

Distribution System Efficiency Incentives Frequently Asked Questions (FAQs)

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Distribution System Efficiency Incentives (DSEI) Frequently Asked Questions

1. What is the definition of distribution?

Distribution is the infrastructure to deliver electric energy. It applies to the utility owned system, wires, transformers, etc, and can apply to systems within a retail customer facility, like an industrial plant. In general, the program focus of DSEI is directed at retail utility systems, not retail facilities.

2. Do energy savings on 69kv apply?

In general, electric system efficiency improvements can be implemented at any voltage.

However, from a practical standpoint, CVR projects will typically be deployed at distribution feeder voltages which serve retail customers. It is unlikely that CVR would be implemented at sub-transmission or transmission voltages.

3. How do I register for the Workshop and what does it cost?

The Workshops are facilitated by WSU. Information can be found at <http://www.capps.wsu.edu/conferences/wsubpa/>. You can link to the Registration site from this page. Attendance fee is \$125. Approx \$10 adder for those that want education credits.

4. What sector does distribution system efficiency measures fall under?

Industrial Sector

5. What are the incentive levels for distribution system efficiency measures available right now?

It depends on which Option the utility has chosen. The two Options are explained below:

Option 1

- The reimbursement level for retrofit industrial projects is \$0.17 per kWh (up to 70 percent of the incremental project cost). The reimbursement for new industrial construction projects is \$0.27 per kWh (up to 70 percent of the incremental project cost).
- BPA will provide the customer with technical support services for which the customer is not required to reimburse BPA. BPA will provide the best technical staff to meet the customer's need.
- The current TSP process applies. BPA will cover TSP costs of most upstream support for project development, including audits, scoping, CPP development, and measurement and verification (M&V) plan development. BPA will not cover TSP costs of downstream support such as the implementation of M&V Plans or completion reports. At the discretion of BPA, however, limited assistance may be provided to complete the M&V Plan. Downstream technical support may be included as part of project costs.

- Customers may continue to call the BPA customer-dedicated engineer for assistance with their industrial customer loads.
- BPA strongly encourages that the full incentive be passed-through to the industrial end-user.

Option 2

- The reimbursement level for retrofit industrial projects is \$0.20 per kWh (up to 70 percent of the incremental project cost). The reimbursement for new industrial construction projects is \$0.27 per kWh (up to 70 percent of the incremental project cost).
- BPA does not provide technical support for customers under this option. The BPA customer-dedicated engineer or BPA provided contractors will not provide walk-through audits, scoping, proposal development or M&V Plan development, however, the TSP-qualified BPA contractor list is available for customer use.
- The cost of upstream technical project support, such as audits and technical studies can be included in the total project costs.

6. What is the difference between Voltage Optimization and Conservation Voltage Regulation/Reduction (CVR)?

CVR is a term that has been used for decades to describe the reduction of voltage in order to reduce the demand for power. Voltage Optimization is simply optimizing the supply voltage in a manner that simultaneously achieves energy efficiency. These terms have been used interchangeably although the term Voltage Optimization more accurately captures the goal.

7. Can a Utility implement the measure known as conservation voltage regulation (CVR) as a stand-alone measure or will the Utility have to meet minimum operating parameters such as % current imbalance, power factor, total voltage drop %, etc., before implementing CVR?

Currently, there are no minimum operating parameters required prior to implementing voltage optimization project using M&V Protocol 1, with extensive data gathering requirement. However, in the future, BPA expects to require minimum operating parameters as a prerequisite for accepting CVR projects using a simplified M&V procedure.

8. Are all distribution system improvements like reconductoring, phase balancing, power factor correct, and transformer upgrades considered Custom Projects?

Yes. Utilities interested in pursuing reimbursement for distribution system improvements must submit a Custom Project Proposal.

9. What is a Custom Project Proposal?

See the BPA Energy Efficiency Implementation Manual, section 1.7, page 5.
http://www.bpa.gov/Energy/N/pdf/April_1_2009_Implementation_Manual_REVISED_5-13-09.pdf

10. Will distribution system improvements still be considered Custom Projects when BPA launches its upcoming Distribution Efficiency Program?

BPA is planning to seek input from the Technical Work Group regarding the approach for the Distribution System Efficiency Program. Specifics are not yet available.

11. The measurement and verification protocol for CVR is too difficult and time consuming.

Protocols are currently under development to simplify the data collection and to reduce the metering requirements. BPA plans to implement these simplified protocols with the launch of the new Distribution System Efficiency Program under development.