Energy Smart Industrial Utility Focus Group Meeting

July 12, 2022

Facilitator:
Kyle Barton
Energy Smart Industrial Program Mgr
Energy Efficiency
Bonneville Power Administration
<table>
<thead>
<tr>
<th>Name</th>
<th>Company Name</th>
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<tbody>
<tr>
<td>Aaron Houseknecht</td>
<td>Seattle City Light</td>
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<td>Alan Fraser</td>
<td>Tacoma Power</td>
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<td>Ashley Stahl</td>
<td>City of Centralia</td>
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<td>Bill Hough</td>
<td>EWEB</td>
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<td>Brandy Neff</td>
<td>PNGC Power</td>
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<td>David Harris</td>
<td>Springfield UB</td>
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<td>Don Newton</td>
<td>Flathead Electric</td>
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<td>Jacob Henry</td>
<td>Lewis PUD</td>
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<td>Jason Bird</td>
<td>City of Idaho Falls</td>
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<td>Jen Langdon</td>
<td>Cowlitz PUD</td>
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<td>Kelsey Lewis</td>
<td>Snohomish PUD</td>
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<td>Lori Froehlich</td>
<td>Clark Public Utilities</td>
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<td>Matt Walker</td>
<td>Tacoma Power</td>
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<td>Mike Arend</td>
<td>Columbia River PUD</td>
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<td>Rusty Heaslet</td>
<td>Benton REA</td>
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<td>Ryan Westman</td>
<td>City of Milton-Freewater</td>
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<td>Salem Schankel</td>
<td>Mason PUD 3</td>
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<td>Terry Mapes</td>
<td>Benton PUD</td>
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<td>Travis Hardy</td>
<td>Northern Wasco PUD</td>
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<td>Zeecha Van Hoose</td>
<td>Clark Public Utilities</td>
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<tr>
<td>Brice Lang</td>
<td>BPA, Contract Officer's Technical Rep</td>
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<td>Doug Heredos</td>
<td>Cascade, Custom Project Process Mgr</td>
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<td>Jacob Schroeder</td>
<td>Cascade, Energy Management Manager</td>
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<td>Jennifer Wood</td>
<td>BPA, Contracted Program Specialist</td>
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<td>Kyle Barton</td>
<td>BPA, ESI Program Manager</td>
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<td>Shelley Layton</td>
<td>Cascade, Program Specialist</td>
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<td>Todd Amundson</td>
<td>BPA, Industrial Technical Lead &amp; Engineer</td>
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<td>Tony Simon</td>
<td>Cascade, ESIP/ESIP Lead</td>
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Kyle Barton: Welcomed everyone and reviewed the meeting agenda.

**Agenda**

<table>
<thead>
<tr>
<th>Agenda Item</th>
<th>Presenter(s)</th>
<th>Time</th>
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<tr>
<td>Welcome and Overview</td>
<td>Kyle Barton, Tony Simon</td>
<td>11:00 – 11:10</td>
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<tr>
<td>• Safety Update</td>
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<td>• ESI Team Updates</td>
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<tr>
<td>ESI Program Updates</td>
<td>Tony Simon, Travis Hardy, Jacob Schroeder, Don Newton, Todd Amundson</td>
<td>11:10-11:30</td>
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<td>• Custom Project Pipeline</td>
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<td>• Remote SEM Cohort</td>
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<td>• Energy Project Manager</td>
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<td>UFG Open Forum</td>
<td>All</td>
<td>11:30-11:50</td>
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<tr>
<td>Wrap-up and Reminders</td>
<td>Kyle Barton</td>
<td>Remaining time</td>
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This month’s **Safety Moment** is brought to you by Tony Simon, ESIP/ESIP Lead.

Tony Simon: It is important to have a good electrical safety program; although not everyone does electrical work, this month we wanted to talk about electrical safety and how they can help any safety program.

**Safety Moment – Electrical Safety**

Arc flashes and arc blasts are hazardous events that can happen because of a fault or other problem in an electrical panel or cabinet.
T. Simon: Here are some key items the ESI program has in our electrical safety program to help our team be safe and effective while working in the field.

**Safety Moment – Electrical Safety Program**

**Electrical Safety Program Components:**
- Training and knowing who is qualified for what task.
- Job Planning Forms and Job Briefs
- Personal Protective Equipment (PPE)
- Positive encouragement to report near misses.
- Have electricians perform work if available and qualified.
- Stop Work Policy

The Stop Work Policy allows anyone to say something if something doesn’t feel right. The policy allows employees to stop work and discuss the situation to find a better, safer approach to the task at hand.

Now on to **ESI Team Updates**... ESI would like to announce the upcoming retirement of Troy Savage in late August 2022. He’s supported the utilities (shown in blue) since March 2018. Besides program implementation and technical support, it is all about the people. With a vast service area, he’s done a fantastic job serving his customers and their end users. Troy exemplifies excellence and we will miss him.

**ESI Team Updates**

**Troy Savage’s Retirement**

- 16 Utilities
- 341 Site Visits
- 79 Different End-User Customers
- 26 Projects
- 6.9 million kWh/year
- Largest project: 1.4 million kWh/year

Troy Savage
T. Simon: We would also like to welcome our newest ESIP, Henry Griffith. Henry supports Cowlitz, Clatskanie and Tillamook PUD- this territory includes several mega-sites: including three (3) pulp and paper mills, a large chemical plant, several lumber mills, and Tillamook Creamery. He is known as the “ammonia whisperer.”

He has served regional and national clients in a variety of technical and account management roles.

There are also a couple of ESIP transitions happening. Jimmy Sauter has relocated to North Idaho and will be taking over Troy’s territory.

- Hand-off meetings will occur throughout July.
T. Simon: Staffing changes will be gradual, we are mindful of making these transitions smooth while continuing to provide great customer service to both utilities and end-users.

We’d like to thank you customers during this transition time.

**ESI Team…cont’d**

New Assignments (August 2022)

We have noticed supply chain disruptions this year– the average custom project timeline has increased from 14 months to 18 months from start to completion; as a result we need a larger pipeline to achieve sector targets.

As a result, the ESI team kicked off the “ESI Pipeline Olympics” – putting emphasis on building a strong pipeline.
T. Simon: In early 2022, we met together virtually to identify things to build the pipeline.

**Pipeline Olympics – Team Brainstorm**

**Brainstorm resulted in**
**Pipeline Olympic Event Categories!**
- Shovel-ready Custom Projects
- Vendor and Distributor Outreach
- Project Assessment Studies
- SEM Recruitment

1Quicker projects to complete (less than 18 months)
2Connected and clarified program point of contacts, incentives, requirements, etc.
3Or project scoping; the more technical eyes means more opportunities.

Jacob will expand on the SEM Recruitment, later in the presentation.

One category idea was to mine the canceled/on-hold projects; they can be a gold mine.

**Pipeline Olympics – Mining On-Hold Projects**

**On-Hold Projects Still Have Value**
- Savings and costs already vetted
- Might be easier to sell
- Higher probability of implementation
- Brings back value by increasing our pipeline forecasting

Revisited 80+ on hold and cancelled projects

If we could bring back 2% of these projects it can bring big savings (possibly 1.0 aMW). We’ll consider past barriers and how they can be overcome.
T. Simon: The efforts are paying off – with some quick wins. This head-to-head competition has brought several categories, as shown below by the trophies. We expect a surge of new projects and even more projects from the new SEM Cohort, in late summer.

Pipeline Olympics Success!

- In Q3 2022 we broke ESI’s quarterly record for new Custom Projects entered the ESI HUB (90 new projects)

The efforts from the Pipeline Olympics have yielded new projects across four fiscal years (FY22-25); the majority has contributed to FY23.

Building the 2023 Custom Project Pipeline
T. Simon: The ESI team is laser-focused to closeout projects this year. The map below there are several projects throughout BPA’s region. Industries are experiencing staffing and supply chain issues while still implementing projects and persisting.

**FY2022 Option 1 Custom Projects – Still to Close**

154 Custom Projects

4.5+ aMW

Slide 16 is a Project Success Poster where Pacific Coast Producers (formerly Oregon Cherry Growers) collaborated with Northern Wasco PUD. Travis Hardy, Energy Management Program Manager at Northern Wasco will talk about this project.

**Travis Hardy:** This was an amazing project that was completed a few months ago. It was the largest rebate paid out and the largest project completed in our territory. There were some hiccups; but we managed to get them all resolved. I appreciate the support our ESIP, Christian Miner, provided and look forward to doing more work in the future.
T. Simon: Next up, Jacob Schroeder will be provided the Strategic Energy Management Updates.

Jacob Schroeder: We wanted to share some numbers regarding the newest Remote SEM Cohort. This is one of the most ambitious cohorts to date; with projected annual savings of 1.7 aMW or more than 15 million kWh!

As this timeline shows, we’re 1.5 months into this new cohort with two workshops completed. We see a lot of momentum building. During the second workshop we talked about seven quick wins, and the technical training focused on blowers, fans and HVAC systems. The third workshop’s technical training will focus on compressed air systems.
J. Schroeder: Participants are busy with Energy Scans underway. A lot is going on...here is a picture from the recent Weyerhaeuser Energy Scan. Inviting Don Newton, Energy Services Supervisor and Key Accounts Representative at Flathead Electric, to share his observations, from attending.

Don Newton: The presentation sets the stage for a successful treasure hunt and helps everyone be in the right mindset. Easy wins – the number of ideas on the board by the end of the day. I would encourage you to contact your ESIP if you’d like to participate in one of the upcoming Energy Scans.

Jacob Schroeder: Next Todd Amundson will share Energy Project Manager Updates.
Todd Amundson: Energy Project Managers or EPMs are individuals designated to identify and oversee the implementation, focusing on energy efficiency projects at the site. The slide below recaps some of the new guidelines, as of April 1st – currently we’ve re-enrolled 4 EPMs and added 1 new EPM. The energy savings goal or threshold has been reduced (previously the one million kWh savings goal was a barrier to participation – The 200,000 kWh limit applies to the time of enrollment – so the savings goal may dip below, beyond the initial roll-out.

**Energy Project Manager, Measure Updates**

**Effective April 1, 2022**

- Savings threshold lowered from 1 million kWh to 200,000 kWh
- EPM co-funding based on verified savings
- No salary documentation required
- BPA WTP capped at $150K per biennium
- Enrollment process streamlined

We did away with EPM progress payments – replacing them with incentives based on verified energy savings, thus streamlining the admin tasks and eliminating the requirement for salary documentation. Utilities still retain the option to cap incentives below BPA’s willingness-to-pay of $150K per biennium. We simplified the enrollment process – putting an emphasis on identifying projects.
During the previous ESI Quarterly Utility Focus Group Zeecha Van Hoose from Clark Public Utilities shared their perspective on EPMs and the benefits experienced within their service territory. Slide 21 shows how EPMs can provide value to both the site and utility - with three (3) key components that help ensure success.

1. Assigning an individual with the responsibility and accountability for EE projects.
2. Having a project list that includes potential savings, costs, and specific milestones.
3. Clear savings goal – keeps focus and brings clarity.

The results, sites with EPMs achieve higher savings and more structured pipelines.

The EPM co-funding, can be viewed as a cost adder of $0.025 per kWh; however, when looking at the previous rate period and utility’s capping payments, the actual cost was nearly $0.01 with the overall project incentives being an additional $0.09 per kWh. If you want to know more about capping, several utilities on today’s call have applied caps – reach out to if you have questions or would like to connect to discuss their approach.

When comparing sites with EPMs to last year’s overall Industrial portfolio, we’ve seen EPM projects tend to be larger with better implementation results; even seeing better savings persistence!

Next up, Kyle will lead today’s **UFG Open Forum**.
Kyle Barton: Does anyone have anything they’d like to share?

Todd indicated two “flavors” of EPM... but was there a third “flavor”...?

Todd Amundson: Where one national corporation that had two EPMs that actively worked at sites within three different utility service territories. BPA directly contracted with the Corporation (with utility approvals, of course) – this could be done again without having to directly contract with BPA.

K. Barton: That is a huge opportunity with Key Account engagement. Any questions? If no one has anything they’d like to discuss, then let’s move on to Wrap-up and Reminders...
Wrap-up and Reminders

- Option 1 Impact Evaluation\(^1\)
- ASD Market Model for Pump & Fan Applications\(^2\)
- ACEEE Industrial Heat Pump lunch & learn\(^3\)
- Next Utility Focus Group meeting – Tuesday, October 11th

\(^1\)Option 1 (Industrial Custom Projects) Impact Evaluation – initial finding 85% realization rate – recommendation to expand ESIP calculations. Next steps, BPA will make it public, and will address in a Memo how BPA will address the recommendations.

\(^2\)Adjustible Speed Drive (ASD) Market Model for Pump and Fans Applications – can inform future program focus. August lunch and learn planning.

\(^3\)American Council for an Energy-Efficient Economy (ACEEE) Industrial Heat Pump lunch & learn – Area of emerging tech. Lots of questions yet to be answered. Keep a close eye on how to do things the most energy-efficient way. ACEEE will be providing some technical training – in late August.

We want to thank Troy Savage for his many years of dedicated support to the ESI Program and his utilities. Also thank to Tony, Shelley, Jacob, Travis, Don, and Todd for your role in today’s presentation.

Meeting adjourned at 11:40 am