

Summary of Comments Received on Dec. 7 <sup>th</sup> Energy Efficiency Discussion	BPA's Response
<p>Two commenters expressed appreciation for BPA's presentation(s) outlining the current conservation acquisition model and potential alternatives to consider in the future; while one utility stated that they view conservation as a foundational investment in their community's long-term plans, noting they understand the importance of Conservation.</p>	<p>Thank you for the feedback and the general support for the current structure and function of BPA's conservation program. BPA shares the perspective that our current program model generally works well for both BPA and our utility customers. BPA looks forward to discussing areas that may be in need for improvement and help ensure the conservation program adapts to continue to meet evolving BPA and customer needs.</p>
<p>One commenter stated that they are pleased with and generally interested in continuing the current structure and function of BPA's EE programs.</p>	
<p>One commenter is interested in pursuing reimbursement mechanisms for utilities that enter into transfers with other utilities.</p>	<p>BPA looks forward to exploring ideas that could improve the process associated with bilateral transfers. It is worth noting that allowing payment or other exchange of value among and between BPA customers in return for a transfer of implementation budget would likely impact assumptions about the delivery of self-funded savings.</p>
<p>One commenter asked that we have further discussions about additional flexibility measures to aid the smallest utilities that struggle to utilize available EE funding.</p>	<p>BPA shares the commenter's desire to find ways to support small utility customers in their implementation of conservation programs. BPA recognizes that smaller utility customers may face unique challenges when implementing conservation programs. We look forward to a conversation on program features that could help meet such challenges.</p>
<p>One commenter would like to see capacity highlighted in EE conversations which they state should extend beyond kWh savings to incentivize the capacity contributions of conservation that are available in the market and may add value for BPA and its customers. The commenter would like further exploration of locational vs. regional needs, especially as it pertains to utilities' own EE mandates.</p>	<p>Capacity is emerging as an important regional topic and BPA looks forward to discussing capacity and the role conservation may play in supporting BPA and our customers' capacity needs. BPA understands that local and regional capacity needs may differ and is open to discussing program attributes that may help address these differences.</p>
<p>One commenter states that BPA's proposal to set individual energy savings allocations (targets) as part of all four approaches <a href="#">[presented on Dec. 7<sup>th</sup>]</a> may be too limiting. As BPA considers target setting, it should consider existing processes and community-directed planning efforts, such as state laws and utilities' integrated resource planning.</p>	<p>BPA recognizes that applicable state laws are critical drivers for many of our customers. BPA's goal is to implement a conservation program that is balanced to meet BPA's own statutory obligations and the needs of customers obligated to meet state law requirements. However BPA's need to acquire conservation may not always be perfectly aligned with the state mandated targets and ensuring BPA can meet its resource needs and statutory obligations will continue to be critical.</p>

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<p>One commenter notes that the current TOCA-based methodology BPA uses for EEI funding to return our conservation investments back to their community is often out of alignment with what the utility sets for its own target for WA state law compliance, specifically <a href="#">EIA</a> and <a href="#">CETA</a>. They note that in some cases, the EEI Manual may be overly restrictive for community measures that could add value for local utilities and BPA. The disconnect, they suggest, may warrant further exploration, as customers seek to reconcile community plans with BPA conservation funding mechanisms, as some BPA omitted measures are still reviewed, approved and audited through the Washington State Auditor's Office as part of state law compliance.</p>	<p>Finding a balance between regional consistency and local flexibility can be challenging. BPA welcomes a conversation about its program structure and the requirements that are outlined in its Implementation Manual and looks forward to working with our customers to identify ways our programs can adapt to meet local needs. While BPA's conservation programs are intended to be flexible and nimble enough to enable customers to meet their state law requirements, BPA's program, unfortunately, cannot be finely tuned for any specific state's requirements as BPA's firm power customers reside within six states. BPA's acquisition of conservation (and program design) is driven by federal statute which requires that the conservation BPA acquires be cost effective, reliable and verifiable; program flexibility will need to support these fundamental requirements.</p>
<p>One commenter offered BPA the following for consideration with respect to EE:</p> <ul style="list-style-type: none"> <li>• <b>Flexibility:</b> increased nimbleness and flexibility from BPA to think outside-the-box and consider a model outside of 'self-funded level"</li> <li>• <b>Efficiency:</b> BPA should consider how to align, support and collaborate with local jurisdictions and legislation to maximize shared benefits and suggests a process embedded in the provider of choice contracts to ensure costs and process efficiencies could add value for both parties.</li> <li>• <b>Accountability:</b> enhanced BPA accounting of how EE investments are distributed would add transparency and allow the commenter and other utilities to give their boards and ratepayers visibility into the value of utilities' conservation work.</li> </ul>	<p>Thank you for the feedback, BPA agrees these are important issues to consider as we contemplate changes to our conservation program.</p>