**Energy Efficiency Post-2011 Review**

**Workgroup 3 Meeting 2**

**March 6, 2014 (and March 17)**

**Summary/Decision/Action Items**

The group met and discussed a variety issues related to challenges to doing low income energy efficiency. The issues were put into four main buckets: Program streamlining, funding, data and Best practices for working together. Streamlining of reporting was identified as an area of opportunity that a small group of workgroup members may want to dive into more deeply. (This meeting was held on March 17, notes are included here.) There was a proposal that BPA may be well-suited to act as an intermediary between utilities and CAPs with the purpose of reducing some of the administrative burden on both sides. Information has been requested on the following:

* Analysis of low income population ratio to other customers and # of served currently through EEI (would be nice to have)
* What could BPA provide by way of data? What has been reported to BPA, total percentage of EEI spent on LIEE, how many utilities, how much spentfor 12-13 and 10-11, if possible.

**Meeting Notes[[1]](#footnote-1)** **Attendees**

**Co-chairs:**

[Boyd Wilson](mailto:bwilson@bpa.gov?subject=WG3), BPA

Eugene Rosolie, Cowlitz PUD

Dawn Senger, City of Richland, phone

Donna Kinnaman, CAPECO

Ed Monson, Benton PUD – phone

Jeremy Stewart, Tacoma Power

Keith Kueny CAPO

Keith Lockhart, Springfield UB - phone

Matt Babbitts, Clark Public Utilities- phone

Michael Karp, NW Energy Project – phone

Pam Sporborg, NRU

Pat Didion, Milton Freewater

Paul Kawkins, CAPO

Robert Solberg, Cowlitz- phone

Sandra Ghormley, Oregon Trail - phone

Steve Jole, HACSA

Susie

Tim Lammers, Columbia REA

Todd Blackman, Franklin PUD

Kathy Grey, EWEB

Jess Kincaid, ORDOE

Nathan Heber, SNOPUD

Christina Zamora, CAP Association of Idaho

Margaret Ryan, PNGC

Shan Rowbotham, Ellensburg

Ron Mitchell, Benton REA

Paul Hawkins, CAP Oregon

Wendy Gerlitz, NWEC

Van Ashton, Idaho Falls

**BPA Staff:**

Matt Tidwell

Summer Goodwin

Carrie Nelson

Brent Barclay

* **Welcome and Roll Call**
* **Review of Issues Raised To-Date**
  + **Issue: utilities not getting credit for savings that are generated by CAPs**
    - **Eugene:** This is an especially important issue for I-937 utilities since the low income savings are in our conservation potential, so it’s important that we know about the savings
    - **Person 4:** Does BPA include low income in the savings target?
    - **Carrie:** The State Grant-Funded program is counted at a high level, not by state.
  + **Issue:** CAP agencies could absorb more than $5M.
    - **Person 8:** for that $5M are there restrictions on claiming admin costs? Is there any flexibility there so that the utility could meet the CAP half way.
    - **Carrie:** there’s a 15% administration that can be used and 30% for health and safety. The program is tied to DOE’s program.
    - **Person 6: T**he states take a percentage of the grant money that is allocated to the CAPs. Oregon takes 3% for admin.
    - **Person 16:** Idaho takes 5% for admin.
    - **Person 3:** I am not sure how much Washington takes.
    - **Steve**: the utility funds don’t come with any admin funds. The BPA Grant program funds can help with our admin but the utility money does not have admin.
    - **Person 15:** What does BPA spend above the $5M to administer the program? There are three agencies that take an administrative cut on the grant funding.
    - **Carrie:** The cost of my salary, plus I also work in the Tribal Program.
    - **Eugene :** But that is a utility choice. Utilities can collect a 4 or 8 cent per kwh performance payment and can decide to fund some of your admin costs.
    - **Person 17**: Two years ago, NWEC asked CAPS to do an analysis and figure out what they could spend and that is how we came up with $5m because that is what CAPS said they could handle.
  + **Issue: The Survey to the Utilities**
    - **Person 17:** We put together a survey that was shared out through NRU, OMEU,CSG and PNGC.
    - **Person 13:** Can we have the survey be sent to the workgroup participants?
    - **Person 18:** We can send the survey out to the workgroup.
    - **Eugene:** Concerning the capacity issue, I have spoken with some utilities that have allocated funds to CAPs that don’t end up using the allocated dollars.
    - **Person 8:** I’ve heard that too. If the CAP area covers several utilities, the rural utilities will see less activity in their service territory because it has less urban areas and fewer contractors and the admin costs are higher.
    - **Eugene:** do CAPs in Oregon get funds from the IOU public purpose charge (3%)? And that can only get spent in IOU territories?
    - **Person 6**: Somehow and some way you have to go out and serve the rural areas
    - **Person 12:** our CAP serves three counties. It’s a mix of several utilities. The CAP has talked to me and they say they follow the dollars, which makes it hard since we have given them budget that they didn’t use last year, only about 50%.
    - **Person 17:** The Council feels the capacity issue is important because you can look at the number of people getting served in IOU territory compared to the publics where there isn’t much being done and it’s not fair since the rural areas may proportionally have more low income people.
    - **Person 7:** the public purpose is grant-funded, so it’s like the BPA grant and it covers all the admin costs.
    - **Person 14:** the BPA grant program has some success, but from what the utilities are saying, the CAPs are having some difficulty in spending the funds made available by the utilities. Are there lessons learned that can be transferred to the utility program?
  + **Issue:** successful utility programs
    - **Person 13:** it’s been bumpy recently coming off the ARRA money, but 2014 is looking more stable. 2012 they suspended their programs, prior to that operated their own program and worked with CAP agency. CAP would work with level 3 and level 4. We give $500k to HACSA. – the funds we transfer to HACSA, they are rate payer funds, and then EWEB gets the savings credits, but it’s not EEI
    - **Eugene:**  some utilities say that spending through the CAP agencies is more expensive.
    - **Person 6** – the cost test handicaps us, but like with EWEB we mix it to take care of it.
    - **?**: what works is the utilities are getting deemed savings. We can use the utilities to get certain measures and then use BPA grant money to cover other expenses. You have to blend your grants really well.
    - **Person 13:** we claim the savings as self-funded to BPA, but not through the EEI.
    - **Person 3:** we follow a similar model to claim the savings, but it’s not EEI funding.
  + **Issue:**
    - **Person 17**: Low income people pay in the same as other rate payers but the cost of the EE programs are cost prohibitive for them and there is an assumption of inequity
    - **Person 11:** if my local CAP isn’t interested in working with me, how can I get movement from people at the low income ranges?
    - **Person 13:** low income people in our territory are actually taking more advantage than non-low income. It’s really utility dependent.
    - **Person 17:**  On a regional basis, we don’t think that there is enough LIEE that is happening
    - **Person 2:** I would like to see a centralized analysis that uses census data and other relevant data to look at what the low income percentages are and then analyze it and how it relates to past and future performance. Then you could use that data.
    - **Person 9:** all these measures go through the TRC and so they are beneficial to all ratepayers.
    - **Person 2:** that may be true, but there are equity issues and just doing commercial and industrial which may be more cost effective but there needs to be a mix.
    - **Person 8:** I think the issue of a requirement is not something I would support because there are cases when utilities have dedicated funds and they haven’t been used.
    - **Person 3** We do have subsidized rate schedules for Low Income, so in many cases low income rate payers aren’t paying the same in rates. During last review, we focused a lot on local control, so Low Income ratepayers aren’t always paying the same and not getting the same out.
    - **Person 4:** some of the local utility programs are the most restrictive, such as admin costs restrictions. That makes it more difficult for the CAPs. If we could create more flexibility that would be really helpful.
    - **Person 12:** I’ll provide an illustration, my CAP had a ventilation requirement but that was in direct conflict with BPA’s requirements, which caused a real problem until BPA removed its requirement. On another note, there is a real tension regarding everyone wanting their fair share of the pie and we do the best we can.
  + **Issue:** What are the special drivers behind low income?
    - **Eugene:** there’s a commitment to the community to help out as much as we can especially given increasing rates.
    - **Person 17:** there have been studies showing the benefits to the utilities from low income investments due to less administrative costs with collections, for example, or keeping them in their homes, which lowers overall societal costs.
  + **Putting the issues into various buckets**
    - **Boyd:** maybe the CAPs should write a survey to go out to the CAP agencies to find out the degree to which it’s a problem for the region where CAPs receive money from utilities but then aren’t able to spend the funds
    - **Person 4:** Keith can find out about Oregon CAPs. (Keith said he will work on a survey to the CAPs). Who hasn’t spent out utility funding? Who has returned it? Why? What are the challenges?
    - **Person 8**: Could there be a streamline function so that both the CAP and the utility and BPA having to don’t have to do paperwork?
    - **Person 2**: Most utilities are not doing low income at all with their EEI.
    - **Request for BPA** – Get from BPA what has been reported as EEI or self-funded as far as low income.
    - **Person 9**: That would just be a data point and many of Tacoma’s programs would not be included in that but it should not be used for decision making purposes.
    - **Person 15**: Some of SNO’s LIEE is used for LIEE but not for BPA.
    - **See added slide**
    - **One Proposal -** – an allocation of dollars to low income based on proportion to the population in service territories.
    - **Person 18:** There is often a trade-off for board members about trying to have their conservation budgets get as many kwh savings as possible, with the dollar for dollar cost for low income, sometimes they’ll direct the funds elsewhere to get cheaper savings.
    - **Eugene:** we are going to get from BPA what’s been reported both as EEI and self-funded as low-income savings and dollars (for 12-13 and 10-11 if possible). At our utility we want people to afford their energy bills and we are all electric. There are some communication challenges.
    - **Person 14:** could we get the total budget of how much went to residential. What lessons from the BPA grant program could be applied to the utility program so that it could have the same level of success?
    - **Person 9:** that’s just one data point, we do several programs that don’t get separated out as low income, but there are benefits. It’s some information but not an end all for making a decision.
    - **Person 6**: There is a historic role for BPA to provide electricity to rural utilities. We do run into a lot of people who turn their heat off to “Not have a bill” and dress in warm clothes. I don’t really want the two sets of funds to have same requirements
    - **Person 8**: Could BPA work with the CAPs directly to get the paperwork directly rather than have to go through the utility, but the utility would still get the credit? There are some communication problems. So work seems to get done when people work well together.
    - **Person 17:** There would be some benefits to figuring out what are the best practices are and BPA could serve that role. There is a responsibility for BPA to get these funds spent.
    - **Person 18:** But there is also a utility responsibility. It’s a core issue about going into a house to do some work when other serious work is needed at the residence, especially manufactured homes.
    - **Carrie**: Let’s talk about the data that we need – like which CAPs have not spent their money.
    - **Person 4**: If everyone was using the same system for data collection that would help
    - **Boyd:**  We need a subcommittee that could focus on “streamlining data”, claiming savings, paperwork, requirements to match up and if they don’t. Try to obtain the kWhs the CAPs are doing to input them into a system, on a Utility-by-Utility basis, where they could be claimed for our Council targets. Who wants to be on this Subgroup? (Milton-Freewater, Tacoma and EWEB for the Utilities, plus the OR, ID, and WA CAPs volunteered). I will send out a Doodle Poll to find a time to have a conference call. (See recap of the “Streamlining Data” call below).
    - **Person 10:** we do not want mandatory Low Income requirement for the Utilities.
    - **Person 8:** due to time constraints, we may not want to have subgroups. Maybe we’re talking more about homework for some people to focus on and bring back to the group at the next meeting.
    - **Brent:** I can see people have a lot of appetite to solve problems, but I would offer that the additional work that would help propel this would be to clearly identify the problem and that’s the result of the workgroup in the Post-2011 Review process. So let’s be careful about the output of this workgroup.
    - **Eugene:** we’ve identified some circumstances that are getting in the way of things happening. The big piece is the funding, but even if you throw money out there, that doesn’t necessarily solve the problems that are out there.
    - **Pam:** so the outcome of the workgroup could be a recommendation to BPA about setting up a “task force” to address some of these problems.
* **Options to address EEI dollars going to low income**
  + - **Person 8** – could there be a streamline function so that both the CAP and the utility and BPA having to don’t have to do paperwork
    - **Brent** – an idea that we have for solving this, if we could accept the output of the CAP’s calculators that might be another way
    - **Brent** – I think there is a way that we could create a new calculator, like a low income calculator
    - **Eugene** – could the LI program be a regional program?
    - **Person 6** – we look at the last year’s consumption and base our savings on that but sometimes there are little old ladies that don’t use much anyways so our programs aren’t going to save very much each time
    - **Person 13** – the paperwork that we impose on the CAPs is part of our requirements for BPA
    - **Carrie** – BPA accepts the grant reporting requirements for the grant funds but there is different reporting requirements for the utilities’ funding
    - **Brent** – maybe you could meet the reporting requirements either through DOE requirements or the BPA. I suspect utilities would want that for more than just low income
    - **Person 17:** maybe we could have matching funds from BPA .
    - **Person 3** but that makes it even less cost effective.
    - **Person 17:** that might not be the answer, but something that provides an incentive.
    - **Person 13:** we can add an option for a regional program focused on low income.
    - **Boyd:** it would probably be best to approach the issue from sharing best practices and sharing among CAPs rather than mandating something or creating a new regional program.
    - **Person 6:** we also need utilities to work with CAPs so it goes both ways. We need a best practices for utilities as well.
    - **Person 18:** the big utilities aren’t really having difficulty, so we’re really talking about small and rural utilities and there’s some real potential resistance or problems because of utility lack of resources or the demographic of the utilities.
    - **Eugene:** the question is should we have a regional program aimed at low income like we have for industrial and commercial, with utilities having the ability to elect to participate in the program.
    - **Person 8:** in many of the rural areas the CAPs aren’t participating because there aren’t contractors, so even if there were a program that doesn’t mean the investments will be made.
    - **Person 11:** I need to be able to do low income at the utility level that is dollar for dollar, otherwise, they won’t participate.
    - **Person 19:** the easier we can make this for the smaller utilities, probably the more participation we’d have. Any road with a requirement to participate is a non-starter. But a third party program, where the utility doesn’t have the administrative burden, is likely to lead to better results. The turnkey approach.
    - **Person 7:** if you had a simplified form that would make it a lot easier for us since I have five different utilities and don’t want to work with five different forms.
    - **Person 2:** we are in favor a regional program approach.
    - **Person 18:** one of my members doesn’t do any low income mainly just because they don’t prioritize it, but they would be interested in a regional program. But there are others that won’t participate.
    - **Person 8:** anything that can simplify their process. They would like to reach the low income communities but there are barriers. Does the CAP also have the ability to staff the region so that if they dedicated the funds, they want to make sure the funds get spent.
    - **Person 12:** you have three types of utilities: 1) those who don’t do anything and won’t for the foreseeable future; 2) those in the middle that do some but not a lot or would be interested but face barriers and 3) those that are doing a great job. So our focus should be on the middle group of utilities and identifying ways to lower barriers. Focus on the band of utilities that can be influenced. If this were the long term strategy, you’d see some real gains over time.
    - **Person 10:** I don’t need an implementer but I would like to see simplification and a reporting system that is consistent for everyone.
    - **Person 11:** I’m not seeing any real solutions that work for me.
    - **Person 9:** we administer our own program and don’t work with the CAPs so I don’t see us being interested.
    - **Person 13:** we would need to look at the option, but we’re likely not to change our existing successful program.
    - **Summer:** this option is something we could report out at the next big tent meeting.
    - **Eugene:** we need to refine the proposal so it’s clear what we’re talking about. I’ll put together a draft and then send it out and people can comment.
    - **Eugene:** data that would be helpful would be a breakdown of reported low income savings to BPA.
    - **Brent:** we have cued this up internally to get this out of our reporting system. So this is all in the works.
* **Issues aggregated into four main buckets**
  + **Program streamlining: claiming savings, paperwork – outside work requ’d**
  + **Funding** 
    - Restrictions that utilities have on own budgets, board decision
    - Flexibility/restrictions of funds
    - What is BPA’s and utility’s responsibility to get funds allocated?
  + **Data**
    - Analysis of low income population ratio to other customers and # of served currently through EEI (would be nice to have)
    - What could BPA provide by way of data? What has been reported to BPA, total percentage of EEI spent on LIEE, how many utilities, how much spent
  + **Best practices for working together**
    - Rural
    - Urban
    - How to reach specific folks in the low income community (most in need or don’t to take a hand out, non-native speakers)
    - Communication between utilities, CAP agencies, and BPA
    - Other layers
    - What are the barriers for utilities doing more LIEE?
    - Look at deemed measures for LIWX and consider what the barriers are
    - What lessons can be learned from the BPA Grant program and applied to the EEI program?
* **Next steps**
  + **Next meeting:** April 3rd, all day beginning at 9:30am – 3:30pm at PNGC.

**Streamlining Subgroup, Conference Call on Monday, March 17.**

**Low Income WG #3, Subgroup on Streamlining Data,** Conference Call, March 17, 2014

**Participants:** Pat Didion, Milton-Freewater; Jeremy Stewart, Tacoma Power; Kathy Grey, EWEB; Steve Jole, HACSA -Oregon; Christina Zamora, Community Action Partnership- Idaho; and Chuck Eberdt, The Energy Project- Washington. Boyd Wilson and Brent Barclay joined from BPA.

**Initial Discussion**

* The goal of this “Streamlining Data” Subgroup is to try to determine if there is a method to solve the data reporting requirements for both the CAP agencies and the Utilities without incurring redundant data entry work.
* We discussed the various reporting requirements for each of the CAPs in the three states (OR, WA, and ID). Their requirements are driven by the US DOE reporting requirements for the Low Income program, plus requirements from other funding providers that they have.
* Some of the states have online reporting (OR and WA).
* We discussed the Utility reporting requirements to BPA through IS 2.0. We also discussed that BPA is working on NED (BPA’s new reporting system that is under development). It was suggested that BPA should consider incorporating the Low Income program requirements into the development of NED (Northwest Energy Depot). This would be for Utility projects and CAP agency projects that can be counted for Council targets.
* There was discussion about BPA’s requirement for copies of documentation for oversight purposes. BPA requires the Utility to have a copy of the documentation for each project in their own Utility files (the documentation cannot reside at only the CAP agency, but must be located in-house at the Utility, or retrievable online by the Utility.

**Next Steps**

* Kathy from EWEB and Steve from HACSA agreed to share the work that they are doing to identify the “common denominators” of data that both the CAP programs and the BPA Utility programs have in common.
* Once we know the common denominators for Oregon, then they will share that with the other in Idaho and Washington.
* Boyd is checking about the development of NED to understand if there is the opportunity to include the Low Income program in the development for the first phase of NED.
* We will meet together again after Kathy from EWEB and Steve from HACSA have made progress on their work.

1. Out of respect for privacy, only attribution to comments from BPA staff and workgroup co-chairs is included in these meeting notes. [↑](#footnote-ref-1)