



Energy Efficiency Post-2011 Phase 2

Workgroup 4 Meeting 6

Tuesday, October 12, 2010

1:00pm to 4:00pm

Conference Call Only

Overview

- Reviewed the WG #4 Draft Recommendations and Annotated Draft IM Chapter and worked to clarify remaining questions around the recommendations. Specific areas of discussion included:
 - Single cost effectiveness test and where that test would be applied (Measure level? Project level? Invoice/report level?)
 - Performance payments/admin allowance based on kWh savings achieved and matching this recommendation up with WG#2 recommendations
 - Performance Payment is on top of Willingness to Pay
 - Electing to be in Option 2 (Nonstandard Offer) and rate period review of that election
- Sketched out timing of finalizing recommendations, determined we could complete within the next meeting

Decision/Action Items

- Update draft recommendations and chapter based on mtg discussion
- Send out updated draft to WG between meetings to allow for discussion and final comments before next meeting
- Hold final phone conference to review and clarify recommendations on October 26th

Meeting Notes¹

Facilitators:

Larry Blaufus

Melissa Podeszwa

BPA Participants:

Mike Rose

Josh Warner

Matt Tidwell

Abigail Howard

1. MP: (review of last meeting).

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

2. LB: we had a PPC meeting last week and participating utilities seemed to be in favor of where the workgroup is going.
3. LB: (first bullet): same willingness to pay (cents/kWh) between standard and non-standard.
4. LB: (second bullet)
5. Person A: this simplifies, but measure life is not considered and there are questions about whether this is equitable.
6. Person B: the c/e test is tied to a BPA number of 6th Plan?
7. MR: we would need to bring the test into 6th plan terms and then figure out how to balance between longer and shorter term measures. We really have to figure out how to balance all those things and bring it into the 6th plan terms. It's a benefit/cost test.
8. Person C: compared to what? A bit confusing.
9. MR: we're talking about a "simplified" test that operates outside of the PTR system. It would be less able to account for a utility's avoided cost. Without working with our planning group, my starting point is that it would look like something that is in non-standards but I'm not sure how exactly it would change to consider 6th plan terms.
10. JW: my understanding is that this would not consider measure life.
11. Person A: is it clear that the second bullet is from a "project" level instead of a "measure" level?
12. MR: we may want to make this more specific that it's applied by "project."
13. Person A: or even "project bins."
14. MR: we allow projects that are .5 so long as the entire category is 1.0 or greater.
15. Person A: it's not being stated clearly enough.
16. MR: in Option 2, would be consistent with manual today; 0.5 for projects so long as entire category submitted equals 1.0 or greater. We're only talking about non-deemed measures.
17. JW: it's the utilities responsibility to make sure this test is met.
18. MP: need to add additional language into the proposal.
19. Person A: I think we can take existing language. This is where c/e test gets interesting because if you have one test. I can't predict which projects may or may not get reported. I use three different c/e tests and the average that we're reporting to BPA is 1.93, but I can't do the calculation because I don't know what went into each calculation.
20. MR: we've been instructed by the front office to maintain the measure by measure assessment rather than on a program level.
21. Person B: could the workgroup recommend something differently.
22. JW: yes. But word of caution that you might get more than you bargained for and lose something you don't want to lose.
23. Person A: I agree, but if the sum of all the projects is 1.0 or above, that is the most streamlined way to go. We make decisions based on a portfolio level.
24. JW: the recommendation can be whatever this group wants, but I don't know what the outcome would be if we took this again to the front office.

25. MR: the history goes all the way back to the post-2006 process when BPA said it would only spend money on c/e at 1.0, but we were later able to get some wiggle room and it wasn't easy to get that flexibility.
26. Person C: in the Policy Framework it says that BPA would work on moving from measure by measure to program level. In terms of looking at that, we're not out of bounds here. The framework implies that we would have this conversation.
27. JW: Person B already alluded to the fact that the avoided costs are much higher under the 6th plan, so maybe under the 6th plan is something that is 0.5, then maybe BPA has a good reason not to buy it.
28. Person C: part of your target is self-funded and if these utilities are managing on a program level...
29. Person B: maybe it should be applied by invoice.
30. Person A: The project has to be 0.5 or greater (I can remove certain measures), but the sum of all projects has to be 1.0 or greater.
31. Person A: does this apply only to non-standard custom projects? Do we need an edit in the recommendations?
32. Person B: does it include the assumption that it's tied to the 6th power plan.
33. LB: (third bullet).
34. Person C: needs to be clearer. We want it clearer that it's on top of the WTP.
35. Person A: I thought it was bundled into the WTP.
36. MR: is this recommendation keeping the option to claim the performance payment.
37. Person B: yes, that's fine.
38. MP: so the recommendation of the group is that the performance payment would be on top of the WTP. So, for example, 20 cents for incentive and an additional 2 cents for performance payment.
39. LB (fourth bullet).
40. Person B: just change language to having a cap for all utilities.

Break

1. MP: (review of Recommendations section of proposal).
2. Person C: is there a reason we rejected the language about people being able to opt out of Option 2 on a rate period basis?
3. MR: I'm reading extenuating circumstances as pretty broad, not restrictive.
4. Person C: but I think someone should be able to get out of Option 2 at each rate period without having to justify the switch. And there's no language about when somebody could opt back in after they opt out. We should be clear that we're making it easy, but too easy.
5. Person D: would there be staffing issues with people switching.
6. MR: it's more of a problem of project tracking.
7. MP: I agree that the number of utilities that will be involved with this will be pretty small.
8. Person A: I want to make sure whatever the recommendation is about 0.5 gets captured in the recommendations.
9. Person A: are all the members of the group going to be able to review all the workgroups' recommendations?

10. MT: yes. It would also be helpful to have someone work on fleshing out the recommendations document, e.g. the introduction and process sections.
11. MP: Larry and I can work together on fleshing out the document a bit more and will reach out to others. So hopefully we have a complete draft of the document before the next meeting.
12. MP: are people comfortable with “Option 1” vs. “Option 2” or are people comfortable with this terminology?
13. Person C: might be nicer to be more descriptive. One is a BPA path and the other is a utility path. Not sure if that helps.
14. MP: next meeting is scheduled to be held in Tacoma, but there may not be very many attendees, so maybe it'll just be a conference call.