



Simple Steps Non-participating Utility Savings Allocation Changes

SUMMARY:

In June 2015, the Simple Steps program policy for non-participating utility savings will be updated. Non-participating savings are savings that are accrued by the program but not directly purchased by a participating utility. This change results in additional savings for Simple Steps participating utility customers at no extra cost and also changes how savings will be allocated to utilities joining the program after the initial start date.

While implementing this change, the Simple Steps program preserves the program's flexibility to join at any time and allows participating utilities the added benefit of additional savings at the end of the program's fiscal year.

BACKGROUND:

In April 2015, the Simple Steps program launched with a new approach to participating utility invoicing based on kWh, expanded offerings to include appliance sales, and a new payment structure for non-participating utility savings. As requested by utilities in the Post 2011 process, instead of BPA covering the non-participating sales with BPA-managed Capital, these costs are covered by participating utilities.

CLEAResult invoices participating utilities \$0.12/kWh for bulbs and showerheads and \$0.31/kWh for appliances (with units sold included on invoices to support utility reporting to BPA). This revised cost structure builds in the programmatic and administrative costs associated with running this regional program. Non-participating utility savings were reported at the end of the fiscal year and attributed to BPA regional savings targets.

NEW NON-PARTICIPATING UTILITY SAVINGS POLICY BEGINNING JUNE 2015

Based on utility feedback, BPA has modified how the updated Simple Steps program will distribute non-participating utility savings. All Simple Steps non-participating utility savings will now be divided amongst participating utilities at the end of each fiscal year. The non-participating utility savings will be distributed proportionally to Simple Steps participating utilities based on their share of Simple Steps kWh purchased in that fiscal year.

To limit volatility in non-participating utility savings while preserving the flexibility of participating in Simple Steps, the policy for purchasing past savings upon joining has also changed. Previously all product sales (savings) from the current fiscal year attributable to a participating utility (based on the Retail Sales Allocation Tool) were available for purchase retroactively. Now the program savings available for purchase will be limited to the current quarter within which the customer joins in order to maintain accuracy in the accounting of the program.

Below is a FAQ with additional details. Please contact your EER or David Murphy, demurphy@bpa.gov with additional questions.



FAQ for Simple Steps Non Participating Utility Savings

Q: Can I still join Simple Steps at any time?

A: Yes.

Q: Can I still leave Simple Steps at any time subject to the requirements of my contract with CLEARResult?

A: Yes.

Q: If I join, how much extra savings will I get?

A: The amount of non-participating savings to be divided up between participants will not be known until the end of the fiscal year.

Q: Am I penalized for joining early or late in the fiscal year?

A: No. You will get a share of the non-participating utility savings based on your total savings in the period of time you were participating. It doesn't matter when in the year those savings were booked.

Q: Do I need to be participating at the beginning or end of the rate period or year in order to get these non-participating utility savings?

A: No, you are free to participate at any time in the rate period you choose, and that participation will give you a share of the non-participating utility savings in the appropriate fiscal year.

Q: If I join the program later in the year, how much of my past program savings can I buy?

A: You can buy the savings booked in the current quarter of the fiscal year when you join. For example, a utility joining in August would be able to buy their savings from July, since Q4 of the BPA fiscal year consists of July, August and September. Savings from October to June (Quarters 1, 2 and 3) would not be available for purchase. CLEARResult can advise how many savings are available to buy when you join.

Q: Why is the amount of past program savings that I can buy changing?

A: The change to past savings purchasing allows for straightforward accounting of the total non-participating utility savings available for distribution at the end of the year and allows for timely reporting of non-participating utility savings allocations.

Q: How much are my participating savings going to be?

A: Program savings forecasts are available from CLEARResult. Contact Ryan Crews at ryan.crews@cleareresult.com.