feed into the UPC.
46. AM: how do people want to work through the draft proposal?
47. Person F: my suggestion would be to work through the outstanding issues. What matters is that we got the overall recommendation correct.
48. Person B: biggest issue is how the CPAs are going to be paid for.
49. Person E: my opinion is that BPA paying for CPAs violates tiered rates. The Phase 1 framework says BPA would assist, but this doesn't necessarily mean paying for CPAs.
50. JW: would you be alright with utilities using their admin budgets to pay for CPAs?
51. Person E: incentive money should be going toward capturing savings. It's sort of like getting a resource; you have to pay some to figure out what you're going to get as a resource. Conservation is a way to reduce two-tiered exposure, so funds going to this may violate this principal.
52. Person D: I see the assistance as BPA acting like a convenience store. Whatever we allocating for CPAs would subtract from funds for acquisition.
53. Person E: do you have to show BPA what you're doing to get the admin payment?
54. JW: today, yes, but if we go toward a performance payment model, it would be less paper.
55. Person E: if it comes out of their EEI budget, I see what you're saying and am getting a bit more comfortable with the proposal that the CPAs could be paid for out of the admin portion of a utility's EEI budget.
56. JW: this workgroup could determine whether a CPA is a qualified expense and WG4 could determine what the cap is for admin.
57. Person F: it sounds like Person E has more of a problem with admin than just using admin to pay for CPAs.
58. JS: as a planning person, I would like to see CPAs recognized as playing a role in acquiring conservation.
59. Person F: there could a list of contractors that do CPAs, but I would be hesitant to have to BPA "qualify" them as being qualified to perform CPAs.
60. JW: I agree, but we could potentially put out a call for qualifications and say if you meet these basic requirements you could be on the list that BPA provides to customers. Then we could work with everyone on how we should set the qualifications.
61. Person C: I think it would be nice to have a list of qualified people but not be bound by the list.

62. JW: absolutely agree.
63. JS: (discussion of BPA not developing standards and methodologies). We want to avoid having BPA play a regional role that is also played by others on regional basis, e.g., NEEA.
64. Person G: there are arenas in which the conversation is happening on the development of standards and methodologies.
65. JW: the recommendation reads that BPA should *not* develop prescriptive standards and methodologies. The question is how BPA could support and enable consistency.
66. Person F: I want to raise the red flag that this document may contain too many references to feeding into regional planning and not focus enough on the benefit of acquiring savings at the local utility level.
67. AM: (discussion of key timelines.)
68. Person F: for me it would be better if we recommended to BPA that it set appropriate timelines for when information is needed for BPA's planning requirements.
69. JW: so the recommendation is that BPA provide the timeline?
70. JS: for I-937s there are some timelines we're concerned about.
71. Person F: yes, and these need to match up as much as possible. Maybe BPA needs to sit down and coordinate consistent timelines.
72. Person D: the CPAs also inform a whole long list of budgeting and overlaying a CPA timeline that we give to BPA on top of everything I already have, would be a lot.
73. JW: I agree with you Person D. It's a matter of how much we can sync these things.
74. Person D: how good are you at herding cats?
75. CC: how do you even come up with a timeline for a CPA?
76. JW: at some point it becomes a matter of a refresh, refreshing the data.
77. AM: does anybody have anything to add?
78. Person F: AM, you said you received some comments.
79. AM: yes, on was about encouraging everyone to do CPAs so the data can feed into the seventh power plan; getting credit for CPAs as an expenditure for admin. There was also the suggestion for utilities to pool together to do a CPA.
80. Person F: we could add language into this recommendation about pools being able to perform CPAs as utilities can. For PNGC, we'll be doing CPAs for each member and then with the aggregated information, we'll put together a conservation plan for the pool.
81. AM: I'll take the draft proposal and flesh it out more; do some reformatting. Jill and Person F are on point to address the 25 aMW "plan" template.
82. AM: we will send out a revised version for review and comment. I'm thinking we should have a conference call next Wednesday, the 13<sup>th</sup> from 10am to noon to get back on our regular schedule. It will be a shorter call so that people can also attend the USB call from 8 to 10am. Person F and Jill will try to get the template to AM by Monday or Tuesday to be sent out with the revised document for review before the conference call.

