

**Energy Efficiency Post-2011 Review  
Workgroup 3 Meeting 1  
Thursday, February 6, 2014  
10:00am to 2:00pm  
BPA 199B**

**Low Income Workgroup #3 Participants and attendance for Meeting 1 in Portland.**

**Decision/Action Items** This was the kick off meeting for Workgroup 3. The meeting was cut short due to heavy snow in Portland. The next meeting will be March 6 from 9:30-3:30 in Portland at PNGC. Please contact the co-chairs for more information

**Meeting Notes<sup>1</sup>**

**Attendees**

Co-chairs:

[Boyd Wilson](#), BPA

**Eugene Rosolie, Cowlitz PUD**

Christina Zamora	Comm. Action Partnership Assn. of Idaho
Chuck Eberdt	The Energy Project
Dawn Senger	City of Richland
Donna Kinnaman	Comm. Action Program of East Central OR
Jeremy Stewart	Tacoma Power
Jess Kincaid	Oregon Dept. of Energy
Jim Dolan	Pacific County PUD
Kathy Grey	EWEB
Keith Kueny	Capo Oregon
Keith Lockheart	Springfield Utility Board
Larry Blaufus	Clark PUD
Margaret Ryan	PNGC
Michael Karp	The Energy Project
Nathan Heber	SNOPUD
Pam Sporborg	NRU
Pat Didion	City of Milton-Freewater.
Paul Hawkins	Comm. Action Partnership of Oregon
Rob Salberg	Cowlitz PUD
Ron Mitchell	Benton REA
Sandra Ghormley	Oregon Trail Elec Coop

---

<sup>1</sup> Out of respect for privacy, only attribution to comments from BPA staff and workgroup co-chairs is included in these meeting notes.

Pre-decisional – For Discussion Purposes Only

Shan Rowbotham	City of Ellensburg
Susanne Snyder	Oregon Trail Elec Coop
Todd Blackman	Franklin PUD
Van Ashton	Idaho Falls Power
Wade Carey	Central Lincoln
Wendy Gerlitz	NWEC

BPA staff:

Brent Barclay  
Carrie Nelson  
David Moody  
Josh Warner  
Kim Thompson  
Mark Johnson  
Matt Tidwell  
Robert Weber

- **Welcome and introductions**
- **Review of the agenda**
- **Operational Excellence**
  1. **Group norms**
  2. **Communications**
    - We'll try to get notes from the meeting posted within 10 days of the meeting.
- **BPA Working Assumptions**
  1. **Josh Warner:** review of slide 4
  2. Person 14: not necessarily comfortable with bullet about proposals not adversely impact customers. I wouldn't word it as such
  3. Josh Warner: the basic point is to be cognizant of the impact on all customers, stakeholders, and end-users of proposals
- **Quick Overview on the "Post-2011" Process**
  1. **Josh Warner:** review of slide 5, review of workgroups (slide 6)
- **Workgroup 3 language in the Scoping Document**
  1. **Eugene Rosolie:** review of slide 7. The solutions have been suggested to date, but this workgroup can work together to find different additional alternatives as well.

2. **Person 14:** there is an overall relationship with the IPR. The last time around, there was a lot of testimony about the needs of low income end-users. I understand wanting to separate the two issues, but they are connected.
  3. **Boyd Wilson:** it's a good point, but the workgroup is going to continue without focusing on the BPA grant for low income, which is under discussion in the IPR. I sent out the contact information to all participants last Friday (March 31) providing the information on where to direct your comments for the IPR process.
  4. **Eugene Rosolie:** If we come up with a recommendation, it could be taken to the IPR process.
- **What does 'success' look like to you?**
1. **Eugene Rosolie:** we want to know what success looks like. Process and outcome are related. Success to me looks like consensus on having the utilities and the low income advocates working together better.
  2. **Person 2:** we're looking for a higher penetration into the low income space. Hopefully through this process, we'll find better coordination and therefore higher penetration. We're looking for win-win opportunities. We're looking for the utilities to benefit from the skills of the CAAs. We're looking to improve relationships and coordination.
  3. **Person 28:** there is a question in my mind of the utilities getting credit for the savings, so we need to achieve some clarity on capturing those savings.
  4. **Eugene Rosolie:** sounds like if utilities and low incomes advocates are working better together then this process will be a success. And part of that is the clarity on reporting of savings for the utilities.
  5. **Person 28:** I'd like to see more end-use customers getting served.
  6. **Person 4:** We do a lot of work that utilities aren't getting credit for. There are several utilities where we don't have a good relationship with customers.
  7. **Boyd Wilson:** in the past, have we ever had a discussion before in the region about better coordination between utilities and the CAAs? (The group response said that this was the first time with all the Utilities, Stakeholders and BPA).
  8. **Person 2:** the reason why we have the grant funding is because we don't get enough funding from the utilities. This happened especially in the 90s when many of the small utilities weren't doing anything on low income so we came to BPA to get direct grant funding.
  9. **Person 8:** I believe the conversation is new. We have had some discussions before. Prior to the grants, the CAPs agencies could do matching funds. A CAP agency could put in \$1000 and the utility could put in \$1000 and credit could be given to both. To make this successful, there needs to be cooperation and not competition.

10. **Person 14:** success looks like throughout the service area, low income are served proportionate to their incidence of the population, so not some, but all throughout the region.
  11. **Person 12:** what I have seen and heard from utilities that don't do low income investments is the cost. The dollar for dollar cost is higher. I've seen incidences of contractors potentially taking advantage of the situation.
  12. **Eugene Rosolie:** this is one of the issues we need to talk about. In WA the costs are high because of prevailing wage requirements and we'll get to this along with the discussion about other barriers.
  13. **Person 5:** success would like being able to work with the CAPs to be able to claim savings and balance the books about being able to pull out all the accomplishments from all parties.
- **Walk through of a transaction**
    1. **Person 4:** most CAPs have a priority system. Our agency prioritizes leveraged funds, because we can get more work done. We're small, we cover four counties. My waiting list is right at 500. Part of the cost problem is DOE regulated. There are mandates we have to follow that elevate the price. We look at health and safety in addition to energy savings. So, if someone makes it to the top of our list, we perform an audit. All the states have a DOE-approved audit. For us, the savings to Investment ratio must be 1 or greater.
    2. **Mark Johnson:** how is that calculated?
    3. **Person 2:** they count all the costs, but not any benefits in addition to energy savings, so that's a major problem with the SIR.
    4. **Person 4:** it's the energy related repair costs and we're mandated to do those. We have to do all the testing and measures to meet DOE regulations. There are some things that are ridiculous but we have to follow the regulations. We do up to 60% of state median. DOE regs go up to 150% of federal poverty level.
    5. **Person 3:** we've never provided or offered a low income program, but our economic development department does have a rehab program. I'm confused about the programs.
    6. **Person 4:** each state is different. In WA you have rehab dollars tied to CAPs but in Oregon, you don't. On the weatherization side, we use solely contractors. Some agencies have crews. So the auditor goes out does the audit, brings the information back to run through the model to determine which models can be installed. We keep it to about \$6-8 thousand. Low income housing stock is in the greatest need. Efficiency improves the habitability of the home and it's a win-win for everyone. We inspect 100% of the work because we are required to do that. And we like to do this because we've gone behind some of the other work that is

done and we've found that work isn't always great when there isn't 100% inspection.

7. **Person 14:** there's staff time used when working with a person to see if they qualify (even if they don't) and then there's staff time of driving out to a home to see if qualifies and even if it doesn't these costs go into the system.
  8. **Eugene Rosolie:** do you do windows?
  9. **Person 4:** not anymore because they don't pencil out anymore.
  10. **Person 14:** many of the agencies have funding that is bundled together and the mix of funds is different throughout the states.
  11. **Carrie Nelson:** how many different funding sources do you bundle?
  12. **Person 4:** our agency has six and we've been able to leverage funding from the state for our work with the tribes.
  13. **Person 16:** with those six funding sources, has there been any effort to streamline paper work?
  14. **Person 4:** sometimes we don't like to follow DOE regs because sometimes we have to install measures that we don't think should be installed.
  15. **Person 9:** the state has done a pretty good job of working with the federal paper work. Some agencies find the state run program is easier, some others find the utility run programs easier.
  16. **Person 17:** working with Donna is a godsend, but when she sends in her paperwork, it's a bear trying to parse through the paperwork to see what works for BPA's requirements. It's a nightmare sometimes.
- **Utility Program (Cowlitz)**
    1. **Eugene Rosolie:** we get a call. To qualify, the individual needs to go to the CAP in order to qualify for our programs. When I took over the efficiency program at Cowlitz, I was tasked with finding ways of doing more for low income. We recognized several areas that were making it difficult. 1) Our CAP agency goes up to 120% of federal poverty level so we found lots of people falling through the cracks. So do 126% to 200% of poverty. 2) The local CAP agency doesn't do windows. So we do windows on our own. We're in good communication with the CAP agency. They come to us and say we have a long waiting list and sometimes we increase our low income funding to help address the backlog. We try to stay in touch and recognize the issues that confront them and working in partnership we're better able to leverage our dollars. To have people go through the CAP agency, they are getting a better result in terms of health and safety because when they go through the utility, we do less, just the weatherization. We transfer \$100,000 from our EEI budgets and our utility funds. This past year we

committed \$200,000. I'm sure they'll use all the funding and then we'll see what we can do at that point.

2. **Person 11:** we do \$400,000 per year and work via an intergovernmental agreement to transfer the money to the county.
  3. **Person 19:** we've found that since Eugene has come on, the communication between us and the CAP agencies has really improved. Main point is to work together, share information and always communicate. It's really helped turned things around.
  4. **Person 10:** I've been at the utility for 20 years and we've had an agreement with the CAP agency the whole time. They have a four tiered system. We have an agreement that we'll go and collect people that are on the tiered list for many years. We may add windows to our own program. It's interesting to me to find out what the issues are since we've had a good relationship so I'd like to bring things to the table to help.
- **Overview of documents on grant program and utility programs**
    1. **Carrie Nelson:** review of the "versus" document ([LIEE Grant Program and Utility LIEE Program](#)).
    2. **Boyd Wilson:** we put in the implementation manual that utilities can work on projects that the CAPs have at the same location, but not on the same measures. The theme of today is collaboration, communication and coordination. The IM now allows for this since it's always better to get everything done all at once at the home.
    3. **Person 12:** could we get Carrie Nelson's phone number? (Yes. 503-230-4785)
    4. **Person 14:** there are always different ways to approach cost effective so I agree that we need to talk apples to apples on cost effective. When we talk about options, we need to know there are options we can work with and we've already heard about some successful models so we aren't starting from scratch. The real issue is to get these successful models more prevalent throughout the region.
  - **Utility Program, Low Income Measures from the Implementation Manual**
    1. **Boyd Wilson:** you can find the information on page 104 of the Implementation Manual.
  - **Issues that you would like to discuss today?**
    1. **Person 2:** we recently had an example of utility that didn't want to insulate walls, but the CAP was eager to do so and the two ended up working together well.
    2. **Person 10:** I was trying to understand what issue(s) this workgroup is trying to handle, so my thought was whether the issue is about BPA is providing enough grant funding. The other thought was whether BPA's requirements are constraining work.

3. **Carrie Nelson:** we calculate savings on a whole house basis and we have it at the state level, but not at the utility level for BPA's grant program.
4. **Person 2:** we end up blending so many funding sources and we may be using those funds without savings being captured by utilities.
5. **Person 5:** I want to know about the work so I can remove it from my potential for my I-937 target in the case when my utility doesn't fund it.
6. **Person 4:** there's no conflict with utilities claiming the savings, there's just no mechanism for sharing the utilities. Each utility does reporting differently so it puts a burden on our staff to give the savings to utilities.
7. **Boyd Wilson:** the concern is about leaving savings on the table that aren't getting reported by anyone, especially for the I-937 Utilities.
8. **Person 28:** is there double counting going on with utilities capturing savings that the grant program is always counting? The whole thing needs to be clarified.
9. **Eugene Rosolie:** let's add to the list of possible double counting. We want to make sure we aren't double counting.
10. **Person 28:** If I were a utility, I would want to make sure my utility gets credit for the savings that taking place in my territory.
11. **Person 15:** we have an interest in counting it on the funding side, not just the territory side of where the savings take place since we fund BPA.
12. **Person 8:** we do coordinate efforts of weatherization and the CAP provides us information broken down by the funding source. We have that itemized so we know what to claim as ours and not as ours. We also have that information so when I customer calls us we know not to do duplicate work.
13. **Person 4:** there are pockets of electrically heated homes, so there are areas where there could be more funding to capture those areas.
14. **Person 14:** we spent a lot of time in the last IPR documenting the rationale for increasing the \$5 million grant. The case was made that the need was there.
15. **Eugene Rosolie:** we are 90% electrically heated and maybe Clark is 20% and I'm not sure how the grant funding is allocated in these cases. So there are sticky issues about how the grant gets allocated.
16. **Eugene Rosolie:** do we know which utilities submit invoices to BPA for low income measures.
17. **Josh Warner:** I think we can get this information.
18. **Person 28:** 11 of 36 Oregon utilities last year reported low income savings.
19. **Person 14:** a small percentage of the utility in WA have a low income program.
20. **Person 4:** some utilities have a low income program and some utilities have a residential program that is available to low income.

21. **Eugene Rosolie:** in order for it to qualify as low income for BPA, those measures have to be certified as low income. We're looking from BPA for utilities that fund low income through EEI.
22. **Person 28:** can BPA send out an email about whether they run a low income program, how much they've spent on low income, etc.
23. **Josh Warner:** it might be difficult, we'd want to be very clear about the ask.
24. **Person 16:** we send out to our members a weekly update and we could include some questions related to this that we could send out.
25. **Person 12:** we appreciate BPA acknowledging the burden of asking utilities questions, and we could send out the questions but I want to make sure the questions are the same and aren't too burdensome.
26. **Person 8:** there's a difference between a "low income program" and a "rebate" program where the utility offers low income rebates.
27. **Person 9:** we need to know which utilities are running these programs well and then figure out where there are opportunities elsewhere in the region so we can share and expand successful models.
28. **Person 14:** low income are paying for overall conservation and we need to make sure they see some of the benefit for what they pay in rates, that there's some parity or equity. We need the data to be able to share the status quo. We come in with assumptions and we'd like to find out more about the reality. It's possible there is more work out there than what we're thinking but we would like to know.
29. **Person 2:** I've already heard today about utility run programs that I didn't know about. There's also a lot of turnover in low income residences so many times the agencies need to know information about weatherization work that is done so the agency can avoid going to a place that has already been worked on when a new tenant moves and requests help from the agency.
30. **Person 12:** I've heard that many of our smaller utilities may not be able to do low income because of the man power requirements.
31. **Person 23:** we're just about to ink an agreement with the CAP agency in town to self-fund our natural gas customers and then use EEI funds on the electric customers so the CAP agency is going to be able to leverage their funds with ours. It's a bit higher cost because the low income folks can't go and do it on their own. When we've looked at windows, insulation, etc. it's about 43% higher cost, but they have to pay the prevailing wage. So we've decided to use the CAP rather than doing it ourselves. Sounds like you could reach out to NWPPA who could survey their members.



32. **Person 16:** if there's something we could do to reduce the paper work burden for the agencies we might be able to get more savings.
33. **Eugene Rosolie:** one of the barriers is the staff time at the utility as well as the CAPs.
34. **Person 12:** there are folks that just say low income takes too much time, so if there's an opportunity to reduce the time and paper work we may see more work. There are people that walk away because of these factors.
35. **Person 2:** I don't know how the cost-effectiveness is being calculated on the utility side so I don't know if this is a barrier.
36. **Boyd Wilson:** the agencies have to include all their staff time and include all the costs. For the utilities, the cost effectiveness levels are calculated in the deemed measures from the RTF.
37. **Person 2:** I don't if all the agencies and the utilities know about this.
38. **Boyd Wilson:** it's actually easier for the utilities because they don't have to deal with the costs since it's all included in the deemed measures.
39. **Person 2:** there is a question about outreach and making sure people that qualify know about the programs.
40. **Person 28:** we could be getting to the point where BPA puts together best practices and then share with all their utilities.
41. **Person 8:** one thing that is absent but is related. There are low income homeowners and low income tenants. There are differences.
42. **Person 15:** we've heard tenants say they don't want their landlords to participate in programs so they can't raise the rents if they do the improvements.
43. **Person17:** there are often instances when people are getting the money that don't necessarily need it as much as others, but some people don't want it because they don't want a handout, when someone better off will take the handout.
44. **Eugene Rosolie:** the utility has flexibility to deny people who we are gaming the system.
45. **Person 15:** we rely on the CAPs to help us with this.
46. **Person 15:** we want to make sure the dollars we spend in come back to our customers. If the funds go to other utilities that means there's remaining need in our territory.
47. **Person 5:** we also have the concern about our ratepayers funding conservation in other territories.
48. **Person 19:** heard concern about people being lower on the CAP priority list, so is there any ideas on how the utility can help.

49. **Person 2:** if the utility focuses on high energy use, that would be helpful.
50. **Pam:** we've made the offer to poll our members so if the group wants us to do that, it would be great to get very minimal questions
51. **Eugene Rosolie:** we rely on Chuck and Wendy to put together the questions.
52. **Person 28:** we could do that but then we need to send it out to the rest of the workgroup to provide input before we send it out.
53. **Boyd Wilson:** thank you to all for participating. We've made good progress and we'll keep it up.

Handwritten Notes from the easel at the front of the room:

1. How do we make utilities aware of all ongoing savings? Is there a good (or any) mechanism?
2. Is there an issue with either double counting or under-reporting?
3. Do utilities get credit for all of the savings in their territory?
4. Inclusive of all funding sources?
5. Should funds be allocated by need (e.g., electric heat penetration)?
6. How can we identify areas of potential partnerships?
7. Is there a way CAP's can report directly to BPA?
8. How do we effectively work with both owners and renters?
9. How do we ensure utility funds go to benefit their ratepayers?

This discussion will be continued at the next meeting, March 6, 9:30-3:30 in Portland at PNGC.