

# Energy Efficiency Post-2011 Phase 2 Midpoint Meeting

September 8, 2010

Portland, OR  
9:00 am – 12:00 pm  
BPA Rates Hearing Room



# Agenda

<b>8:45am</b>	<b>Sign-in</b>
<b>9:00am</b>	<b>Welcome</b>
<b>9:15am</b>	<b>Phase 1 Closeout</b>
<b>9:20am</b>	<b>Phase 2 General Overview</b>
<b>9:30pm</b>	<b>Workgroups 1-3 Overview</b>
<b>10:30am</b>	<b>Break</b>
<b>10:45am</b>	<b>Workgroups 4-5 Overview</b>
<b>11:15am</b>	<b>Q&amp;A</b>
<b>11:45am</b>	<b>Wrap-up and Next Steps</b>
<b>12:00pm</b>	<b>Adjourn</b>

# Phase 1 Closeout

- Phase 1 of the Post-2011 public process set out to create a framework that will facilitate the continued success of energy efficiency development and acquisition in the Northwest at the lowest cost to the region.
- Final Policy Framework and Response to Public Comments are available online:

<http://www.bpa.gov/Energy/N/post-2011/Phase-1.cfm>

# Phase 1 Closeout (cont.)

- Issues decided in Phase 1 have not been renegotiated during Phase 2.
- Phase 1 laid the groundwork to allow recommendations on specific implementation policies to be made in Phase 2.

# Phase 2 Overview

- Phase 2 of the Post-2011 public process
  - Opportunity for BPA, its customers and other stakeholders to continue a collaborative engagement
  - Create the most efficient and effective energy efficiency programs possible

# Phase 2 Workgroups & Co-chairs

- #1 Energy Efficiency Incentive (EEI)
  - Margaret Lewis & Megan Stratman
- #2 Small/Rural/Residential (SRR) Focus
  - Boyd Wilson & Eugene Rosolie
- #3 Conservation Potential Assessments (CPA)
  - Andrew Miller & Jill Steiner
- #4 Implementation Mechanism
  - Melissa Podeszwa & Larry Blaufus
- #5 Regional Programs & Infrastructure
  - Curt Nichols & Wade Carey

## Phase 2 Overview (cont.)

- The workgroups will provide recommendations to BPA on the implementation of energy efficiency programs for the post-2011 time period.
- BPA will take these recommendations into consideration and then make a proposal available for public comment.
- The recommendations and public comments will provide guidance to BPA on program implementation for the post-2011 time period.

# Process Timeline

- Workgroups meet biweekly: July – October
- September 8: Midpoint Meeting
- Workgroup recommendations finalized: November
- Closeout meeting (TBD) with all workgroups will provide status report
- Public comment period: January – February
- BPA finalize rules for April 1 Implementation Manual: February – March

# Phase 2 Process

- Workgroup participation
  - All are encouraged to participate in any and all workgroups.
  - Thank you to all who have been participating!
- Phase 2 webpages
  - Agendas, meeting notes, workgroup calendar available:
  - <http://www.bpa.gov/Energy/N/post-2011/Phase-2.cfm>
- Monthly co-chairs meeting to touch base

# Workgroup Meeting Schedule

**Workgroup 1:** Tuesdays from 9am to 12 pm

Dates: Sept. 14, Sept. 28, Oct. 12, Oct. 26

**Workgroup 2:** Wednesdays from 1pm to 4pm

Dates: Sept. 15, Sept. 29, Oct. 13, Oct. 27

**Workgroup 3:** Wednesdays from 9am 12pm

Dates: Sept. 15, Sept. 29, Oct. 13, Oct. 27

**Workgroup 4:** Tuesdays from 1pm to 4pm

Dates: Sept. 14, Sept. 28, Oct. 12, Oct. 26

**Workgroup 5:** Thursdays from 9am to 12pm

Dates: Sept. 16, Sept. 30, Oct. 14, Oct. 28

# Workgroup Four Progress

## **To date, the Workgroup has:**

- Reviewed differences between existing standard and non-standard agreements
  - Process for reporting and reimbursement levels are main differences
- Discussed adding a pay-for-performance chapter into the Implementation Manual
  - Chapter currently in draft form; focused on Custom Project Process Options

# Workgroup Four Progress (cont.)

- In Draft Implementation Manual Chapter, utility chooses Custom Project Process:
  - Option 1: pre-project(s)
  - Option 2: post-project(s)
- Utilities should not jump between Opt.1/ Opt.2
  - Initial 6-month grace period; no real rigidity
- M&V Protocols should not be dependent on the custom project option chosen
  - Where the documentation for M&V resides is different:
    - Option 1: In the custom project proposal to BPA
    - Option 2: In the utilities' files for review, if necessary

# WG Four Challenges/Next Steps

## Outstanding Issues:

- Technical Assistance
  - What are the types of TA and how much TA for each mechanism?
- Admin/Performance Payments
  - How to be handled for each mechanism?
- Willingness to Pay
  - Should there be a difference in WTP between the two?
- Transitioning
  - How will current non-standard agreements transition as we move into the Post-2011 world?
  - Pipeline: How might this affect a current non-standard utility EEI allocation?

# Workgroup One Progress

## To date, the Workgroup has:

- Identified financial constraints: EEI \$ cannot be carried across rate periods
- Discussed “utility pooling”; moved to SRR workgroup
- Brainstormed “common pool” mechanics
- Highlighted key themes for workgroup recommendations:
  - Transition period – learning process for all
  - Simplicity – don’t overcomplicate the process
  - Identify established and known protocols
  - Equity where possible
  - Carrots & sticks

# Workgroup One Progress (cont.)

- Common Pool – depository for relinquished EEI funds
  - Creating the Pool: Customers that do not plan to spend all of their EEI in a rate period or those that are under-spending should make that money available to the Common Pool.
  - Distributing the Pool: Possibly first-come, first-served; distributed quarterly; documented need for the request; and if requests > funds, distributed on a pro rata basis based on \$ requested

# WG One Challenges/Next Steps

## Outstanding Issues:

- Funding beyond EEI allocations
  - (e.g., funding requests that exceed Common Pool dollars; funding for custom projects that may exceed a customer's EEI, etc.)
- Incorporating direct acquisition programs into the EEI framework
  - (e.g., forecasting an expected level of spending for planning purposes)

# Workgroup Two Progress

## **To date, the Workgroup has:**

- Sought/received region-wide participation
- Discussed how to define a SRR utility
- Considered SRR “utility pooling”
  - In favor of pooling; proposal to WG1 under construction
- Identified ways to more easily acquire conservation in SRR territories:
  - Mileage payment/Contractor “pooling”
  - More EE measures

# WG Two Challenges/Next Steps

## Outstanding Issues:

- What should be the SRR benefit(s)?
  - Should there be a SRR “premium”/higher admin payment?
- Who should be entitled to the SRR “benefit(s)”
  - How do we define a SRR utility?
  - Should it be exclusive?

# Workgroup Three Progress

## **To date, the Workgroup has:**

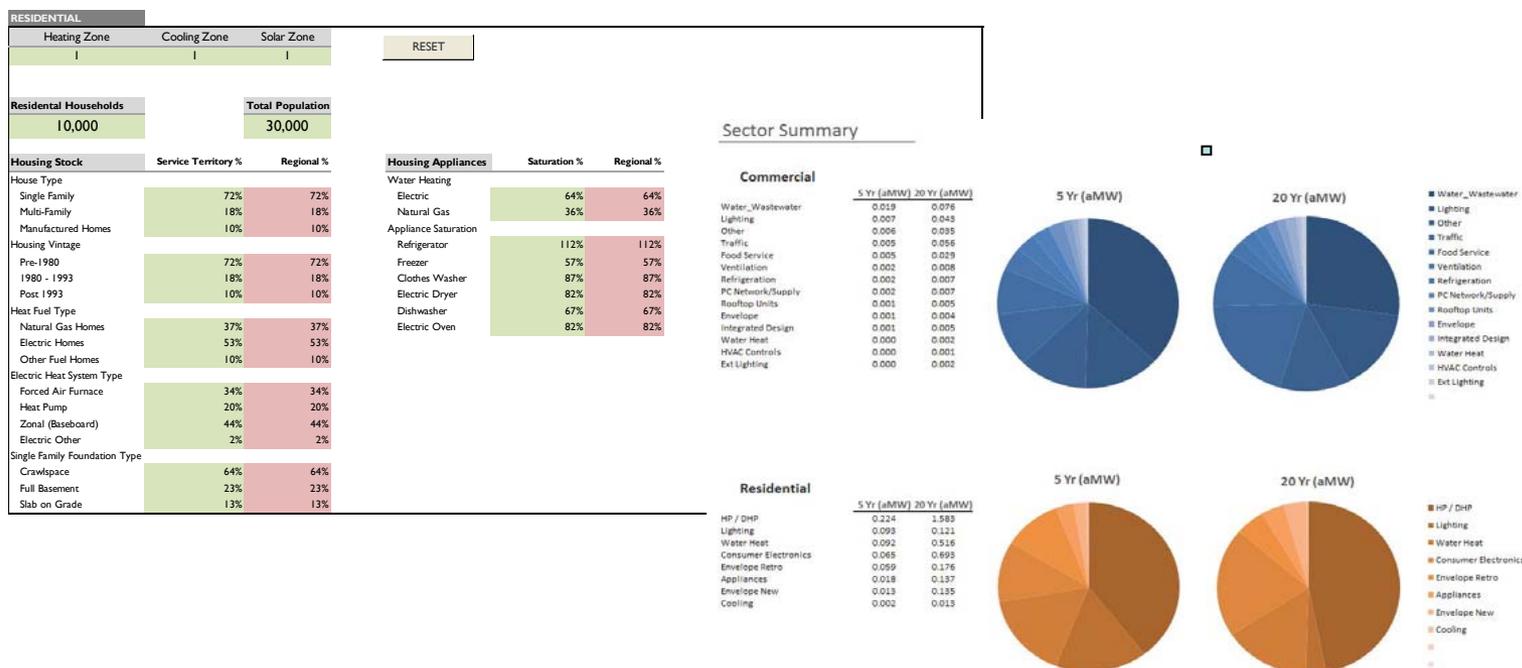
- Discussed reasons for CPAs, which support:
  - Program design
  - Individual and collective action plans
  - Improved understanding in regional forums/debates
- Identified the importance of data on customer characteristics and uses of energy
  - Unique customer characteristics within individual service areas affect potential
  - Better data => more precise and accurate estimates of potential

# Workgroup Three Progress (cont.)

- Consensus on BPA's role as facilitator/enabler
  - Development of tools that offer greater precision and flexibility
  - Standardized data collection processes to ensure data completeness, reduce cost and time required, allow comparison and aggregation
  - Be a library for data collection tools/surveys/best practices

# Workgroup Three Progress (cont.)

- BPA is working on a “Utility Potential Calculator”
  - Demonstration of calculator was provided



- Briefings from NEEA on its regional data collection efforts

# WG Three Challenges/Next Steps

- How far do we “peel the onion?”
  - It’s a complex topic, how specific do we want to make recommendations?
- Co-chairs are drafting recommendations based on broad discussion to date.
  - Participation has been/is critical
- Face-to-face meeting on Sept. 29

# Workgroup Five Progress

## **To date, the Workgroup has:**

- Identified five different types of regional programs
  - (upstream buy-downs, 3<sup>rd</sup> party programs, chains/franchises, education/training, trade ally)
- Noted the flexibilities desired for each type of regional program
  - (opt in/out, customizable, area-specific sub-region programs, etc.)
- Called for early involvement and input in regional program decisions and design

# Workgroup Five Progress (cont.)

- Learned more about BPA's willingness to pay
- Considered optional approaches to determine cost-effectiveness
- Identified increased communication and collaboration with BPA as critical
- Called for the option to use EEI funds for NEEA projects or Low Income Weatherization
- Discussed issues around Federal facility energy project implementation and funding

# WG Five Challenges/Next Steps

## **General challenges:**

- Taking issues from discussion to formal recommendation
- Balancing utility-specific flexibility with regional program economies-of-scale
- Finding the “sweet spot” that provides both flexibility and fairness
- Dealing with the little (and not-so-little) details

# Questions and Answers

- Opportunity to engage

# Contact Information

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