

Key Questions to be answered in a straw proposal

1. Should BPA provide choice in energy efficiency programs to utilities given there may be substantial development and implementation costs?
2. If choice is provided what mechanism would be most efficient and effective? How many choices can economically and administratively be accommodated?
 - a. Discount on power bill
 - b. Above-HWM product
 - c. Payment for performance (\$/aMW)
 - d. Fee for service
 - e. Other options
3. If choice is provided how should BPA set individual utility conservation acquisition targets and what are the consequences to a utility of not meeting that target?
 - a. Should utilities be required to take responsibility for meeting a share of the Council's target? Is there a better method for determining individual utility targets?
 - b. If a utility opts to stay with BPA's full array of programs do they need to meet an individual target or can the current approach of a "group target" continue?
 - c. What is the time period over which a utility's target must be met (i.e. is it different that the Council Power Plan)?
 - d. How will a system with penalties or other consequences for not meeting targets affect the business relationship between BPA and individual utilities? Is it productive to set up a system where there is the potential for BPA and its customers to be fighting each other? What process issues determine whether a utility is out of compliance and how public is that process?
 1. What is the consequence for a utility that does not meet the targets?
 - A financial penalty?
 - Other?
 - Should any penalty payment be used to achieve conservation anywhere in the region (for example where conservation can be achieved at the lowest cost) or only in the service territory where it is collected?
 - Should BPA have the authority to go into a service territory to acquire savings for a utility that is not meeting its target?
 2. What would an appeals process look like?
 3. What is the time frame for payment of a penalty?
 4. What happens if a utility refused to make a penalty payment?
4. If an opt-out of BPA programs is available what does BPA's backstop role look like and how is it funded?
5. What measurement and verification (M&V) is required for BPA and/or utility-funded savings?
 - a. How much M&V should BPA conduct or require to ensure the savings are real and can be counted toward the regional target?

- b. Should BPA create or facilitate the creation of M&V protocols and verification requirements that must be followed by all utilities?
 - c. Who can provide 3rd party verification of savings – BPA, RTF, independent/state auditor?
 - d. Should BPA perform impact evaluations to cover some requirements?
6. How can audit/review requirements for BPA and other entities (state auditor, etc.) be aligned to ensure that utilities only have one set of rules to report on?
7. The Total Resource Cost test to determine cost-effectiveness is the basis of the Council's conservation target. The goal of meeting public power's share of the cost-effective conservation in the region is based on a regional cost-effectiveness test. If possible, how can individual utility cost-effectiveness levels be integrated so that utility specific cost-effectiveness levels can be correlated with the Council's target?
8. Outside of core infrastructure, BPA heard that utilities only want to pay for those services from which they directly benefit. There are tradeoffs between having choice/flexibility and cost. What choices are worth the added cost and complexity needed to provide the choice? Is there a mix of services from which all utilities will benefit even though inherently not all utilities will benefit equally from every service all of the time?