

Utility Sounding Board (USB) Meeting Summary October 10, 2007

USB members in attendance:

- Larry Blaufus – Clark Public Utilities
- Darroll Clark – Franklin Co. PUD
- Kevin Howerton – Grays Harbor PUD
- Theresa Lackey – Midstate Electric Co-op
- Joe Savage – Emerald PUD
- Dawn Senger – Richland Energy Services
- Randy Thorn – Idaho Power Company
- Dan Villalobos – Inland Power & Light
- Jim Wellcome – Cowlitz County PUD

Not present: Van Ashton – Idaho Falls Power/IDEA

Guests:

Selena Bell Heise – NW ENERGY STAR
John Morris – PECL & Fluid Market Strategies

BPA staff in attendance at various times:

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| <ul style="list-style-type: none">• Jennifer Eskil• Adam Hadley• Mark Johnson• Karen Meadows• Jean Oates | <ul style="list-style-type: none">• Lisa Perigo• Gary Smith• Chris Tash• Mira Vowles |
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Introductions and Background of USB (Karen Meadows)

Karen Meadows introduced the new members of the USB, and provided some information about the history of the USB. The BPA sector leads (Agricultural, Commercial, Industrial and Residential) bring their programs/measures to the USB in the conceptual stage, and then again when they are more fleshed out.

- Is the focus Industrial and Commercial? [Historically, residential was the focus. BPA needed more commercial and industrial, so the focus has shifted. Commercial is probably the most complicated and the least developed. Industrial is another big area to push. It may be harder for some utilities that don't have the technical staff. There's been a big shift in residential from weatherization, etc., to compact fluorescent lights (CFLs).]

Changes to the Benefit/Cost Ratio (Adam Hadley)

As of October 1, Custom Projects (CP) are eligible with a TRC Benefit Cost Ratio of less than 1.0 as long as the aggregate of all custom projects has a B/C ratio of greater than 1.0. This applies to all sectors, but not for deemed measures. If a good project comes in, cost-effectives won't get in the way. **ALL** custom projects (not just for a specific utility) will be lumped together for the B/C calculation.

Brown Bag Feedback (Mira Vowles)

In October, there will be three Brown Bags (BB): Energy Smart Design™ - Office (ESD Office), Northwest Energy Efficiency Alliance (NEEA) and Lighting Technologies Part II. In September, there were two BBs, August two and July one. Is three too many or too few?

- Three per month is too many, and two is pushing it. One per month is great (other USB member's echoed the comment).
- Are BBs for utilities only? [Yes, at this time.]

What about the time? We tried 11 a.m., but had only a few attendees. Should we try repeating sessions?

- Would like to have at 1 or 2 p.m.
- Our office closes from 1-2 p.m.
- Splitting into two sessions makes sense
- Don't make the two sessions back-to-back; have one on the fifth of the month and another on the 25th.

How do utilities prefer to hear about upcoming BB sessions?

- A couple of USB members say they like an Outlook Calendar meeting request.

Does it make sense to have third-party BBs where we talk about the concept, and then what the end-user will see?

- Bringing a program to the USB at the conceptual stage makes more sense.

Commercial Existing Offices (Mira Vowles)

Mira Vowles opened a discussion about commercial existing offices and RealWinWin (RWW; http://www.realwinwin.com/threelinks_Utilities_00Main.htm).

- What about the concept of retrocommissioning? Where are the opportunities and what is the magnitude. [We are working on an incentive for retrocommissioning, and mostly have half-baked ideas at this time: (1) Multifamily and what the ETO is doing; sort of third-party, with a roll-out similar to Energy Smart Design; (2) MF projects all over the country; coordinate in Oregon, making cold calls; (3) Multi-touch approach: leave CFLs, literature, etc.]
- We did all of our MF in cooperation with our water department. Did 12 MF projects with over 100 each: showerheads, CFLs, kitchen/sink aerators. Team up with the water department in your area. [Conservation Service Group (CSG) does the HVAC, weatherization and non-CFL lighting for the ETO.]
- Would a turn-key program be part of the B/C ratio aggregate? [We have some deemed measures and more could be CPs.]
- We like direct contact with customers and don't want a third party.
- I have an interest, but would like to make the initial contact.
- The MF we work with is very difficult to profile. The buildings are all different. If a third-party is doing a good job identifying projects, it would be helpful.
- We might be interested, but need more detail. It would be good if it includes CFLs and showerheads. We've already weatherized most of our MF.
- We like Energy Smart Grocer, but would probably do our own MF.
- I always want to look at benefits and rewards for participants; give us the idea, and we'll implement it. We like to be out with our customers with the right tools. For some ideas, the transaction cost is more than the rebates. We'd rather do it on our own.
- We're short-handed; this might be something we'd like to do.

Some potential aspects of the initiative include:

- Broker incentives
- Focus on large offices, national corporations with facilities all over the nation
- RealWinWin goes to companies such as Wal-Mart HQ to present options and the benefits of projects.
- Phone audit
- Facility audit
- Energy benchmark for facility
- Actionable item suggested by audit
- Could include a lease review and suggestions on how to restructure the lease to motivate owners to act on the audit recommendations

What do utilities think?

- We wouldn't be open to this; we already work with commercial/industrial customers and do audits.
- There are lots of other avenues; we tend to use the BPA audit option. We have a key account certified person on staff. [A couple of USB members said the same.]
- It might work in investor-owned utility (IOU) territories, but public utilities already have a relationship with their customers.
- This is not just about acquiring kWh; it's about working with customers. We prefer to keep it that way. We would work with them [RWW] if they were working with an IOU, but would not use BPA dollars.
- We wouldn't want this; it could damage our relationships with key accounts. Brokering incentives could be difficult.
- Not interested
- We're not interested. RWW or another third-party out there would be cream skimming.
- Other third-parties might be okay, but not this one [RWW]
- What about a low-cost pool? Provide a brochure or information to look at regarding changing leases. [No USB interest in this]
- If there are too many third-parties out there, the utility starts to lose control.
- There may also be problems several years down the road, and the utility has to fix the problem.
- It's confusing for customers.

What about benchmarking of offices, Btu/sq. ft.? The Building Owners and Managers Association (BOMA) is benchmarking in Portland.

- We're already doing this with institutional, not commercial. It takes a lot of field work – engineers and maintenance. Usually things done five years ago aren't done right.
- Profiling public builds is a good tool for identification. The only solution is Technical Assistance studies, which we've done. More of that in the commercial sector would be helpful.

Marketing Ideas (Mira Vowles)

Broad umbrella, environmental advertisements/commercials in the media play up greenness in the Northwest, i.e., saving energy saves the environment. What marketing ideas does the USB have?

- Businesses are talking about the carbon footprint. [Not a carbon footprint issue]
- In the NW, 3 percent carbon footprint – not for it.

What about meeting load growth through conservation?

- It doesn't credit us for how well we already do; it won't work for us.
- The message that conservation is the most effective way of controlling the carbon footprint is good.
- We spend a lot on educating end-users, low-interest loans, etc.
- Our current campaign is pushing a balanced mix.
- Tie it in with "Conservation is the best way to reduce our carbon footprint."
- BPA could set aside some budget for this.
- It increases the cost to the region, and how do you promote it with sound bites?
- Use historical information on how much the region has already saved.
- Focus on . . . conservation used to be for free, customers think . . . now they have to pay. Push that it pays back later.
- Don't want BPA spending money or encouraging customers to call when we have nothing to offer. Keep it general to BPA. We need something to offer.
- It's not wrong to promote it, but legislators say hydro isn't renewable.

- The general theme helps our efforts, and the dollars go further.
- Conservation keeps rates down.

2008 Utility Workshop (Mira Vowles)

Mira Vowles opened a discussion about the 2008 Utility Workshop that will be held at the DoubleTree Hotel in Portland March 18-19. Dan Villalobos was nominated and accepted the chairperson role. Mira requested ideas for the workshop, which is utility driven.

- The Northwest Public Power Association conference had materials from other utilities. There wasn't a lot of interaction with vendors. Maybe have a utility table for materials utilities want to share, including marketing materials.
- The workshop binder usually gets stored, so the contact information isn't all that useful.
- We have a sheet about what we offer, which is useful. Seeing the materials is helpful.
- Have people with successes present what they are doing, and even allow PowerPoint (PPT) presentations.
- The person who gave the lighting presentation in the plenary session wanted to use a PPT show. It's too many numbers to keep track of without a PPT.
- Provide cutting edge technology and case studies.
- Lighting, LEDs, etc.; what people are doing, not a bunch of numbers.
- Keep the workshop to 1 ½ days.
- Do something the last ½ of the second day.
- How about a round table for industrial and commercial?
- Would like a planning breakout where BPA discusses what's in the pipeline.
- If industrial is not well underway, it's not going to happen in this rate period.
- We need to know in advance for planning for funding, etc.
- Where will we be in 2012 in Washington; what's BPA's role?
- Tier 2 is that kind of concept.
- How much funding will BPA provide to I-937 utilities?
- Washington/Oregon tracks for the next rate case planning would be useful.
- What about Idaho?
- Make it more of a caucus – utilities could attend whichever they want.
- Have specific topics for those sessions.
- USB said they like the plenary session and "talking heads." One suggested leaving Steve Wright (BPA Administrator) until the end. People might stay to hear him; they like to hear him.
- Have a residential session at the end.

General (Mira Vowles)

- Bruce Cody was not available to give the RTF report. One thing that occurred is that Energy Smart Design™ – Office was approved by the RTF.
- Jean Oates (jaoates@bpa.gov) did an Implementation Manual show and tell to explain the new format and request feedback from utilities on the Manual changes as they begin to use it.

Commercial/Industrial Lighting Trade Ally Network (Lisa Perigo)

Work on the C/I Lighting Trade Ally Network (TAN) is going well. We're working with Evergreen Consulting on a messaging look and feel. Evergreen will check trade ally references, and the utility will screen the vendors. Brent Barclay, Evergreen Project Manager for the Northwest TAN (<http://northwest-lighting.com/>) gave background on the project at the September USB conference call meeting. The TAN will track what the utility offers, and provide a link to the utility Web site. Utilities will be grouped together, e.g., Puget Sound area utilities. The TAN will also provide vendor training, with first planned for December at Eugene Electric and Water Board, Oregon. A list of vendors will be sent to utilities prior to the December 12 USB meeting. Send Lisa Perigo an

e-mail for more information (lkperigo@bpa.gov). Also, more information will be provided at the Utility Round Table on October 24 in Richland, Wash.

Change a Light (Lisa Perigo)

Lisa Perigo introduced Selena Bell Heise – NW ENERGY STAR, and John Morris – PEI & Fluid Market Strategies for an update on the Fall Change a Light and Change a Light (Big Box) campaigns. Selena presented statistics on progress to date. The program is going very well, with many locations selling through the products. Utilities should receive an update soon from Lisa, through their Energy Efficiency Representative (EER).

Marketing materials are available, and there is a locator at <http://nwchangealight.com/>. EERs have the materials to forward to utilities.

Residential Turn-Key (Mark Johnson)

What are easy ways for utility to spend their Conservation Rate Credit (CRC) without using up a lot of staff time, such as CFLs/donations to NEEA?

- If there's no admin, how does that get tried up? [USB Member: It comes off the top of your CRC.]
- Showerheads are easy.
- We do a refrigerator recycling program, run through Jayco (<http://www.jaycorecycling.com/>), and really like it. Jayco verifies and plugs-in the new unit, and destroys a part of the old refrigerator in front of the end-users. (PacifiCorp ads cause spillover. On March 5-6, 2008, there will be a national ad campaign.
- Our program is going well. It costs less than the program described above. We use a local crusher and do all of Sears.
- Develop an appliance program.
- We've been doing water heaters and clothes washers. Since we added a refrigerator rebate and dishwashers, participation really cranked up.
- We credit end-users bills, which requires less admin than writing a check.
- We write a check to Sears who provides all documentation; they fill out the form at their counter.

Heat pump questions?

- We're glad you didn't remove grand source heat pumps. [Under the current criteria, they aren't cost-effective]
- We have problems with the incremental cost being credible. [The RTF has asked for cost data.]
- The data the RTF has is probably for high-end installs. Two-stage heat pumps are my kind. A \$2,000 incentive doesn't make sense.
- What does it matter what it costs if we get the savings. Offer the same incentive for both.
- We thought the RTF was going to go back and look at avoided cost. [BPA has asked the Council to review the benefit/cost ratio, which we are currently doing only for CPs. Should this be a Brown Bag session topic with Tom Eckman?]
- Our average cost for air source heat pumps is \$7,300.
- How can the incremental cost of a heat pump possibly be what the Council says? Our average cost is about \$5,000 - \$6,000, and sometimes up to \$7,000. The numbers the Council is using can't be right. [Send cost data to Tom E., and he'll pass it along. Jennifer Eskil: Hire an expert to do a market characterization study to get this information; have an USB member help write the statement of work (advisory role.)]
- A study is the way to go.
- The Council is gearing up for the 6th Power Plan; now's the time to get going on this.

Compressed Air (Jennifer Eskil)

Currently, the compressed air focus is on ideas for small-medium industrial, rather than large industrial projects. The Energy Trust of Oregon issued a request for proposals on ideas for a small industrial program. Cowlitz Co PUD is operating a pilot program.

- Cowlitz PUD provided a list of industrial end-users for the pilot program vendors, Compression Engineering and Rogers Machinery, to use in scoping/mining for projects. The vendors called end-users and solicited interest. Project scoping results in preliminary project proposals and measures, the economics and available incentives. A side benefit of the scoping is more projects: variable feed drives, pumping and other industrial projects. In a couple of months, Cowlitz PUD should know how many end-users follow-through with projects.

EE is working on and reconfiguring an industrial working group, along with Jim Wellcome and Randy Thorn. The reconfigured group is the Industrial Advisory Group (IAG) meets ever other week, and anyone welcome to join. The goal is to integrate what we do with what NEEA does.

Ideas/comments from the group include:

1. Develop a calculator for small compressed air projects
2. Advocate continued NEEA compressed air training
3. Look at the demand-side management component of compressed air
4. Conduct a market characterization study before large utilities do anything in a sector
5. ETO wrote the statement of work, and BPA may buy into it in eight regions
6. Tom Osborn has taken real projects and run them through the calculator, as the IAG feels it [the calculator] needs tweaking.

The IAG also wants to work toward aligned specifications and deemed valuation, prescriptive path measures and vendor outreach. Would that be a role for NEEA?

- Haven't we already done that? [David Vanderbeek, Rogers Machinery, is a resource to help the team look at the market characterization statement of work. The information is in the process of being loaded on the Web site, also a list of manufacturers. The IAG will meet in November and/or December (??) to discuss the technical aspects and approach.]
- What can I tell customers? [Do the Custom Project now. Call Todd Amundson. Nobody else in the nation is doing this; we believe it's because the Northwest is advanced.]
- The challenge is setting the \$/kWh high enough to get small customers to do projects.
- We have worked with Steelscape, fabricator, foam manufacturer, and one food processor.
- We did a project with a food processor. It's clean. Is this a different category of compressed air?

Green Motors (Jennifer Eskil)

Green Motors is a service center approach. The RTF has accepted and has recommended BPA accept the deemed savings. Motor service centers are sign-up to do certain kinds of rewinds and repairs. The RTF said that 0.5 percent to 1.0 percent of the energy saved by a rewind for an incentive. It's less than 1 aMW for a service to do this. It doesn't reach across to ag.

- For 50 horsepower and up, no efficiency is lost as a result of the rewind. [The incentive can go to either the motor owner or the service center. BPA doesn't offer a motor rebate program.]
- If individual utilities are each doing this, it gets too confusing.
- We just had a pump efficiency class. We thought NEEA and BPA were going to more of a system approach. Why spend all our time looking at small stuff when the entire system is a lost opportunity?
- A system approach is sometimes to big a bite for end-users to take.
- Prioritize efforts; get the biggest bang for the bucks.
- It has some market transformation value. Rewind premium to a higher standard.
- Will take to local shop and get input.

- For an approved rewind shop, 25 percent of the incentive cost is enough. Apply \$0.12 times the table. [National Electrical Manufacturers Association (NEMA) premium; \$2/hp is about right. Buy down 40 percent of the cost for two years.]

Energy Smart Grocer/PECI (Gary Smith)

Gary Smith briefed the USB on the grocery program and asked utilities to send logos to be posted on the Web site (<http://www.energysmartonline.org>). PEGI has hired more staff in Portland: four fulltime, and there will be seven in the field by December 31. We went to the RTF to get head cooling fan and LED case lighting measures approved, and they were approved. Gaskets and closers are allowed in the program, but there are still no associated savings. A lot of stuff is coming up – audits, talking to contractors.

- What about condenser fans? [Steve Cofer, PEGI, will cover the condenser; it's changing from shaded pole to ECM.]

Action Items

BPA	<ul style="list-style-type: none"> • ▪
USB	<ul style="list-style-type: none"> ▪ Send feedback on the new format and other aspects of the October 2007 Implementation Manual update to Jean at jaoates@bpa.gov ▪ Send heat pump cost data to Tom Eckman at teckman@nwcouncil.org ▪ Send agenda items to Mira

Next Meetings

• November 14, 2007	Conference call, 8:30 a.m. to 10:30 a.m.
• December 12, 2007	Face-to-face meeting, 9:30 a.m. to 4:00 p.m.

Potential Agenda Items for Next Meeting:

December Meeting

Mira is planning a tour of the BPA Ross facilities in Vancouver for the December USB meeting. It will involve some walking or driving between buildings, and possibly a fuel cell tour, but not a demonstration. The fuel cell is used as a backup power source.