

Focus 2028 – Energy Efficiency

February 29, 2016



Richard Génécé, Vice President of Energy Efficiency

WELCOME

What We Want to Accomplish Today

Advance the discussion on those topics
identified on Feb. 11th

Matt Tidwell, Policy Specialist

AGENDA AND PROCESS OVERVIEW

Agenda

- Process overview and timeline
- Introductory remarks
- Current market context
- EE in rates
- Topic discussion
- Closing remarks

Process and Timeline

Follow up

- 2/29 (happy leap day!)
- Advance discussion on topics raised on 2/11

Listening sessions

- 3/7 – Tacoma Power
- 3/9 – Missoula Electric
- 3/10 – Benton PUD
- 3/16 – EWEB
- 3/17 – ICUA
- Focus on program efficiencies and realignment

BPA proposal followed by public comment period

- April - May
- Feed into IPR for BP-18
- Identify any need for follow-on engagement

Elliot Mainzer, CEO and Administrator

INTRODUCTORY REMARKS

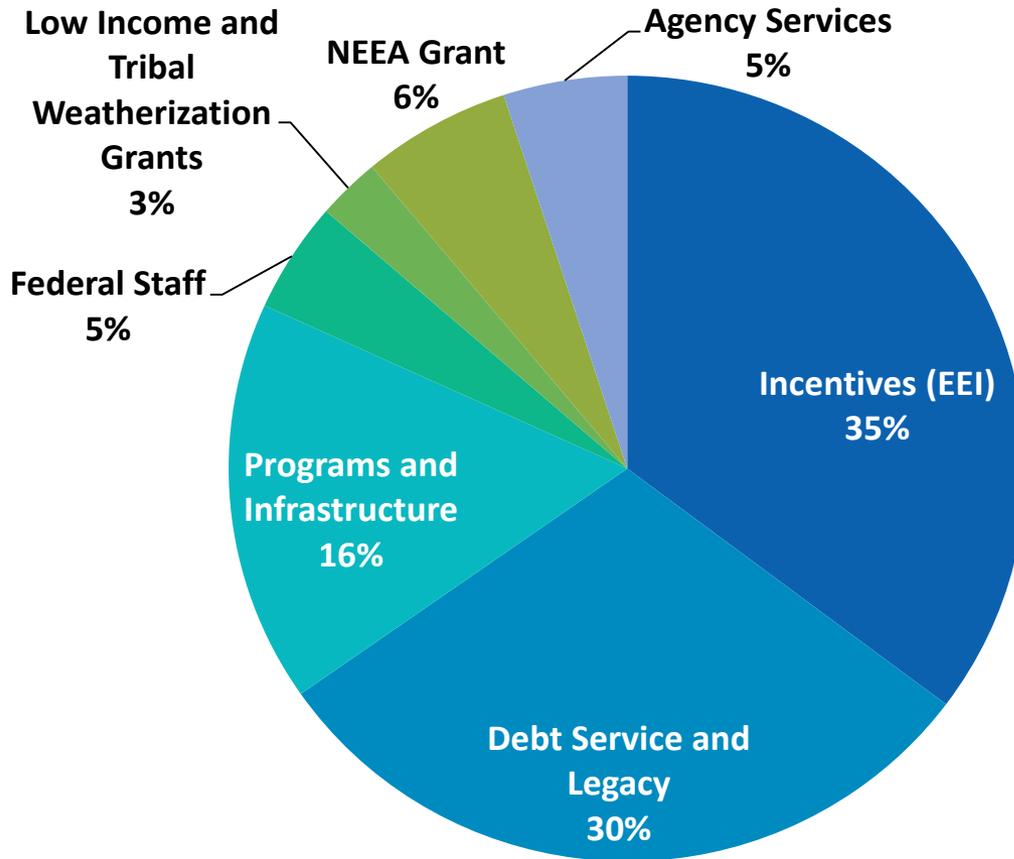
Scott Wilson, Customer Account Executive

CURRENT MARKET CONTEXT

Allie Mace, Manager, Planning and Evaluation

EE IN RATES

Energy Efficiency in Rates (FY16-17)*



*Updated since 2/11 to reflect removal of “Reimbursable” budget From BP-16 Final Proposal

The EE Budget \$(thousands)

	FY 2016	FY2017	
Energy Efficiency Incentive (EEI)	73,100	74,360	} Core EE Program
Regional Programs	14,200	15,700	
Infrastructure and Contract Staff	14,633	14,642	
Demand Response & Smart Grid	1,245	1,245	
Federal Staff	9,456	9,731	
Low-Income and Tribal Weatherization Grants	5,336	5,422	} Grants
NEEA Grant (Market Transformation)	12,531	12,691	
Generation Conservation R&D (Technology Innovation)	4,214	4,223	} Agency costs
Agency Services for Energy Efficiency	10,406	10,823	
Legacy Programs	605	605	} Debt service + legacy
Billing Credits Generation	5,300	5,300	
Amortization Conservation Acquisition	39,795	39,795	
Net Interest	16,583	15,623	
Reimbursable EE Development (rate neutral)	15,000	7,000	
Subtotal	222,404	217,160	
Reimbursements	(15,000)	(7,000)	
Conservation Expense Offset	(71,542)	(67,685)	
Total	135,862	142,475	

From BP-16 Final Proposal

Energy Efficiency in Rates (FY16-17)

Total BP-16 Energy Efficiency Cost in Rates \$(thousands)	278,337
Total BP-16 EEI (Incentives) Costs \$(thousands)	147,460
Tier 1 Priority Firm Public 2-Year Loads (GWh)	120,286
Industrial Firm 2-Year Loads (GWh)	1,599
Total Energy Efficiency Cost (\$/MWh)	2.28
Returned to Priority Firm Public Customers via EEI (\$/MWh)	1.23

Matt Tidwell, Policy Specialist

TOPIC DISCUSSION

1. Aligning Incentives Within Tiered Rates

Should BPA incentivize those utilities that currently don't see it in their interest to invest in energy efficiency and make it something that has value for them?

2. A Full Accounting of EE

How can BPA improve on how it accounts for the benefits/revenues of energy efficiency (not just the costs)?

2. A Full Accounting of EE

Walk through and discussion of
“EE Model for Focus 2028”

3. BPA's Target

Should BPA consider alternative needs-based methods for determining its share of the Council's target?

4. Self-funding

Should BPA increase the self-funding percentage from 25% and, if so, should BPA revisit its backstop role?

5. Program Efficiencies and Realignment

How can BPA maximize every dollar it collects for EE and what opportunities are there for BPA to realign its program given the market context?

5. Program Efficiencies and Realignment

Examples to seed the discussion:

- Reducing BPA's portfolio of measure offerings (e.g., not offering measures with low dollar incentives, short term measure lives, ample market momentum, mandated in the near future)
- Reconsider performance payments

What Comes Next

- Listening Sessions
 - March 7 Tacoma Power (9am – noon)
 - March 9 Missoula Electric (10am - 2)
 - March 10 Benton PUD (1pm – 4)
 - March 16 EWEB (10am – 2)
 - March 17 ICUA meeting in Boise (TBD)
- Recap of 2/29 discussion and focus on program efficiencies and realignment

Elliot Mainzer, CEO and Administrator

CLOSING REMARKS

Financial Disclosure

This information has been made publicly available by BPA on February 29, 2016 and contains information not reported in BPA's financial statements.