

Workgroup #2 "The Implementation Manual"

Post 2011 Revised Scoping Document

"Problem Statement – Depending on one's perspective, the current frequency of changes to the Implementation Manual (IM) may not be frequent enough or too frequent."

The Utility Perspective

- The frequency of changes to the IM is too frequent.
- The frequency of publication of the IM makes program planning and implementation, administration, marketing and oversight very challenging, at times confusing and adds costs.
- There is often a lack of clarity on proposed changes given at the 6 month notice.
- Frequency and uncertainty of changes or proposed changes does not allow customers adequate time to make adjustments to their local program delivery approach, marketing materials and outreach.
- The ideal solution would be a rate-period IM but BPA at a minimum should consider moving to an annual IM.

The BPA Perspective

- The changes to the IM may not be frequent enough.
- BPA should be consistent with the RTF changes to savings estimates.
- Under the current model, BPA could be booking savings values that the RTF no longer supports for possibly as long as 15 months given the time it takes to update the IM ahead of the six month notice.
- This is too long to conform to BPA's reliable savings standard because BPA could be paying more than it costs to implement the measure and in some circumstances will pay for conservation measures that are non-cost-effective for an extended period of time.
- Moving to an annual IM could prolong this by an add'l 6 months.

Workgroup Objectives

- Arrive at a consensus-based recommendation that address the issue outlined in the scoping document.
- Address the issues/ arguments gleaned from WG #2 launch meeting dialogue of Feb. 11th, 2014.
- Provide a greater degree of stability in programs and policy.
- Ensure IM publication process, including clarity on how and why changes are made, is transparent, systematic and structured.
- Allow customers adequate time to make changes to their local program delivery approach and materials.
- Correctly assign and capture energy savings.
- Allow for adoption of marketplace trends, technical updates, customer suggestions and technology changes.
- Allow BPA to ensure consistency and alignment with RTF modifications in a timely manner.

Options Presented for Consideration:

Option #1: BPA continues with required six month notices for increases/decreases to savings and reimbursements and adding/substituting requirements for new measures, optional lighting calculators, and removing requirements requires no notice. (Status quo)

- Determination; Does not satisfy workgroup objectives

Option #2: Publish IM twice per year in October and April with no periodic updates and revisions.

- Determination; Does not satisfy workgroup objectives

Option #3: Flexible manual: BPA implements changes to the IM anywhere from immediate (i.e., no advance notice needed) to the current six month notice, depending on the change.

- Determination; Does not satisfy workgroup objectives

Option #4: Publish IM once per year in October and give notice of changes in April. No other changes would be permissible.

- Determination; Does not satisfy workgroup objectives

Option #5: Annual manual: For increases/decreases to savings and reimbursements and adding/substituting requirements, BPA changes the IM annually (as opposed to every six months).

- Determination; Does not satisfy workgroup objectives

Option #6: Publish Implementation Manual once per year in October and give notice of pending changes in April. Clarifications or corrections or discretionary changes to kWh savings not affecting BPA WTP may be made more frequently.

- Determination; May satisfy workgroup objectives

Option #7; Hybrid: BPA implements certain changes to the IM on an annual basis with other changes occurring more frequently.

- Determination; May satisfy workgroup objectives

Option #8; Rate Period Manual; Clarifications or corrections, new measures or discretionary changes to kWh savings may be made off-cycle.

- Determination; May satisfy workgroup objectives

Workgroup #2 Rate Period Manual Option;

Publish Implementation Manual once per rate-period in October. Maintain a change Tracking Document throughout the rate period with all changes being locked as of April 1st prior to the release of the IM and release to coincide with the notification of the Customer rate-period budgets.

Understanding that programmatic changes and saving values occur during the course of the year, the change Tracking Document will be kept current throughout the rate-period. BPA could update/edit the change Tracking Document at any time leading up to March 1st in the final year of the rate-period. As of April 1st changes are locked and subsequently released with the October 1st IM (six month notice). This allows one month for final program change review for clarifications and corrections.

- References to kWh savings would be removed from IM
- Corrections and clarifications not negatively impacting program implementation may be made off-cycle.
- Introduction of new measures and Lighting calculators may be made off-cycle and adoption would be optional for Customer until appropriately implemented
- Removal of requirements that are no longer necessary or burdensome to either BPA and/or the Customer or for the purposes of BPA oversight may be made off-cycle.
- The Tracking Document would include “alerts” to Customer as to which measures are currently under RTF review and timelines for future measure and data review.
- A Change Review Board which includes Customer and BPA staff should be created and a structured process to review upcoming proposed changes put in place (possibly tasked to USB).
 - Allows for more time for Customer review and comment and allow for a more advanced notice of pending changes instead of having them introduced all at one time.
 - Customer would have more time to learn about reasoning/justification behind impending changes which would provide clarity and transparency and eliminate uncertainty of proposed changes.
 - Provides clarity and transparency

Critical benefits: Moving from a bi-annual IM provides benefits to both BPA and the Customer.

- Allows utilities to develop programs at beginning of rate-period and budget accordingly
- Reduces the cycle of IM changes in a given rate-period from four to one.
- Allows for a more streamlined, consistent approach to acquiring EE through
 - Program security
 - Reduces confusion
- Allows for more thorough review prior to publication
 - Reduces the potential for error and need for off-cycle clarification and corrections
 - Should result in fewer BPA policy reversals
 - Allows for a more transparent process
- Reduces Customer and/or BPA Marketing costs
- Reduces Customer and/or BPA printing costs
- Allows Customer and BPA sufficient time to make adjustments to their program delivery approach and outreach
- Allows Customer and BPA adequate opportunity to efficiently incorporate changes to internal programming and reporting systems

For Discussion Purposes Only

- Reduces potential for errors both in reporting and recordkeeping
- Facilitates BPA COTR oversight
 - One manual to reference instead of four for compliance in a rate-period
- Others?

Ancillary Benefits:

- Improved Customer satisfaction
- Saves money
- Increases transparency
- Enhances Customer/BPA collaboration
- Reduces confusion
- Reduces opportunity for error
- Increases Customer end-user satisfaction (the Customer's customers)
- Reduces stress
- Others?

For Discussion:

In retrospect, the changes to the kWh savings have not occurred that frequently but have had a negative impact on the I-937 utilities or utilities in general. Understandably, measures and measure savings that have been reduced or eliminated have historically been offset by introduction of new measures i.e., LED's, that the I-937's would not have had in their 2 year targets that would now be available to them so while the argument is valid from both perspectives it really shouldn't be a game-changer/show-stopper.

BPA *could* be paying more than it costs to implement the measure and in some circumstances will pay for energy efficiency measures that are non-cost-effective for a period of time but BPA's current delivery model utilizes a standard portfolio approach. This allows for application of some measures that have a BC ratio of <1 but when combined with cost-effective measures permits utilities to market the cost-effective measures successfully, with consistency and therefore effectively delivers kWh savings. This practice has been proven universally as an effective delivery mechanism by many utilities implementing energy efficiency programs because and it encourages widespread adoption of all energy efficiency measures.

Workgroup #2 Annual Manual:

For Discussion Purposes Only

Publish Implementation Manual once per year in October. Maintain a change Tracking Document throughout the year with all changes being locked as of April 1st.

Understanding that programmatic changes and saving values occur during the course of the year, the change Tracking Document will be kept current throughout the year. BPA could update/edit the Tracking Document at any time leading up to March 1st. As of April 1st changes are locked and subsequently released with the October 1st IM (six month notice). This allows one month for final program change review for clarifications and corrections.

- References to kWh savings would be removed from IM
- Corrections and clarifications not negatively impacting program implementation may be made off-cycle.
- Introduction of new measures and Lighting Calculators may be made off-cycle and adoption would be optional for Customer until appropriately implemented
- Removal of requirements that are no longer necessary or burdensome to either BPA and/or the Customer or for the purposes of BPA oversight may be made off-cycle.
- The change Tracking Document would include “alerts” to Customer as to which measures are currently under RTF review and timelines for future measure and data review.
- A Change Review Board which includes Customer and BPA staff should be created and a structured process to review upcoming proposed changes put in place (possibly tasked to USB).
 - Allows for more time for Customer review and comment and allow for a more advanced notice of pending changes instead of having them introduced all at one time.
 - Customer would have more time to learn about reasoning/justification behind impending changes which would provide clarity and transparency and eliminate uncertainty of proposed changes.
 - Provides clarity and transparency

Critical benefits: Moving from a bi-annual IM provides benefits to both BPA and the Customer.

- Reduces the cycle of IM changes in a given rate-period from four to two.
- Allows for a more streamlined, consistent approach to acquiring EE through
 - Program security
 - Reduces confusion
- Allows for more thorough review prior to publication
 - Reduces the potential for error and need for off-cycle clarification and corrections
 - Should result in fewer BPA policy reversals
 - Allows for a more transparent process
- Reduces Customer and/or BPA Marketing costs
- Reduces Customer and/or BPA printing costs
- Allows Customer and BPA sufficient time to make adjustments to their program delivery approach and outreach
- Allows Customer and BPA adequate opportunity to efficiently incorporate changes to internal programming and reporting systems
 - Reduces potential for errors both in reporting and recordkeeping
- Facilitates BPA COTR oversight
 - Two manuals to reference instead of four for compliance in a rate-period
- Others?

Ancillary Benefits:

- Improved Customer satisfaction
- Saves money
- Increases transparency
- Enhances Customer/BPA collaboration
- Reduces confusion
- Reduces opportunity for error
- Increases Customer end-user satisfaction (the Customer's customers)
- Reduces stress
- Others?

For Discussion:

In retrospect, the changes to the kWh savings have not occurred that frequently but have had a negative impact on the I-937 utilities or utilities in general. Understandably, measures and measure savings that have been reduced or eliminated have historically been offset by introduction of new measures i.e., LED's, that the I-937's would not have had in their 2 year targets that would now be available to them so while the argument is valid from both perspectives it really shouldn't be a game-changer/show-stopper.

BPA *could* be paying more than it costs to implement the measure and in some circumstances will pay for energy efficiency measures that are non-cost-effective for a period of time but BPA's current delivery model utilizes a standard portfolio approach. This allows for application of some measures that have a BC ratio of <1 but when combined with cost-effective measures permits utilities to market the cost-effective measures successfully, with consistency and therefore effectively delivers kWh savings. This practice has been proven universally as an effective delivery mechanism by many utilities implementing energy efficiency programs because and it encourages widespread adoption of all energy efficiency measures.