

Utility Sounding Board (USB) Meeting Summary June 13, 2007

USB members in attendance:

- Van Ashton – Idaho Falls Power/IDEA (via phone for a portion of the meeting)
- Bruce Etzel – Benton REA
- Kevin Howerton – Grays Harbor PUD
- Kathy Moore – Umatilla Electric/PNGC (via phone for a portion of the meeting)
- Joe Savage – Emerald PUD (via phone for a portion of the meeting)
- Dawn Senger – Richland Energy Services
- Randy Thorn – Idaho Power Co.
- Jim Wellcome – Cowlitz County PUD
- Larry Blaufus – Clark Public Utilities

BPA staff in attendance at various times:

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| <ul style="list-style-type: none">• Brad Miller• Jennifer Eskil• Mark Johnson• Tim Scanlon• Karen Meadows• Steve Fucile | <ul style="list-style-type: none">• John Pynch• Lloyd Meyer• Rosalie Nourse• Ottie Nabors• Mira Vowles |
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How We Optimize Value of USB (Karen Meadows)

Karen provided background information on sector strategies for BPA's fiscal year 2008. What is needed from the utility perspective for ideas for infrastructure needs, hard to reach marketing, new initiatives and other activities that would enhance your abilities to achieve conservation? Are we using the USB as effectively as we can? Is this a good use of your time?

- The USB has been very valuable. Being able to review, comment and advise on new programs and opportunities has been good for all parties involved. The interaction between USB members has also been very valuable. Could improve when items are brought to the USB – the earlier the better. One example was the roll out of the April changes to the Implementation Manual.
- EnergySmart Grocers program wasn't "this is how it has to be." It would be helpful to keep programs simple –don't ask for information that we don't need.
- Smaller utilities are staff constrained. Need help implementing, reporting and training. They need help getting supervisors to commit to contracts when there are errors. It would help to have talking points for management to understand the value of the 3rd party.
- Briefing sheet, concept paper or outline sent ahead. Then at meetings fine-tune and review at different phases. Keep the USB involved in the initial concept development. [This might take a few extra months to roll out programs.]
- One good example is the Trade Ally Network concept. It will be important to continue to fine-tune and review. Another example is EnergySmart Grocers. Having access to the EnergySmart Grocers program design has really helped get utilities to sign on.
- It's important to be able to customize. BPA needs to be able to make decisions fast, especially in the residential sector, where most issues need to go back through the Regional Technical Forum (RTF).
- Hard to promote a program when it's in a state of flux. Important to get it right.
- Sector leads should include ideas that could be helpful for all utilities, and then the USB could comment on challenges and benefits that relate to them.
- Rotation makes it hard to know all of the interactions. The USB needs time to think about items to comment on them. The agendas are usually too full, so we don't completely flesh

out items. Some time should be allotted for USB members to bring items up, similar to a Round Table discussion. USB members that rotate out may still be involved.

- After discussing whether we need more meetings, it was decided that intermediate conference calls on timely issues may be appropriate.
- The USB communication channel has been very valuable. It's a good forum to avoid "this is the program, deal with it." Communication can be two-way in between meetings; sector leads can call USB members and USB members can call sector leads, but it would be helpful to bring that discussion back to a USB meeting in the form of a concept paper. [BPA will continue to provide the opportunity for feedback, but may need to move ahead with ideas after a few cycles.]
- The RTF issues are resolved when they come to the USB; not clear why some measures are on the table and some are not." For example mobile home heat pumps are going in and they are lost opportunities for savings.
- We can learn from each other instead of reinventing the wheel. Talking with other utilities is very helpful. It could be helpful to have a lead USB member that other utilities can bring issues to for discussion. It's important to help other utilities succeed.
- Energy Efficiency Representatives share what goes on in USB meetings; they will be more deliberate about sharing USB meeting summaries with their utilities. Need better feedback loops. USB members feel EERs are effective at bringing other utility issues to the USB. It may be good for EERs to let their utilities know what agenda items will be discussed and when USB meeting summaries are posted, asking them to contact a USB member if they want more information and provide USB member contact info. USB members feel talking with utilities is part of their responsibility, but question whether they can "drill down" too far. Ad-hoc focus groups may be a good solution for specific issues.
- Need to get agendas and handouts out early so USB members can come prepared. Leave enough time for a robust discussion. Request input from utilities through USB members. Plan on two or three stages of feedback. Clarify RTF and USB roles. Knowing sector roll out priorities will help with budgeting. Having an EER at utility budgeting sessions is helpful.
- Meeting summaries are too detailed, but a good documentation of the level of communication. It would be helpful to have a summary of key-points in the email with a link to the detailed summary. Lloyd volunteered to develop the summary of key-points.

One of the recommendations in the Summit Blue Strategic Marketing Plan was to consider expanding the role of the USB to insure more customer input into BPA program designs?

- Should we expand the USB? Nine utilities is a good size and well balanced between utility size and geographic representation.
- How can BPA get adequate sector input? Should we establish sector based subcommittees? Instead of more meetings, look at one sector at a time; this would allow USB members to ask around before the meeting. Specific issues may still be handled through ad-hoc focus groups. Most utilities have something in all sectors, and need to know about all sectors. Have non-USB sector specific brainstorming meetings, and then bring key issues back to the USB. Post future agendas to the web-page; then as USB members and EERs find out about specific utility issues, they bring them to the meeting. Allow non-USB members to call in.
- Is it more effective to brainstorm in person? Should we alternate brainstorming sessions at each meeting? Need to separate discussions on what is deemed and what is custom. We'll see after today's discussion how much time is needed.
- For industrial, regular vetting of issues with the USB is very valuable, due to the extensive industrial experience represented by the USB. Quarterly brainstorming, plus more regular feedback may be effective. Prioritization of industrial opportunities would be the focus. Discussing when to offer initiatives for utility budgeting would be valuable. For example, the CFL program roll out.

- How much information does the USB want on the Ag sector? If a utility has to help end-use customers with technical issues and administration, then utilities need to be educated and have input. Ag has other venues to reach end-use customers. Ag is a combination of large custom projects and deemed measures. Emerald PUD is pursuing Ag and will explore more this summer. A forum with key Ag utilities would be valuable; BPA should keep a key Ag utility on the USB. Existing Ag offerings were developed in two (east/west) Round Tables; we may get better penetration if we do this again. The USB doesn't need oversight on new offerings, but need to be informed on new measures, and provided with information for marketing and reporting.
- Issues vary by utility size. Would it be valuable to have a sub-committee representing small and medium utilities?
- At what point in the development of a concept should BPA involve the USB? Is it easier for USB to give feedback when we have fleshed out a concept first?
- Should we have sector brainstorming sessions once or so a year to identify barriers, opportunities, or areas in which BPA can bring value?
- Is there something BPA should do to help you gain your utility management support of the time you spend on the USB? A letter to USB member's manager prior to joining would be very helpful.
- How should we be setting the agenda – recently, BPA has been driving the agenda? Do USB members want more input? If so, how do we best solicit that input?
- As new members rotate in, do we need to provide more information on how the USB operates, the role of the USB, etc.? Did you feel well enough informed? What else should we do? Assign a USB member to new members to help with the transition. Have an orientation for new members; what's been worked on and what issues are currently on the table.
- How do we insure a robust discussion at the meetings?
- If we have a real time issue – should we try to solicit feedback from the USB by e-mail or other avenue

Timing for Adding New Measures/Initiatives to the PTR (Mike Rose/ Adam Hadley)

How can positive changes or neutral expansions be introduced in the Planning, Tracking and Reporting system (PTR) without negatively impacting utility programs? Some current examples are shower heads in stick built homes, or increases in willingness to pay, or a reduction in the requirements.

A neutral or positive change to a measure listed in the PTR includes any of the following:

1. Addition of a measure that is new to the PTR.
2. An increase in kWhs for a deemed measure listed (decreases in kWhs would be included when there is no negative impact).
3. An increase in the willingness to pay.
4. A reduction in the requirements for a measure listed.

BPA proposes that all neutral and positive changes with little or no impact are implemented on a timeframe other than the twice yearly schedule now in place. The proposed process would be to have the PTR send an e-mail to all customers, EERs and Contracting Officer's Technical Representatives (COTRs) announcing the change and including a link to a BPA Web page that provides details regarding the change announced. This Web page will keep a continuing list of the changes announced. Changes other than those listed above will be made during the twice yearly update to the Implementation Manual.

- This is a good idea. When there's an opportunity, ideas should be brought to the USB prior to making changes. There may be exceptions due to timing.
- The PTR should be programmed and tested prior to the eligibility dates for those changes.
- Shower head changes will include manufactured homes.

- Don't want to start and stop a program because of changes in the requirements. Would still want to implement changes sooner rather than waiting.
- When these changes are being considered, would it be helpful to have a briefing paper/concept paper prior to the meeting?
- RTF briefing is too concise. RTF meeting is typically the day before the USB meeting; need a better way to frame issues before BPA decides how to implement changes.

Commercial Sector Brainstorming Session – for FY 2008 (Tim Scanlon)

Broad themes: direct acquisition, ways to make small utilities succeed. Need to increase the penetration of existing technologies. Need to increase utility participation in bilateral contracts; only \$4 million out of \$32 million budgeted has been spent to meet targets.

- Will probably increase Conservation Acquisition Agreement (CAA) acquisition once the Conservation Rate Credit (CRC) has been spent.
- Unable to spend CRC with existing measures.
- Won't participate in CAA until CRC has been spent.
- Utilities are taking a "wait and see approach".
- If you don't do CRC you're going to be "dinged;" a greater incentive is needed for CAA.
- 1937 (Washington) motivates utilities to do more.
- The decrement is a big disincentive for CAA. [The decrement is only through this rate period, and its effect is lessening. BPA can provide information that demonstrates this.]
- Depending on rate structure, the decrement could make rates go up.
- New measures need to be Total Resource Cost (TRC) cost effective; in general wall insulation beyond code isn't cost effective.
- Develop a viable mechanism for direct acquisitions that is acceptable/meets the needs of utilities and BPA (include provisions for High Water Mark, reimbursement through CRC, and utility preferences for visibility with their end-use customers.)
- How do we further leverage trade allies and other third parties?
 - C&I Lighting Trade Ally Network (TAN) – utilities need to be part of the discussion. The approach may vary with each utility.
 - It was important to include utilities in vendor training. [BPA will continue to include utilities in deciding who gets trained.]
- How do we enhance marketing efforts? Point of purchase marketing?
- Continue and enhance efforts to facilitate peer sharing.
- Leverage limited resources by increasing collaboration with other regional stakeholders (Northwest Energy Efficiency Alliance (NEEA), Energy Trust of Oregon (ETO), etc).
- Focus on lighting, including commercial new construction (CNC), as a key source of near term aMW deliveries. Prescriptive paths for small CNC are coming. Implement TAN for C&I Lighting by fall of 2007. Continue to explore new technologies, measures, and develop targeted initiatives, e.g., ENERGY STAR® Vending Machines, Lodging initiative, computer desktop 80+ power supply initiative, retro-commissioning, continuous-commissioning and roof top units.
- Target making servers more efficient.
- Non-owner occupied commercial buildings is an issue. [You have to target the real estate market.] Building Owners and Managers Association (BOMA) is one avenue.
- Where gas is the primary heating source, can measures be fuel-blind?
- Institutional market (schools and hospitals); with rates going up, this is a great opportunity.
- Need deemed measures that are marketable. Programs need to be streamlined; one simple sheet of measures. [C&I Lighting trade ally field training focused on using spreadsheet; need to do more with marketing to the end-use customer.]
- Small commercial and industrial could share some deemed measures, such as small motors. Lighting and motors can cross sectors, but pre-rinse sprayers are commercial specific. Need more consistency and simplicity.

- Does marketing need to be different for different end-use customer types? [Trade allies need specific materials.]
- How do you get trade allies in the door to start with?
- Advertising campaigns such as the “Super Good Sense -the brains behind the beauty” campaign could help.
- Higher willingness to pay for hard-to-reach markets? [On a case-by-case basis, BPA will consider what it takes to move the market, similar to EnergySmart Grocer. Commercial New Construction (CNC) pays more.]
- Look at Leadership in Energy and Environmental Design (LEED) energy points.
- For 24/7 lighting projects, how painful is it to do a custom project proposal? [BPA is evaluating the deemed lighting program.]
- Education of building operators is important.
- Are there areas of cost effective potential that aren't being tapped?
 - There are still a lot of retrofit opportunities.

Tim will plan for more brainstorming in the future.

Industrial Sector Brainstorming Session – for FY 2008 (Jennifer Eskil)

Broad themes: continuous energy improvement, TAN, marketing and finding areas of cost-effective potential that aren't being tapped.

Continue on-site engineering support at large industrial facilities; currently underway with Grays Harbor PUD with paper, Cowlitz PUD with Weyerhaeuser/NORPAC, for continuous energy management. How is this model working and can we expand it?

- Cowlitz PUD has identified 60 potential projects at Weyerhaeuser/NORPAC; it's been good to have someone focusing on energy efficiency. Three pumping and one compressed air project have been initiated.
- Grays Harbor PUD has a project that wouldn't have happened otherwise. The hope is that the energy focus will be institutionalized. [This is a 6 month detail paid for by NEEA and BPA to develop a continuous energy improvement program; can bring in specialists through the Technical Services Portal (TSP). Projects aren't the primary focus.]
- Would cost sharing with \$0.15 utilities be an option? [Yes]
- Could examples from these plants translate to other similar plants? [They may not need to stay for 6 months.]
- Should we offer this to other large industries?
 - Yes, but the same person may not be as effective in another industry.
 - The ETO Program Development Contractors might be a good model to get experts in the field.
 - Idaho Power funds scoping studies and pays half the cost of audits.
- How has the industry received the suggestions and additional budget requirements?
 - Several projects have been funded –need ways to keep the momentum going.
 - Completing a few small successful projects will help.
 - A case study could be effective for other customers. [Jennifer will send information from the Grays Harbor PUD project.]
- Jennifer will include this in the FY 2008 industrial strategy, as well as a TSP enhancement option.
- Focus on industrial lighting through the TAN.
- Enhance utility/vendor/ end-user/trade ally training, education and marketing efforts.
- Leverage limited resources by increasing collaboration with other regional stakeholders (NEEA-Industrial Efficiency Alliance (IEA), ETO, etc.) and by outsourcing for a regional compressed air (CA) small system program, using trade allies and a savings calculator for air compressors less than 100 hp. Rogers Machinery is testing the calculator. One

enhancement to the calculator would be to add a calculation of the incentive. The group also identified more CA training and incenting for CA demand savings.

- This would reduce some of the requirements.
- Would this still be a custom project? [BPA is looking at deeming the calculator and relaxing the M&V requirements; more to come on this.]
- BPA is considering piloting three - four TSP Mining Enhancement work plans: town hall type meetings, scoping and marketing for/with utilities, and CA.
 - Cowlitz worked with a TSP vendor who did a CA audit and it worked out really well.
 - Continue deployment of CA Roadmap
 - Consider wastewater focus –leverage Consortium for Energy Efficiency (CEE) initiative
 - Consider motor rebate as door opener
 - Consider Conservation Voltage Reduction (CVR) focus
- What were the barriers to projects where technical service was provided?
 - Jennifer reported a 19 percent “non-project rate.”
 - Cowlitz reported renewed interest in previously provided technical service.
 - California reports over 80 percent “non-project rate” for pump testing.
- Should we simplify what we call this to “Energy Savings Plan”?
 - It doesn’t seem to matter what we call this, but now end-use customers are asking about reductions in carbon foot-print. This may result in more interest in energy efficiency. Much more interest in the last year in sustainability.
- Should rebates for small motors be re-introduced as a “door opener”?
 - Idaho Power offers rebates
- How much of a barrier is paying on measured savings?
 - ConAug negotiated partial payments.
 - Should only be considered for larger projects.
 - There should be some way to streamline this.

Residential Sector Brainstorming Session – for FY 2008 (Mark Johnson)

Bigger and better CFL program next year; hoping for 16 to 20 aMW in FY 2008. Working to remove any barriers associated with manufacturers, with the intent of moving twice as much product. Two programs: 1) Savings with a Twist (SWAT) for rural, independent stores in the fall and 2) Change a Light Change the World (CAL) in big box stores between January and March. Utilities should plan to double their 2006 budgets. The regional CFL target is 164.3 aMW over the 5 year rate period.

Potential residential opportunities being considered:

- Special opportunity \$4 CFL direct install with home audit.
- Pay more for specialty bulbs.
- It would help to have a white paper on disposing of CFLs. [EPA guidelines say the amounts of mercury are very small; some people say any amount of mercury is unacceptable.] Emerald PUD has a voluntary recycle program and will bring their flyers. Clark Public Utilities gives a coupon to customers, who bring in old CFLs.
- Touchier rebate and recycle program.
- Treat non-tenant multi-family windows the same as low-income with a single pane baseline. [BPA is waiting for ETO evaluation and RTF recommendation on this.]
- ENERGY STAR heat pumps without Performance Tested Comfort System™ (PTCS) duct sealing and commissioning and non-ENERGY STAR heat pumps don’t qualify for BPA incentives; RTF is looking at savings. ENERGY STAR heat pumps with PTCS duct sealing and commissioning costs \$7,000 more according to one contractor. Some discussion about differences in prices and what end users can afford. There are data showing savings for PTCS duct sealing and commissioning; this would build the contractor base. The multiple contractor trips, RTF commissioning specifications and some of the ENERGY STAR heat pump controls are not appropriate or cost effective.

- Utilities can contract with 3rd parties for PTCS duct sealing and commissioning?
- Would PTCS marketing materials be helpful? [Yes, with a workable program. The customer payback is too long to justify the upgrade.]
- Emerald PUD would BPA like to consider heat pumps in manufactured homes.
- It would be easier to market the same window incentive for all applications.
- 11,000 clothes washers were reimbursed in the first 6 months of FY 2007.
- Heat pump water heaters –NEEA is working on this. [The Council Plan assumes savings over 20 years for technologies that are still evolving.]
- Mini-split heat pumps are a good measure for multi-family applications. NEEA is considering testing.
- Would vendor focus groups benefit program design?
 - Brainstorm barriers to identify solutions:
 - There should be some way to streamline this.

New Bilateral Multi-Sector Contract Offer (Mike Rose)

Bilateral contracts have four standard offers, which expire Sept 30, 2007. EERs will talk to customers about one-budget multi-sector offers (MSO) in July.

Implementation Manual Format (Jim Wellcome)

Re-formatting the Implementation Manual to the Jump Start format would be helpful. [It's a lot of work to maintain both the Implementation Manual and the Jump Start Notebook.] It's very hard to find information in the Implementation Manual. [BPA will check into re-formatting the Implementation Manual to a more user-friendly format by October 1.]

Utility Energy Efficiency Workshop (Mira Vowles)

The Workshop received positive feedback; a summary of the evaluations was distributed but not discussed. After general agreement that we should have another Workshop in 2008, Mira asked about the location and dates. Again there was general agreement that Portland or Vancouver is the easiest for travel, and May is a good time (after the April 30 report deadline). Mira will send several dates for the USB to consider for 2008.

New Construction Forecast Reports (Mira Vowles, Ottie Nabors)

Mira and Ottie distributed sample New Construction Forecast Reports; there was general agreement that this information would be valuable and we will discuss more specifically in July. These utility-specific reports are generated using the same FW Dodge reports that the Council uses for targets, and are available for all sectors.

All present indicated they would be available for the July 11 conference call.

Next Meetings

• July 11, 2007	Conference call, 8:30 a.m. to 10:30 a.m.
• August 8, 2007	Face-to-face meeting, 9 a.m. to 3:30 p.m.