

# Energy Efficiency Workshop Follow-ups

---

## **Do we expect to see increases continue with Low Income Grants with every rate period?**

Because of the importance BPA places in this program, the agency applied an inflationary rate of increase of 1.6 percent to the Low Income Grant program for Fiscal Years 2018 and 2019, as was the case in 2016 and 2017. This practice will continue to be evaluated on a rate-period-to rate-period basis.

## **What is BPA doing about smart heater incentives?**

BPA is conducting a demonstration project with Portland General Electric to deploy 600 electric water heaters to test their demand response potential. This project focuses on reducing the barriers of entry for smart water heaters by working with manufacturers to test demand-response-ready devices, with the goal of achieving long-term market transformation. Full details on the project are included in the project brief available at:

<https://www.bpa.gov/Doing%20Business/TechnologyInnovation/TIPProjectBriefs/2016-TIP-336.pdf>

## **Does FY 2018-19 Energy Efficiency costs affect the Residential Exchange?**

No. The residential exchange is a negotiated settlement allocating \$232.2 million each year in FY2018 and FY2019 to six Northwest Investor-owned utilities. The question may refer to the post-2028 timeframe when Power contracts and the REP Settlement Agreement expire. Settlement costs for the FY2018-2019 rate case are established in the REP Settlement Agreement and not negotiable.

## **At the recent IPR session on EE, BPA explained that the decrease to BPA's smart grid and demand response proposed spending could be accompanied by Distributed Energy Resources-related funding from other organizations. Please describe where other funding for Demand Response activities could come from?**

The proposed spending addressed staffing costs, both federal and contract staff, the costs of studies and some assessments related to DER, and other activities. In addition to the activities supported by this proposal, BPA expects that other budgets within the Energy Efficiency organization will continue to support and advance the topic of Demand Response. In addition, BPA expects other organizations throughout the agency to commit funds towards demand response activities as justified by costs, benefits and alternate capacity solutions. This diversification of funding is part of BPA's larger effort to move towards a commercialized use of demand response along side traditional sources of capacity. Because it depends on the commercial needs at the time, commercial use of DR is not discretely shown. However, potential funding sources of demand response include Transmission Services' non-wires initiatives and Transmission Services' third-party balancing acquisitions, and Power Services' transfer service budget.

## **Will BPA provide a forecast of aMW achievements like they've done in the past?**

Yes. The table below shows the current estimated forecast for aMW savings in 2016-2019. This table is a result of the EE Plan development. The full EE Plan is expected to be released by the end of the 2016 calendar year, with a public review anticipated in late summer 2016.

The aMW forecast presented below is a conservative estimate. Programmatic savings are based on historical achievements, projected market conditions or measure changes, and the anticipated introduction of new technologies. Momentum savings estimates are also conservative and based on current market trajectories and anticipated savings from federal standards.

<b>Draft Estimated Savings by Source</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
BPA & EEI-Funded Programmatic Savings	44 aMW	45 aMW	45 aMW	44 aMW
Utility Self-Funded Programmatic Savings	14 aMW	14 aMW	14 aMW	14 aMW
Market Transformation	2 aMW	3 aMW	5 aMW	6 aMW
Momentum Savings	10 aMW	16 aMW	27 aMW	34 aMW
<b>Total Forecast Public Power Savings</b>	<b>70 aMW</b>	<b>78 aMW</b>	<b>91 aMW</b>	<b>97 aMW</b>
<b>Conservation Purchases</b>	<b>\$76,070,000</b>	<b>\$77,360,000</b>	<b>\$76,700,000</b>	<b>\$76,700,000</b>

More detail on the savings and cost estimates will be provided in the EE Plan. This forecast represents BPA's best estimate of future energy efficiency achievements under the spending proposed in the IPR.