

Post-2011 Review

Workgroup 3: Low Income

Held at BPA Office, Portland

February 6, 2014



Agenda

- Introductions
- Purpose and Objectives of Post-2011 Review Process
- Scheduling and Operational Excellence
- Desired Outcomes for WG3
- The Two Low Income Programs (1- State Managed Grant Program to the CAPs; and 2- The Utility Program)
- Post-2011 Facts & Figures
- Answer Questions and Issue Identification
- Prioritization of Issues
- Next steps - 1:45 pm
- Adjourn – 2:00 pm

OPERATIONAL EXCELLENCE

- **Group Norms/Courtesies** (When you speak, state your name and organization, do not interrupt others, and we need to listen for folks on the conference line. Mute *6, do not put on hold.
- **Communications**
 - calendar invites – helpful?
 - meeting summaries/strive to have notes available within 10 days
 - Materials will be posted on BPA's Post-2011 website
- **Discussions**
 - Meetings need to progress; try not to get bogged down on a topic
 - Questions/Comments/Thoughts/Suggestions
 - In person participants, please use the notecards on the table
 - Live Meeting participants, please post your comments and we will capture them

BPA Working Assumptions

- BPA must fulfill its statutory obligations, e.g., BPA must “acquire” conservation (defined in BPA policy as an exchange of funds)
- Any proposal must work within the existing Regional Dialogue policy and contracts
- Decisions need to be made in the context of other dynamic agency drivers (e.g., CIR, IPR, Access to Capital)
- Funding levels will be decided in the CIR and IPR processes
- Any proposal must be consistent with BPA’s financial and procedures and reviewed by BPA finance for consistency with sound business principles
- Any proposal should not adversely impact customers that choose not to pursue a particular alternative
- Any proposal should not consider customer “a la carte” funding of EE costs/services (i.e., picking which EE costs to pay for).

Quick Overview on the “Post-2011” Process

- EE’s framework aligns with the implementation of BPA’s Regional Dialogue power sales contracts
- *Prior Post-2011 public process*: conducted from January 2009 to March 2011
- *Then*: BPA committed to public review process after sufficient experience had been gained
- ***Today***: undertaking that process to review and consider improvements to the BPA energy efficiency policy framework and associated implementation elements put in place on October 1, 2011

Workgroups

| | |
|---|---|
| <p>Workgroup One: Model for Achieving Programmatic Savings</p> <ul style="list-style-type: none"> • EEI Allocation Methodology Using TOCAs • Utility Self-Funding • Two-Year EEI Budgets • BPA Redirect of EEI Funds • BPA's Backstop Role • Regional Program Administration • Limitations of the Post-2011 Framework • Performance Payments for Regional Programs | <p>Margaret Lewis and Doug Brawley (PNGC) Proposing First and Third Wednesday</p> <p>Seven Meetings Tentatively Scheduled: 1/16, 1/29, 2/19, 3/5, 3/26, 4/9, 4/23</p> |
| <p>Workgroup Two: Implementation Manual</p> <ul style="list-style-type: none"> • Frequency of Changes to the Implementation Manual | <p>Dan Villalobos and Ross Holter (Flathead)</p> |
| <p>Workgroup Three: Low Income</p> <ul style="list-style-type: none"> • Funding Low-Income Residential Energy Efficiency | <p>Boyd Wilson and Eugene Rosolie (Cowlitz)</p> |
| <p>Workgroup Four: Flexibility Mechanisms</p> <ul style="list-style-type: none"> • Large Project Fund • Unassigned Account Allocation Methodology | <p>Melissa Podeszwa and Ray Grinberg (Pen Light)</p> |
| <p>Workgroup Five: Reporting and Verification of Savings</p> <ul style="list-style-type: none"> • BPA Role in Verifying Self-funded Savings • Timing of Utility Reporting to BPA • Reporting and Consistency of Utility Self-funded Savings | <p>Mark Ralston and Mary Smith (Snohomish)</p> |

From the Scoping Document, p. 6

Directing EEI Funding to Low-Income Residential Energy Efficiency

Problem Statement – The current framework may not ensure EEI funds are adequately dedicated to low income residential energy efficiency, in particular, weatherization. For low income energy savings acquired through the work of Community Action Agencies, customer utilities may not be receiving credit for those savings occurring in their service territories.

Options –

Status quo: the EEI framework is left as-is with no means to direct EEI specifically toward low income investments.

Low income incentive: BPA and public power devise an incentive targeting low income residential.

Low income requirement: BPA and public power devise a requirement targeting low income residential.

Savings credit: BPA and customer utilities devise a means to ascribe credit to utilities for low income savings acquired through the work of Community Action Agencies.

Note this issue is separate from BPA's \$5 million grant for low income energy efficiency.

Providing this option should not be interpreted to mean a willingness or ability by BPA; rather, it is being captured to reflect customer input received.

What does 'success' look like to you?

Walk Through a Transaction

- CAP Agencies describe a typical transaction.
- Utility Program describe a typical transaction.
- Comparison of CAP to Utility program.

Utility Program, L.I. Measures from IM, Page 104

Measures must be RTF defined as TRC cost-effective and approved by BPA. The table below summarizes eligible measures, which must be individually reported to BPA. Note that BPA eligible measures might differ from eligible measures defined using the U.S. Department of Energy’s Savings to Investment Ratio (SIR) method.

| Home Type | Qualifying Measures |
|--------------------|---|
| Single-family | <ul style="list-style-type: none"> • Whole House Air Sealing and Testing • Attic insulation (up to R49) • Floor insulation (up to R30) • Wall insulation (up to R11) • PTCS duct sealing for heat pumps and electric forced air furnaces • Prime window or patio door replacement* |
| Multifamily | <ul style="list-style-type: none"> • Attic Insulation (up to R49) • Floor Insulation (up to R30) • Wall Insulation (up to R11) • Prime window or patio door replacement (Class 30 only)* |
| Manufactured Homes | <ul style="list-style-type: none"> • Whole House Air Sealing and Testing • Attic insulation (HZ1: up to R19, HZ2: up to R30, HZ3: up to R30) • Floor insulation (up to R11) • Forced-air electric furnace - PTCS duct sealing • PTCS duct sealing for heat pumps and electric forced air furnaces • Prime window or patio door replacement* Prime window or patio door replacement* |

- Issues that you would like to discuss today at this Low Income meeting?
- The first issues to be discussed were sent in via email to the Co-Chairs over the last couple of weeks.

Issues and Questions Received (we are identifying issues – this is not discussion time)

- Can Utilities work on the same residential project as the CAP Agency?
- How can the CAP Agencies work closer with the Utilities?
- Can BPA require that the Utilities use their EEI to help support Low Income?

Issues and Questions (Continued)

- Questions from a participant. Is the issue?
 - a) BPA is not providing enough funding for LI-external to reimbursement to utilities;
 - b) BPA measure eligible constraints on utilities, thus reducing what utilities can pay;

Issues and Questions (Continued)

- c) utilities not getting credit for savings generated by CAA work – with or without payment from utility? I am not sure what you can do that is better than paying 100%.
- I know that some CAP agencies feel like they could spend a lot more than the current 5 million dollar budget that is across the territory as a whole.

Issues and Questions (Continued)

- Which utilities currently run programs targeting low-income energy efficiency ?
- How have they made these work?
- What are the characteristics that set these programs apart?

Issues and Questions (Continued)

- Previous incarnations of BPA's conservation program resulted in greater participation in low-income energy efficiency. What are the barriers to achieving a higher level of local utility sponsorship going forward?

Issues and Questions (Continued)

- How is cost testing applied to a low-income measure or program? Can strict cost-effectiveness be adjusted to achieve greater equity?
- Are there ways local low-income energy efficiency providers can enhance or assist in the utility's other conservation programs?

Issues and Questions (Continued)

- Should BPA require local utilities to demonstrate their low-income customers are getting an equitable opportunity to participate in energy conservation?
- Should BPA require an investment in low-income energy efficiency commensurate with their representation in the local population?

Issues and Questions (Continued)

- Do we need a new cross-cutting partnership of BPA, utility representation, low-income organization representation, and the Power Council to create a more effective penetration rate throughout the service area?

Issues and Questions (Continued)

- Review of current low-income efforts, by BPA and utilities.
- [What are the] Proposals on the table?
- What is the driver for special treatment of low-income?
- Some Low Income folks that have been paying into the system for 30-40 years don't know about the program or do not want a "hand out". Other less qualified people step in to get the funding.

List of Issues that were brought up the Workgroup Meeting

1. Can the paperwork from the CAP agencies go to BPA?
2. What are the barriers to achieving a higher level of local utility sponsorship going forward?
3. Homeowners vs. renters, how can we address this issue?

Proposed Timeline

Plan for the Post-2011 Review

DRAFT: 1/7/2014

OPEN TO REVISION

| | Fiscal Year 2014 | | | | | | | | |
|---|------------------|-----|-----|-----|-----|-----|------|-----|-----|
| | Q2 | | | Q3 | | | Q4 | | |
| | Jan | Feb | Mar | Apr | May | Jun | July | Aug | Sep |
| Formal stakeholder meetings to work out solutions to the "issues of importance" identified in the updated scoping document (regional meetings and workgroups) | ■ | ■ | ■ | ■ | ■ | ■ | | | |
| Develop "Draft Proposal" based on feedback from regional meetings and workgroups | | | | | ■ | ■ | | | |
| Public comment period on "Draft Proposal" | | | | | | ■ | ■ | | |
| Develop final "Post-2011 Review" based on public comments | | | | | | | ■ | ■ | ■ |
| Prepare for any agreed upon changes, i.e., draft necessary IM language | | | | | | | | ■ | ■ |

Big Tent Meetings

Four Regional “Big Tent” Meetings Scheduled

- Meeting #1 Tacoma, WA (Tacoma Power to host)
February 26 9:00 a.m.-3:00 p.m.
- Meeting #2 Eugene, OR (Emerald People’s Utility District to host)
March 20 9:00 a.m.-3:00 p.m.
- Meeting #3 Kennewick, WA (Benton PUD to host)
May 8 2:00 p.m.-5:00 p.m. (Efficiency Exchange Conference)
- Tentative Meeting #4 June 17, Portland, 1:00-4:00 p.m.
- Tentative Meeting #5 June 25, Kalispell, 9:00-3:00 p.m.

Next Low Income Workgroup Meeting

- March 6, 2014, face-to-face meeting.
- It will be in the Portland area and the location and exact time will be announced to all the participants.
- Thanks to all that participated today on the phone and here in the Portland office of BPA.

