



*BPA Energy Efficiency Announcement:*

## **Energy Conservation Agreement**

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*May 20, 2009*

Beginning in FY2010, BPA Energy Efficiency's acquisition targets will be based upon the Northwest Power and Conservation Council's Sixth Power Plan (for the 2010–2014 period). During that same time period, BPA will operate in two-year rate periods. In order to provide continuity and stability for conservation planning across BPA rate periods, BPA Energy Efficiency developed five-year contracts that align with the Council's targets.

The new contracts will provide for BPA reimbursement from funding sources that are available in given rate periods, and will provide mechanisms enabling transition of conservation projects initiated in one rate period to be claimed in subsequent rate periods. The Energy Conservation Agreement (ECA) is an enabling contract, and may be considered as a backstop funding source in the event no rate credit is available in the next rate period. All customers that want access to BPA Energy Efficiency funding must sign the new agreement by Sept. 30, 2009.

Each ECA includes a budget using bilateral funding. The budget dollar amount is included in the ECA because there cannot be certainty of a rate credit being available until the current power rate case is complete. Bilateral funds provide certainty of payment from BPA in periods when a rate credit may not be available, and may be used for additional conservation purchases when a rate credit is available. The dollar amount balances the need to provide funds for projects in progress with BPA budgetary requirements, and was established by the BPA Energy Efficiency Representative and utility conservation staff.

### **CRC early start and the ECA**

The ECA is important for utilities that elect to early start FY2010-FY2011 energy efficiency activities to assure BPA Conservation Rate Credit (CRC) funding after Sept. 30, 2009. BPA added a CRC FY2010-FY2011 early-start funding source in the Planning Tracking and Reporting (PTR) system and included this in the April 1 edition of the Implementation Manual. Customers who have fully claimed their FY2007-2009 CRC may continue conservation projects and report CRC FY2010-2011 early-start activity when Annual Reports are due. Early-start FY2010 energy savings and incentives will be the same as those available for claims made during the FY2009 reporting period.

### **The ECA is an enabling, no-risk contract**

For utilities that self-fund or do not currently participate in BPA Energy Efficiency programs, signing the ECA allows them to take advantage of unanticipated future energy efficiency needs at no risk to them. Signing the ECA assures eligibility for any available source of BPA Energy Efficiency funding throughout the five-year contract term.

If a utility chooses **not** to sign an ECA:

- If there is a current Conservation Acquisition Agreement (CAA), the utility must close out all conservation activity per the terms of their current CAA.
- In the event there is **no** rate credit funding from BPA for FY2010 and FY2011, BPA has no liability for any early start CRC reimbursement.

- In the event there is CRC funding available from BPA in FY2010 and FY2011, the CRC must be closed out per the Implementation Manual by Sept. 30, 2011, with no provision for funding in FY2012 and beyond.

For more information contact your Account Executive or Energy Efficiency Representative:

Tom Hannon, 509-625-1360, [tkhannon@bpa.gov](mailto:tkhannon@bpa.gov)  
Margaret Lewis, 503-230-7552, [mllewis@bpa.gov](mailto:mllewis@bpa.gov)  
Lloyd Meyer, 503-230-7557, [lcmeyer@bpa.gov](mailto:lcmeyer@bpa.gov)  
Rosalie Nourse, 509-625-1368, [rnourse@bpa.gov](mailto:rnourse@bpa.gov)  
Melissa Podeszwa, 206-220-6772, [mjpodeszwa@bpa.gov](mailto:mjpodeszwa@bpa.gov)  
Mark Ralston, 503-230-3175, [mdralston@bpa.gov](mailto:mdralston@bpa.gov)  
Boyd Wilson, 509-527-6217, [bwilson@bpa.gov](mailto:bwilson@bpa.gov)