



Energy Efficiency Post-2011 Phase 2

Recommendations Presentation

November 17, 2010
9:00am to 4:00pm
BPA Rates Hearing Room

Meeting Notes¹

Facilitator:
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BPA Participants:
Mike Weedall
Karen Meadows
Margaret Lewis
Boyd Wilson
Andrew Miller
Melissa Podeszwa
Curt Nichols
Matt Tidwell
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1. JW: Looking back, it's been almost two years ago since we started this process. We're close to finishing it up and I'm very pleased with what we've accomplished so far. Thank you for your involvement.
2. Slide 2: Phase 1 established the post-2011 Policy Framework, the basis for Phase 2. Conservation costs paid for out of rates. Only one mechanism, the EEI, allocated on a TOCA basis. BPA is going to collect enough in rates to acquire 75% of public power's share of the regional target; the other 25% is planned to be self-funded. BPA's backstop role is going to be very similar to today.
3. Slide 3: Phase 2 overview
4. Slide 4: timeline
5. Slide 5: workgroups were very productive.
6. Slide 6: thank you to all the co-chairs for their hard work.
7. Slide 7: recommendations are from the workgroups and don't necessarily represent what is going to be in BPA's proposal.
8. Slide 8: EEI slides
9. Workgroup One.
10. Person A: (slide 9) the tasks ahead of the workgroup were pretty big. The goal of the workgroup was to answer: how do we manage the EEI funds to make sure the

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

- funds are used to acquire savings so we can reach the savings target. The ECAs will be the contractual mechanism for the EEI funding mechanism.
11. Person A: The EEI is like a budget; it's an invoice and reimbursement system, contrary to the CRC, which goes on your bill each month.
 12. Person B: any idea of timing on when customers will find out their EEI budgets.
 13. JW: EE capital budget for 2012 of 104 million and 113 for 2013 and 70% of the capital budget will be made available for the EEI fund.
 14. Person A: Slide 9: a diagram illustrating how the capital budget is allocated. Some is taken off the top (about 30%) and the rest, the EEI Fund, is allocated to customers based on their TOCAs.
 15. Person C: The top box says "allocation for third party programs," so does this mean no incentives would be included?
 16. JW: the model that has been set up with the EEI is that incentives will almost always flow through the customers.
 17. Person C: what about NEEA?
 18. JW: that's an expense item, not out of the capital budget.
 19. Person C: I have a problem with the admin only off the top.
 20. Person D: it's not that we are eliminating incentives, the incentives will come through the customers.
 21. JW: that's right, and as we look at creating new programs, WG5 has recommended several different ways of how to pay for the incentives.
 22. Person A: (slide 10) EEI provides more equity, but reduces opportunity to move money to where the potential is, which reduces BPA's flexibility. So in front of us we have a capital budget that we want to spend fully to acquire the savings while at the same time having some flexibility. This led the group to recommend three options: utility pooling, customer bilateral transfers, the unassigned account.
 23. Person E, why did equity take precedence over savings?
 24. Person A: the equity vs flexibility (savings) was agreed to in Phase 1.
 25. JW: through the public process during Phase 1, we heard from customers that equity was the paramount issue. Today we have the CRC which is very equitable, but the bilateral dollars are seen as less equitable. This was seen as some customers getting more from BPA than they pay in rates, so it was seen as important that everyone get back proportionally what they pay in.
 26. Person F: it was an outgrowth of Tiered Rates. Under such a mechanism, we're all responsible for load growth, so it doesn't make sense for my members to pay for someone else's conservation because we would then have Tier 2 rates.
 27. Person A: (Slide 11) diagram of workgroup's main recommendations. Refer to pages 7 and 8 of the recommendations: BPA will give you a forecast of your EEI budget, then when the rate case closes, BPA will notify the customer of its EEI budget, then the customer will need to respond to BPA and let BPA know how much of its initial EEI budget it intends to spend. On the top of page 8, if customers don't return letter, the customer will not have access to the EEI budget. It's an important part of creating the unassigned account or getting funds moved to where they can be used.
 28. Slide 11: Row A is an example of a utility that spends its entire initial EEI budget as well as funds that it receives from the unassigned account.

29. Slide 11: Row B is an example of utilities pooling their EEI funds. One reason to do this would be to help level out the lumpiness of conservation projects. There would be one EEI account for the pool.
30. Slide 11: Row C is an example of a customer bilateral transfer.
31. Person A: these are the three mechanisms we recommended to try to bring some flexibility into the system. One of the incentives we recommended a “first-in, first out” priority to encourage customers that don’t intend to spend their funds to put those funds into the unassigned account.
32. Person G: what, if any, incentive is there to participate in the unassigned account as opposed to the pooling or bilateral transfer?
33. Person A: you’re not going to want to place a lot of confidence in being able to get funds from the Unassigned Account, whereas with the transfer and utility pools there is more certainty in getting money back when you need it.
34. Person H: I could conceive of a customer, with non-growing load, that just wants simplicity, so the unassigned account is the easier option.
35. JW: this first rate period is a transition period, so the workgroup didn’t want to put in place too many incentives or threats. So we’ll see if at the end of the rate period there are a lot of unused EEI funds sitting in people’s accounts.
36. Person B: was there any discussion of having to prove 25% self-funding before accessing the unassigned account?
37. Person A: the workgroup considered this a lot, but the workgroup wanted to keep it simple. We decided to treat this first rate period as a transition period and if we have problems we can come back and address them.
38. Person B: was there any discussion on how to track the self-funding?
39. JW: absolutely, customers will continue to report to BPA so we will have a sense of self-funding.
40. Person B: if funding isn’t requested from the unassigned account, could those accounts be used for regional programs, and conversely, if BPA isn’t using the 30% for regional programs, could those funds be distributed to customers on a TOCA basis?
41. Person A: that’s a good question, we did not discuss that.
42. Person E: did the group consider the ability for customers to bank their EEI?
43. Person A: BPA can’t carry over funds from one rate period to the next so neither could individual customers since the funds are held by BPA in their EEI budgets.
44. Person E: has the information on BPA not being able to carry over funds between rate periods been provided to people to review?
45. Person I: regarding the 75/25 split, it’s conceivable that customers could acquire 100% of the target with only the 75% collected in rates, thus negating the need for self-funding, so there shouldn’t be any requirement to self-fund.
46. Person C: I know we spent a lot of time on BPA not being able to carry over funds and it’s very frustrating. I find it disturbing that BPA wasn’t able to find a solution for this. Based on the diagram on slide 9, it shows that BPA seems to be carrying over funds.
47. Person J: the transition fund is a once off affair and won’t be there for future rate periods, and the reason why we wouldn’t have it every rate period is because it violates the equity principle.

48. Person K: about the bilateral transfers, is there any concern about bilateral agreements, is BPA going to look at the agreements?
49. JW: the workgroup has recommended that BPA won't know about the agreements and just know about the transfers. We have to confer with general counsel on this and it may not be an option.
50. Person D: there's a level playing field for bilaterals and pooling, but there may be some more research on BPA's end to find out if these are real possibilities.
51. JW: with existing pools today, there haven't really been any problems with side deals, so it's conceivable that there wouldn't be in the future.
52. Person L: some projects are very large and it would be difficult to self-fund those, so I would like to see some more discussion on being able to fund large projects, maybe a set aside for large projects to make sure we can get these very cost-effective savings.
53. Person I: I see this as an opportunity for increased collaboration between utilities.
54. Person L: we're talking about millions of dollars so increased collaboration may not be enough.
55. Person E: there is lots of cost-effective conservation on the table and it seems that BPA is going to adopt new rules to make it difficult to acquire the available conservation.
56. JW: there is absolutely this possibility. BPA was very very vocal about this during Phase 1. It could be that moving forward the funding agreements for large projects be structured differently. If we see that this is not working going forward, we have the ability to change this.
57. Person E: I see the recommendations as moving too much in the direction of equity and I would encourage BPA to come up with other mechanisms, which would still allow for equity, but focusing more on being able to fund these important projects.
58. JW: the workgroup did consider having a set aside for large projects, but the way to do that would be by allocating less of the EEI fund and holding some funds aside. A couple of issues: everyone gets fewer dollars and what if those dollars don't get spent? We set up a framework in Phase 1 that we're not reexamining today, we'll do that down the road.
59. Person K: could BPA request more capital dollars to pay for these large projects?
60. JW: it's a potential, but it's a large uncertainty.
61. Person M: if we fail to meet the regional target and you've depleted all of your funds, to play your backstop role, you're going to have to find some extra dollars, so rather than waiting for that to happen perhaps you could request additional dollars for large projects before you have to play the backstop role.
62. Person J: I see complications of requesting more capital. For example, where is a customer allocating its funds? Perhaps it's dedicating its entire EEI budget to residential and then when an industrial project comes along you have no more funds. Who's responsible for those decisions?
63. Person B: was there any discussion of BPA facilitating loan programs? It would not be unlike a residential loan program, but for industrial projects.
64. Person N: you peel back all the layers and you get back to a tiered rate structure where conservation done in another service territory doesn't help another utility.

- If we don't create a transition fund, utilities will have to manage paying for projects that go over into another rate period; we'll have to hope the money will be there in the next rate period's EEI budget. You have to have some confidence that there will be funds in the following rate period, and we've been doing that for a number of years. The only way we could do a set aside, is if we all agreed to give up some of our individual dollars for the good of the region and I don't think that's something we're all going to do.
65. Person E: JW mentioned potentially making capital dollars for large projects and I would strongly encourage BPA to use capital dollars for large projects. Importantly, the workgroup's recommendation is not based on pure equity, i.e., 30% is going back for the good of the region, so this could be another component of that.
 66. Person C: this is really a serious problem: big projects result in big savings. There has to be the ability to think of the region first and we're breaking down into a balkanized system which will likely result in higher costs for the whole region. Let's not put this in concrete.
 67. Person O: we're likely one of those utilities that will need more funds than our EEI budget. I'm concerned with the bilaterals being unrestricted, we could end up with a secondary market and this could create a windfall to customers that chose not to do conservation.
 68. Person F: how does it create an incentive for utilities not to do conservation?
 69. Person O: in the diagram, what is the red customer getting to give up its EEI budget?
 70. Person A: importantly, even if EEI dollars are transferred, in order to receive them you have to invoice BPA.
 71. Person C: we need to make sure we track this issue of not being able to pay for large projects.
 72. Person J: we can't lose sight of the fact that BPA does not serve public power's entire load, so BPA shouldn't be the bank for public power's entire load. It's about making the opportunity available to utilities to use the money that they're paying in, and it's their responsibility to give it back to the pot if they can't use it, but at first we're giving them the opportunity.
 73. Karen Meadows: if you look at the Council's plan, if we don't reach the industrial target, we may not be able to reach the overall savings target. So equity is important, but it's important to keep in mind what would happen if the industrial projects aren't captured and we don't achieve the targets.
 74. Person M: JW mentioned that customers would be reporting self-funding but how will this happen in the absence of the high water mark?
 75. JW: it says that reporting to BPA must be done in your power sales contracts.
 76. Person J: the proportional distribution of the funds in the unassigned account would be based on your request, but the requests would be capped at the amount in the unassigned account, e.g. if your original request is 1 million, and the amount available is 500k, then your request would be reduced to 500k.

Break

1. (Workgroup Two).

2. Boyd Wilson: thanks to all the customers that participated. We traveled throughout the region to speak with people, so thank you to those who hosted. I'd also like to thank Person J, who's been an excellent co-chair.
3. Person J: I think in our recommendations we have something that would allow small, rural, residential (SRR) customers to acquire conservation in their service territories. I would really ask BPA's management to look at our recommendations and find a way to make sure these can be put into action and that the actions show their support for these recommendations when it comes to the public comment period.
4. Slide 15: goal of workgroup was to enable SRRs to acquire conservation. This workgroup came from Phase 1 Policy Framework, which has a couple of statements: minimize cross-subsidization and provide an opportunity to all customers to acquire conservation.
5. Person J: first task was to try to define SRR customers. We came up with: small-10aMW or less; residential--66% or more of retail load is residential; rural—10 or fewer customers per line mile. This results in about 65 customers (excluding members of PNGC) and about 27% of BPA's load. We tried various ways to trim down this number of customers, but it just got very complicated, e.g. trying to eliminate the residential category only reduces the number of eligible SRRs by 6, ranging from 12aMW of load to 72aMW.
6. Person J: after we came up with the definition, we tried to address the barriers faced by SRRs, which basically comes down to lack of resources. So the best thing we could come up with is on the financial end. The first thing we came up with was having BPA offer a higher willingness to pay for SRRs, but this would have resulted in a lot of complication, e.g., having two separate numbers for each measure in the PTR.
7. Person J: So we dropped that due to its complicated nature and moved to considering giving SRRs an Administrative and Performance Payment. Admin would not be tied to kWh savings, but Performance Payment would be tied to kWh savings. Admin payment (only those with 10aMW or less would be eligible to claim Admin out of their EEI budgets) would be capped at a certain Administrative Payment maximum, e.g. \$60,000 per rate period. If you're not 10aMW or less you can claim up to 30% performance payment. Small SRRs could claim both or any combination of the two but not to exceed the greater of the two, e.g. the \$60k or the 30% of the EEI budget.
8. Person K: you have to invoice BPA in order to get the Admin?
9. Person J: correct.
10. Person J: we've heard that there is a concern about dollars going to Admin and not going to actual savings. My understanding is that BPA is already planning on about 20% going to "admin." When we looked at what is really happening, i.e. several large customers do not claim their admin or if they claim admin they pile it back into conservation programs, so in reality the total amount of the EEI fund going to "admin" would likely be less than 20% even with the Administrative payment component. I would also say that with this policy you would see increased conservation in these SRR service territories.
11. Person C: what is the total load for the "small" utilities?

12. MT: about 190aMW.
13. Slide 18: diagram illustrating a few of the ways Admin and Performance Payments would work.
14. Slide 19: a list of some other recommendations that would increase conservation in SRR service territories.
15. Person J: to conclude, I would like to request that BPA try to put these recommendations in as a whole because without the whole package, there may be no real benefit, e.g. BPA could try to parse out the measures and leave out the funding component, but this should be avoided to the benefit of the SRRs.
16. Person J: during this process, FDR's vision for BPA was brought to my attention and I would encourage us to continue to fulfill this vision by providing a better opportunity for SRR customers.
17. Person A: on behalf of NRU, I would like to express our support for the recommendations. When we discuss the barriers faced by SRRs, we hear time and time again the financial constraints of not having enough financial resources, so these recommendations go a long way toward addressing those financial constraints.
18. Person A: the number of SRRs shouldn't be a concern because it's only about 27% of load and has a very minimal impact on the overall EEI fund.
19. Person P: clarification on being able to spend Performance Payment for additional incentives to end-users.
20. JW: WG4 has proposed that this would be an eligible use of Performance Payment.
21. Person D: from PNGC's standpoint, these recommendations look good.
22. JW: with Administrative Payments not tied to kWh savings, we'd be going back to the era of C&RD and these recommendations take us back to that period, but we're out of the infrastructure building phase.
23. Person D: but these recommendations seem to imply that SRRs have not built out their infrastructure and still need these types of payments.
24. KM: BPA is working with the RTF to try and get more deemed measures that would be especially beneficial for SRRs.
25. Person J: the RTF does have a subcommittee and has hired a contractor to assess SRRs to find out what they're missing and what they need. For the purposes of their study, they have changed the criteria a bit for how a customer would qualify as an SRR utility.
26. Person F: I too support the recommendations. I agree that infrastructure isn't complete for a lot of the rural utilities. The 30% covers other aspects of the SRR systems. But it's not just the administrative component that's a barrier to SRRs. Are there other areas about this that may be a concern about these recommendations?
27. JW: on one hand, the number of total SRR utilities and on the other hand, how many fewer MWs would be acquired?

Lunch break

1. (Workgroup Three).

2. Person M: there's a lot value in having a better understanding of where conservation exist, both at the utility level and across public power. So that we have that understanding, it's important that we do CPAs in a consistent way. CPAs are very much a "garbage-in, garbage-out" tool, so data collection is critical. There are some roles that BPA could play, such as being an enabler of customers doing CPAs, but we are not recommending that BPA mandate CPAs. We hope that BPA could help customers when they decide to help move forward with CPAs, such as choosing to what degree and how complete a CPA should be because there are various levels of complexity that a CPA can have.
3. Person M: One additional benefit of having standardized and uniform CPAs is the opportunity to give us a better idea of regional conservation potential, which can feed into the regional plans; we can be more informed on what potential looks like for public power.
4. Person M: BPA could then play the role of aggregating CPA results from customers. We also developed a template for customers to report "conservation plans" if they're required to do so (those utilities over 25aMW with some load not served by BPA). We also recommended that CPAs could be paid for out of Admin or Performance Payments.
5. Person L: was the Utility Potential Calculator developed within BPA?
6. JW: it uses all of the assumptions from the sixth power plan, but it allows the utility to provide specific territory data (a third party contractor developed it and it has been reviewed by utilities). We see a role for BPA to help utilities make sure they have the data they need to plug in information into the calculator.
7. Person N: so is there a requirement for CPAs at all?
8. Person M: at this time, there is no requirement that customers would do CPAs. Part of this is driven by the workgroup thinking that there are a number of incentives for utilities to do CPAs and therefore isn't the need for BPA to issue a mandate.
9. Person C: you're not recommending that we move to allocations based on CPAs. This was talked about originally, so why the change. If there were good data, then it makes sense to do rates collection and EEI allocation based on potential. So is it an equity issue or a technical issue?
10. KM: this came up a lot during Phase 1 in discussion of what EEI should be based on. We decided that there were a lot of issues, including the assumptions used in CPAs made it too hard to try to determine EEI budgets.
11. Person I: The council makes all these assumptions to make their targets, so I'm interested because CPAs could better inform their efforts.
12. JW: the more utilities that do these on their own, the more data there will be, and the Council is always asking for data, so the more there is the better their assessments will be.
13. KM: from Phase 1, we thought it would be better to take baby steps.
14. Person I: in the future, if there's widespread use of CPAs, we could find out that some territories don't have potential are paying in rates.
15. Person N: and conversely, there may be some that discover they have a lot of potential.

16. Person M: we also recommend that the UPC not be static, that it continue to evolve and become a better, more useful tool.
17. Person B: can you discuss more the “data repository” function of BPA?
18. Person M: One of the values of BPA would be to align some of the data that happens in the public sector with that data coming from elsewhere, so BPA could act as an advocate for public power.
19. JW: the Northwest Resource Group is a good example of where BPA could add value.
20. Person B: somewhere does the new PTR align with this repository?
21. JW: we could collect as much data as possible, but whatever we require has to come from a utility.
22. Person B: is there any data that is going to be merged, e.g. comparable data from the IOUs or the RTF?
23. Person M: as we go forward, hopefully we’ll be better able to track our savings with our original savings target.
24. Andrew Miller: there’s always this switch from how CPAs can benefit utilities at the local level and then the larger macro issue, so we set up some recommendations to lay the ground work for future rate periods that might more extensively use CPAs.
25. (Workgroup Four).
26. Person Q: we appreciated the involvement of the five utilities that currently have non-standards and we wanted to make sure they didn’t lose their flexibility. We also wanted to see if we could take our lessons learned and bring into the Implementation Manual a chapter on custom programs.
27. Slide 25: Option 1 is the same as today’s standard agreement and Option 2 is today’s non-standards. Option 2 allows bulk uploads, and don’t need pre-approval. We’re recommending one cost-effectiveness test for the two Options.
28. Melissa Podeszwa: there’s currently three cost-effectiveness thresholds for non-standards today even though there’s only one willingness to pay, so the recommendation would be to have only one cost-effectiveness threshold for all non-standard custom projects.
29. Person B: confused about the cost-effectiveness bullet.
30. JW: the recommendation is that there be only one cost-effectiveness test for both Options, but not necessarily the same test, i.e., currently non-standards have three thresholds, so there would be only one threshold to qualify for non-standards.
31. Person B: just want to clarify this language to make it clear.
32. Slide 26: we are recommending that Option 1 and Option 2 utilities receive the same willingness to pay, whereas today, Option 2 utilities receive less.
33. Person Q: our recommendation for Performance Payment was left off the slide: we want both Option 1 and 2 customers to be able to claim Performance Payment; and that the Performance Payment be based on kWh savings instead of on money spent (as is the case today).
34. Person Q: also recommending that M&V protocols be independent of the option chosen, i.e. the base requirements would be the same regardless of option.
35. Person N: if we’re going to have the same M&V protocols, will the protocols be published in the IM so everyone will have the same requirements?

36. KM: over the past year, we've been putting together standardized M&V protocols and the goal is to get standardized protocols so people don't have to think about (be approved by the RTF), but we don't know where they would published.
37. Person N: so what's the process for determining the M&V?
38. KM: we've been moving forward on this and have been trying to get them approved by the RTF. We are looking at best practices at balancing M&V costs and rigor. Our engineering group is leading that effort and at some point we'll probably take it to the customers.
39. MP: clarification that the Performance Payment would be paid out "on top of" the WTP, e.g. 20 cents WTP and 2 cents Performance Payment.
40. Person Q: a major effort of the workgroup was to put together a draft chapter for the IM. We also looked at Technical Assistance for non-standards (Option 2).
41. Person J: how would a utility notify BPA that it wants to be apart of Option 2?
42. MP: you would do it through your COTR. BPA doesn't want to be in the position to say one utility should be able to chose Option 2 and another not be able to, but we do want customers to be aware of the risks of Option 2.
43. Person A: if a utility wants to choose Option 2, when do they have to notify BPA?
44. JW: we haven't identified these specifics. We don't want folks going in and out of the Options, so we'll encourage customers to join at the beginning of a rate period and people could change options in a later rate period if they wanted to.
45. Person B: is technical assistance apart of expense of capital budget?
46. KM: expense budget.
47. (Workgroup Five).
48. Person I: we ended up with eight different issues that we tackled. In running regional programs, we talked about five different types of regional programs. In the design of these programs, we wanted to make sure that utilities have the opportunity to provide input upfront during the development phase of programs; have it be a more collaborative process when designing programs. Moving forward, customers are going to have to better manage their EEI budgets. Now that incentives for some regional programs will be coming from utilities, we wanted to make sure utilities would be able to determine incentive levels and how much for incentives.
49. Person I: for corporate-focused programs, utilities would be able to opt-out if the service territory did not contain any of the corporate chains and vice versa for not being able to opt-in if a chain is in your territory.
50. Person I: we want to make sure new communication paths are developed and look at what channels are in place and how to make them stronger. Workgroup wanted pre-decisional forums to allow customers to provide input before final decisions were made. Workgroup recommended the ability for BPA to bundle measures. It seems like having a corporate entity buy into a regional program is a pie in the sky idea, but one we should pursue because of the potential savings benefits.
51. Person I: going forward, incentives are going to have to come from utilities, so at the outset of program development, it needs to be decided how the program will be funded. We recommended that how a program is funded be decided during the development of the program because depending on the program, we may want a different way to fund it.

52. Person C: There is this tension between how programs are going to be funded. BPA is the ultimate decider and there is some tension between how much can come off the top and WGI's interest in capping the EEI fund at no less than 70%. We need some more discussion on this.
53. Person I: We know that going forward, BPA is not going to set aside some of the EEI for regional programs and funding for the programs will be decided during the program development.
54. Person N: this is just punting to a later fight.
55. Person I: we couldn't reach consensus on this and be able to deliver our overall recommendations on time.
56. Curt Nichols: it also is difficult to determine up front without knowing the types of programs that may be developed.
57. Person J: I want to put a more positive spin on this. Take for example the existing industrial program: there's nothing requiring utilities to fund the projects, but they do because it benefits them, so if we create programs that provide value to customers they will be willing to fund the projects.
58. Person C: ultimately the decision rests with BPA whether funds will be set aside from the EEI fund to pay for regional program incentives.
59. Person I: negative change notice discussion.
60. (confusion about wording in the recommendation).
61. Person J: I wrote the recommendation in such a way that utilities would need to be notified of measures that are being completely dropped with 3 months notice, but that the measure can only go away during the Oct 1 Implementation Manual.
62. Person A: I don't understand why BPA would not be required to still give six months for the Oct 1 change?
63. Person F: it has to deal with measures that are going to be dropped; it may be known that they aren't going to be dropped for, say, another 15 months, which is too long.
64. Person I: for NEEA, we're recommending that funding for NEEA only be paid out of the EEI for incremental savings, not core functions of NEEA. And for low income weatherization, the savings would need to take place in the customer's service territory and if we see that too much funding is going to low income, BPA reserves the right to put a cap on the amount that could go toward low income.
65. Person B: I would ask that BPA consider that on the funding for NEEA, that there may be other work that NEEA is undertaking that may be a benefit for the region but in a later rate period. There are some reasons why we would want to allow some support for NEEA not tied directly to kWh savings. Secondly, regarding the low income weatherization, I would like to take a more holistic picture and say that BPA already gives \$5 million for low income and utilities should have the same flexibility of the funds not being tied to kWh savings. Also, I think public power needs an explanation for what it gets for the \$5 million that is spent on low income. It may be valuable to develop some tools for low income agencies to collect and report data better than is done today. So when we talk about low income, let's keep it a level playing field.
66. JW: the difference is that the \$5 million is an expense, not capital.

67. Person B: the real issue is that we need to look at the dollars that public utilities pay to BPA regardless of expense vs. capital and see how to use those dollars most cost-effectively. We need to look comprehensively at how public power can “best” support low income and do it in concert with local utilities.
68. Person B: regarding my comment that the recommendation on NEEA is too restrictive, there is the example of a consumer electronics program that could benefit from local utilities being able to fund the program with EEI dollars.
69. Scott Davidson (NEEA): the role of NEEA in the region is changing. As a result of the last funding cycle, 1/3 of our budget is not dedicated to kWh savings. I would be cautious to adopt a recommendation that is looking backward instead of looking forward.
70. Person C: going back to low income, low income residents are paying into the system, but generally get less. If you want to make it harder to give incentives to low income, we should discuss not collecting rates from them. Right now, low income is subsidizing other customers, so there’s a real equity issue here.
71. JW: looking at the recommendation, there’s not a big change from what happens today.
72. Person B: I wasn’t advocating giving less money for low income, I just want to see the money spent as cost-effectively as possible.
73. Person C: the recommendation on low income is a good one and I’m in favor of better reporting.
74. Person M: are custom program template going to be apart of only Option 2, or will it be available for everybody?
75. JW: the expectation is that it will apply to anybody. We’re shooting to have that available before January.
76. MP: there are a lot of changes coming down the pike and BPA will try to keep the customers as informed as possible.
77. Thank you for participating.