



Department of Energy

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

ENERGY EFFICIENCY

August 31, 2004

In reply refer to: PN-1

Dear Interested Party:

The Bonneville Power Administration (BPA) is forming a Work Group to help design a proposed conservation program for BPA's consideration for the post-2006 period. As indicated in the July 7, 2004, Regional Dialogue Policy Proposal, BPA seeks the collaboration of experienced individuals to help develop a fully defined proposal that can be brought to the entire region for consideration.

BPA will use a phased approach for the design of the post-2006 Conservation Program. BPA envisions the first Phase will be to engage the Work Group in developing a proposed program and the underlying mechanisms necessary to support the recommended approach. A public review process will follow to bring closure to the product developed by the Phase 1 effort of the Work Group. Then BPA will move to Phase 2 of the Work Group effort, which will focus on the technical aspects of implementation and delivery of the proposed program. A reconfiguration of the Work Group may be required as the work shifts from Phase 1 to Phase 2.

In the enclosed Notice of Interest, BPA has developed a tentative timeline for the Work Group and an estimate of the time required and the experience and qualifications desired of the Work Group members.

BPA requests that interested persons submit a letter of interest describing their experience and qualifications no later than close of business on September 13, 2004. This information will be used to insure we have an appropriate representation of the full spectrum of regional conservation interests. Submitting a letter of interest will guarantee your participation in the Phase 1 Work Group. In addition, it will facilitate our planning and logistics for the support that the Work Group will require. I intend to announce the individuals selected to be part of the Work Group and the overall game plan for developing and sharing BPA's proposed conservation program for the post-2006 period at the Energizing the Northwest Symposium on September 29, 2004.

A kick off meeting will be held in BPA's Spokane Office on October 7, 2004. As part of this initial meeting, the Work Group members will agree on a work plan, which will include a decision on where and when to hold the future meetings.

We have an important task ahead of us to develop programs that meet the regional conservation goals that will be set forth in the Northwest Power and Conservation Council's 5th Power Plan and the principles of the Regional Dialogue.

Thank you for your consideration.

Sincerely,

A handwritten signature in black ink, appearing to read "Mike Weedall". The signature is written in a cursive style with a large initial "M".

Mike Weedall
Vice President, Energy Efficiency

Enclosure

Post-2006 Conservation Program Notice of Interest: Program Development Work Group

Background: On July 7, BPA issued a regional dialogue policy proposal. The purpose of that proposal is to provide clarity around key issues the agency and the region will face when the current rate period ends with FY 2006. One of the many issues BPA is seeking input on during its Regional Dialogue public process is how conservation development might be regionally structured for the post-2006 time frame. In its proposal, BPA suggested five principles to guide development of the specific elements for conservation. BPA also states in its proposal a desire to transform these principles into a specific program structure using a collaborative planning process. This notice of interest and the description thereof is BPA's next step in developing a post-2006 conservation program structure that best meets the needs of the region.

To facilitate the development of the program approach, Mike Weedall, BPA's Vice President of Energy Efficiency, plans to engage a group of utility conservation professionals and other interested parties to help shape the initial program proposal. The goal is to complete the program approach work before the end of calendar year 2004 and the program specific design and implementation elements by Summer 2005. This would give BPA utility customers sufficient time to transition from the current programs to the newly designed programs.

The *Energizing the Northwest Today and Tomorrow* Post Symposium at the DoubleTree Hotel -- Jantzen Beach, Portland, Oregon -- on September 29, from 2:30 to 4:30 p.m., will kick-off discussion of the Post-2006 Conservation Resources Program. The program development process and schedule will be shared at the meeting.

Meeting Location: The first meeting of the Conservation Work Group will be held in BPA's Spokane, WA, office on Thursday, October 7, 2004, from 9 a.m. to 4 p.m. The convened group will then determine the subsequent meeting schedule and locations. BPA will not compensate participants for any travel expenses; however, it will be possible to participate by phone during the Spokane meeting, as well as in person.

Work Group Structure: There will be a two-step process to develop and design BPA's post-2006 conservation program.

- Phase 1 will set the proposed program approach and direction by defining the proposed program parameters (using an evaluation of the comments received through BPA's Regional Dialogue public process and other input as a starting point to frame a BPA proposal for discussion by the Work Group).
- Conduct a public review process on the proposed conservation approach that the Phase 1 Work Group develops.
- Phase 2 will deal with specific program design and implementation issues once the policy direction and program approach have been finalized.

Work Group Composition: Participation on the Work Group is open to interested parties from within the BPA service territory. The Work Group should represent the different types of customers served by BPA -- public utility districts, municipals, cooperatives, small customers, large customers, full, partial and slice customers, investor-owned utilities (IOUs), direct service industries (DSIs), and Tribes. In addition, representatives from environmental groups, private sector vendors, state and local government and the Northwest Power and Conservation Council are welcome. BPA desires to have the broad range of conservation interests in the region appropriately represented. There will also be 3-5 representatives from BPA, including Mike Weedall.

Tentative Schedule: The following schedule will be incorporated into the Program Development Process:

- September 29, 2004 Kick off process for developing post-2006 conservation proposal
- Oct. – Dec. 2004 Phase 1 Work Group convenes and develops a proposal
- Jan. – Feb. 2005 Public review and comment period on proposed program approach
- Mar. – Sep. 2005 Phase 2 Work Group continues refining proposal (including addressing the specific design and implementation issues) and conducting public review sessions with the interested stakeholders, etc.
- October 2005 Program design finished, decision document signed, and new contracts ready to offer
- Oct. 2005 – Sep. 2006 Negotiate and sign new contracts with customers
- October 1, 2006 New program begins

Expectations: Below is a list of expectations for the work group members. It will include, but may not be limited to, the following:

- Committed to and available to participate in the process;
- Willing to travel to meeting locations throughout the region on a regular basis;
- Work collaboratively;
- Willing to work with and be accessible to others in the region to provide updates on work group ideas and concepts and to solicit and receive feedback;
- Be available for others to contact regarding the process and deliberations;
- Respect other member's opinions and view points; and
- Be willing to document why specific recommendations are being made in the program development process. This will enable the group to respond to inquiries from the Administrator, customers and stakeholders.

Time Commitment: BPA would like to conclude the Phase 1 work in 3 months. We anticipate that the Work Group will convene at least 1 full day every 2 weeks for the first 3 months. Meeting materials, including agendas, will be provided to help facilitate the meeting discussion. E-mail will be used extensively to keep each other informed and to review and comment on the proposed program deliverables. Phase 2 activities will begin after the Phase 1 work product has been finalized. The time commitment for the Phase 2 effort will be defined later.

Team Member Experience/Qualifications:

- Have familiarity with rate credit, contracting and incentive structure processes;
- Be open minded, entrepreneurial individuals that understand the conservation targets in the Council's Plan;
- Willing to explore new ideas;
- Willing to work constructively in a team environment; and
- Willing to participate, share ideas and concerns openly (don't hold back).

Process for Joining the Work Group: Individuals interested in being a member of the Conservation Work Group should submit a Letter of Interest by e-mail or letter by September 13, 2004, stating your intent to participate. Submissions by email may be sent to Post2006@bpa.gov