BONNEVILLE
POWER ADMINISTRATION

Energy Efficiency Post-2011
Phase 2

Workgroup 1 Meeting 8

Tuesday, October 26, 2010
9:00am to 12:00pm
NRU Conference Room

Overview

- Workgroup reviewed 10/22 version of the workgroup's recommendations.

Decision/Action Items

- A final draft version of the recommendations will be sent out to the group, and all participants are encouraged to review the document and provide final comments/edits back to Matt Tidwell by Thursday, November 4th.

Meeting Notes[1]

Facilitators:
Margaret Lewis
Megan Stratman

BPA Participants:
Josh Warner
Kyna Powers
Matt Tidwell

1. MS: overview of today's meeting
2. MS: (need for language in Introduction section on capitalizing EEI funds). I felt that the issue of capital or expense is more related to the IPR and less to our recommendations, so I took out the language, but we can consider inserting language about capitalizing EEI.
3. Person A: the big part of this for me is that it drew the distinction between where we are going and where we came from. It's really different than the rate credit, which was an expense. It's a part of the whole education thing.
4. MS: we could put a footnote on page 2 explaining the difference.
5. JW: need to add language about the capitalization being determined each rate case.
6. MS: (section on EEI Fund).
7. KP: using the word "distributing" confuses the future with the CRC, so maybe the word "allocating" is better.

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

8. Person A: if we're talking about "assigning" maybe we should stick with assigning throughout the document.
9. MS: (section 3.d on page 2).
10. JW: in terms of involuntarily unassigning a customer's EEI budget, this may be an area where BPA will be uncomfortable with something like this section which suggests a punishment (in contrast with the language currently in 6.2 on page 3).
11. MS: sounds like the group is still comfortable with the six month cut off.
12. Person B: add clarifying language to 3.c on page 2.
13. MS: (section 6.1 on midpoint check-in).
14. Person C: could add language about "EER *may* request another letter."
15. Person D: have an interest in the focus on section 6 not just being on dollars "spent" but also "obligated."
16. Person B: I agree as well.
17. Person A: could use language like "program status."
18. MS: we'll send out a redline version of the document to the group.
19. MS: we'll strike 6.1. because it's kind of redundant to have a formal "midpoint check-in" since EERs will be having regular communication with customers.
20. MS: (section 6.2.b on bilateral transfers).
21. KP: we don't want to be a position where it looks like BPA is guaranteeing how much money customers will have in future rate periods.
22. Person E: not clear about BPA being "blind."
23. Person A: we're just recommending that BPA not involved as a party to the agreement.
24. Person F: I'm concerned about BPA not being able to take budgets involuntarily from utilities so that BPA has the flexibility to do what it needs to do to reach the targets.
25. JW: I don't necessarily disagree. We can update the Implementation Manual every six months, so if we see that dollars aren't being spent then we could update the manual.
26. Person F: so would it make sense to make this clear and state it upfront that we aren't tying ourselves to taking no action. Because it's a transition period, all tools should be available for BPA in the first rate period, not just future rate periods.
27. MS: we can add in language maybe in the concluding remarks.
28. KP: maybe the workgroup would want to recommend the workgroup being involved if BPA decides to update the Manual to do something differently.
29. Person F: the Midpoint Check-in may still be a good thing to have in there.
30. Person B: seems like we're telling BPA something they already know and we want to be cautious about how we want to approach this.
31. ML: there is already language in the ECAs about BPA being able to take money back.
32. JW: I think it's a good idea for the workgroup to recommend and for BPA to have in its proposal.
33. MS: I would hope that BPA would be very careful in changing anything to give time for customers to get used to it.

34. MS: recognize that BPA has the right to change the IM; if BPA intends to make significant changes that it involve the workgroup; and that BPA try to let some time pass before making changes and recognize that this is a transition period.
35. MT: going back to the issue of BPA being blind to bilateral transfers. Is the workgroup concerned at all about side deals that could be made?
36. JW: the workgroup may not have any concerns, but BPA will have an internal vetting process on this component.
37. KP: (section 7.b. on page 4): it will be difficult for BPA to monitor whether customers that receive funds from the unassigned account if they use it for performance payments, so this section may need to be struck.

Break

1. MS: (moving to Utility pooling section).
2. ML: maybe we can separate "creation" bullets from "membership" bullets.
3. MS: (Pooling of EEI Budgets). Do participants in a pool need to let BPA know that they are okay with being in a pool?
4. ML: yes.
5. Person A: the expectation is that this will be kept as simple as possible.
6. Person C: could just have all participants sign one document.
7. ML: the "expectation" is the performance payments will be used on conservation related expenses, rather than the word "must."
8. Person G: do we have a sense of how much will be paid out?
9. MT: about 1.2% of the EEI Fund.
10. RK: I'm concerned about how all this is going to play out with EE Central.
11. MS: (Distribution of Funds from Unassigned account).
12. ML: add in that BPA will notify folks how much is in the account at months 11 and 17 and that customers will have ten working days.
13. JW: then after 18 months, distribution will happen each month and requests will have to be submitted 15 days before the distribution date.
14. Person A: how complete does the M&V have to be in order to get reimbursed. I was wondering if there could be something updated in this regard. If I get to month 22 and there are problems with the M&V and somehow I could submit a preliminary M&V and here are these issues.
15. ML: do we want to include a section in the template for requesting funds from the unassigned account for performance payments.
16. KP: if a customer is going to have a cap for performance payment we would want a line item for performance payment in the template.
17. JW: so we're going to add a line item.
18. MS: (section 3.b on page 7). Will change language; BPA will adjust all requests that are greater than the amount in the unassigned account to the sum total in the account.
19. JW: we'll make the redlines, get it out to the group, and if they're out any major concerns, we'll send it out to the region prior to the Nov 17th meeting. If there are major concerns, then we'll leave it up to the co-chairs if another meeting is necessary.
20. JW: each workgroup will have about an hour to present at the meeting.