

EE Post-2011 Review Kick-Off Meeting

November 22, 2013

Portland, Oregon

BPA Rates Hearing Room

- Purpose of the Post-2011 Review:
consider and implement improvements to the Post-2011 framework to more effectively acquire energy efficiency in the region

Background

- Purpose of segment: discuss previous process and major changes that resulted
- Process:
 - Goal: Align EE's program with the Regional Dialogue Policy and tiered rates
 - Approach: two phases (Jan. 2009 – Mar. 2011)
 - Phase 1: high level policy issues (big tent meetings)
 - Phase 2: implementation specifics (five workgroups)

Post-2011 Principles

- Develop public power's share of all cost-effective conservation consistent with the NW Power Act.
- Provide services that maximize regional economies of scale, market influence and local assistance opportunities.
- Leverage resources to maximize existing infrastructure and avoid duplication of effort across the region.
- Ensure consistency with the principles of tiered rates.
- Provide choices to be responsive to the diversity of needs across the region.
- The bulk of conservation is best managed at the local level.
- Balance increased flexibility with cost.
- Manage risk associated with change.
- Support long-term high customer satisfaction.
- Advance energy efficiency in the Pacific Northwest.

Post-2011 Changes

- Costs collected in the Tier 1 rate
- EEI funding mechanism
- Budgets allocated on a TOCA-basis
- Capital budget split – 70/30
- Programmatic savings target split – 75/25
- BPA payment received *after* invoicing
- Option 1 and Option 2 custom project paths
- Flexibility mechanisms

- Two BPA policy documents capture these changes and form the basis of the Review

BPA's Perspective

- High level* thoughts on some areas that warrant consideration
- 75/25 programmatic savings split
 - BPA-funded < 75%; self-funded > 25%
 - Potential drivers:
 - Unspent EEI funding
 - More costly mix of measures
 - Use of performance payments
 - Implication:
 - $(\text{Budget}) / (\text{Target}) = \$/\text{aMW}$

*More time is required to fully analyze the rate period data

BPA's Perspective

- Utility Self-funding
 - I-937 utilities deliver 66% of self-funded savings (representing 54% of BPA's load)
 - Non-I-937 utilities deliver on par with their load share
 - Implication: self-funding helped offset lower BPA delivery, but is the past a good predictor of the future?

BPA's Perspective

- Regional Program Administration
 - Loss of BPA direct acquisition model and not having early funding commitments makes program administration difficult
 - Implication: is there a more effective/optimized way to run regional programs?
- Large Project
 - Unsubscribed and burdensome/costly to administer
 - Implication: is it needed/can it be modified?

- We are taking a short break. We will be back at 10:20.

Scoping the Review

- BPA seeks customer and stakeholder feedback on which issues should be within scope for the Post-2011 Review
 - Why scoping is needed
 - Walk through of the [scoping document](#)
 - Seeking:
 - Your perspective
 - Issues to add
 - Options to add
 - Level of importance (if time allows)

Process for the Review

- BPA seeks customer and stakeholder feedback on the process for addressing the issues within scope
 - Draft timeline for the Review
 - Approach?
 - Big tent, regional meetings
 - Workgroups
 - A combo of regional meetings and sub-groups
 - December pre-meeting(s)
 - How to ensure inclusivity?

Next Steps

- Provide additional input by December 6th
 - Contact your EER
- Based on input received, BPA will update the scoping document, finalize the process approach, and share externally