



## Department of Energy

Bonneville Power Administration  
P.O. Box 3621  
Portland, Oregon 97208-3621

ENERGY EFFICIENCY

November 14, 2008

In reply refer to: KL-1

Mr. Richard Karney  
ENERGY STAR Program Manager  
U.S. Department of Energy  
1000 Independence Avenue, S.W.  
EE-2J FORS  
Washington, D.C. 20585

Dear Mr. Karney:

This letter is written in support of the U.S. Department of Energy adopting a residential ENERGY STAR<sup>®</sup> windows specification with a U-factor of 0.30 (Class 30) for the Pacific Northwest (PNW). Recent developments in the region have made it much easier to raise incentive levels for Class 30 windows.

From 2001 through 2006, the Bonneville Power Administration (BPA) offered an incentive to its utility customers for a Class 35 ENERGY STAR Prime Window Replacement with a U-factor of 0.35, based on the Regional Technical Forum's (RTF) recommendation. The estimated energy savings and cost effectiveness of replacement windows were based on the incremental improvement between a metal framed, double glazed window (U-factor of 0.66) to a Class 35 window. BPA offered an incentive between \$4.50 and \$8.50 per square foot of installed window area and thereby became a popular measure with our utility customers and their end-use consumers. As a result, the majority of windows sold in the PNW were Class 35 windows. During this five-year period, BPA paid incentives on over 2.7 million square feet of ENERGY STAR Prime Window Replacements for existing residences and achieved more than 4 aMWs of electric energy savings.

Beginning in 2007, BPA and the RTF decided since a majority of the windows sold in the PNW met the ENERGY STAR standard, the energy savings and cost effectiveness calculations should be based on moving the market from a Class 35 window to a Class 30 window. Therefore, we lowered the incentive offering to our utility customers between \$0.44 and \$0.77 per square foot of window.

At the September 2008, RTF meeting, several Puget Sound area utilities asked the RTF to reconsider its earlier recommendations and allow the higher energy savings associated with using an existing window as the base case for Class 30 Prime Window Replacements. They cited anecdotal information from window manufacturers and distributors that the sale of prime

window replacements for existing homes has dropped off dramatically since the beginning of 2007 when BPA lowered the incentive.

In the interest of increasing prime window replacement activity, providing an economic boost to residential energy conservation activity, and to increase the number of cost-effective electric energy conservation measures available to Washington utilities under Washington's I-937 legislation, the RTF approved a motion to adopt the existing window as the baseline for all residential prime window replacements. BPA is pleased with this result and has begun a process to increase our current Class 30 Prime Window Replacement incentives of approximately \$0.50 per square foot to an amount that reflects the dramatically larger energy savings resulting from the RTF recommendation.

For context, the RTF is responsible for developing regional load estimates, regional electric energy conservation potential, electric energy savings estimates and cost effectiveness determinations for BPA and the PNW. BPA's Conservation Rate Credit (CRC) and Conservation Acquisition Agreements (CAA) provide BPA-served utilities with credits or reimbursements to customers who have implemented cost-effective electric energy conservation measures. The RTF's decision will therefore make the incentives available to all 148 of BPA's utilities which represent 40 percent of the regional electric load and approximately 4 million end-use consumers. This determination also provides the region's five Investor Owned Utilities, who serve approximately 8 million end-use consumers, an economic justification to promote Class 30 Prime Window Replacements.

We urge you to adopt the Class 30 (U-factor 0.30) specification for ENERGY STAR Windows in the PNW. We will do all we can to support it with significant financial incentives.

Sincerely,



Mike Weedall  
Vice President, Energy Efficiency

cc:

Mr. Tom Eckman, Northwest Power and Conservation Power Council  
Mr. David Cohan, Northwest Energy Efficiency Alliance  
Ms. Stephanie Fleming, Northwest Energy Efficiency Alliance  
Mr. Jeff Harris, Northwest Energy Efficiency Alliance