Quality System Strategy and Implementation:

Custom Project Policies

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Agenda

- Background and process for overhauling the custom project policies

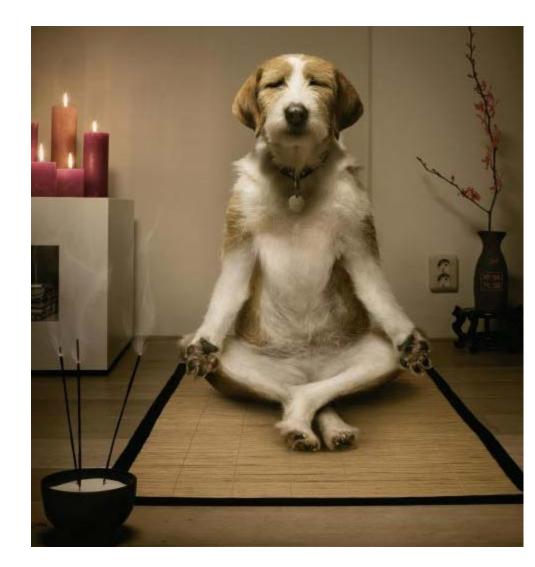- Walk through of the new policies

- Next steps

Custom Projects (Cross-)Functional internal team

- Members:
  - Management Sponsor: Thompson
  - Programs: Eskil and Mace
  - Engineering: Boyer and Callahan
  - COTRs: Rose and C. Weber
  - Marketing: Lewis
  - Planning/Evaluation: Gage and Tidwell
- Lots of time, effort and brainpower on:
  - Reviewing historical data
  - Reviewing existing rules
  - Drafting policies

Our Mantra…

Ensure

Reliable

Cost-effective

Projects

- First reviewed internal and external "master list of pain"

- Then went blank slate

Iterative Process

- Work team developed the policies
- All EE staff review
- Utility Engagement Team (UET) and Power AE review
- Work team review
- Sponsor team approval

New Policy distinguishes between

- Recommendations, and
- Requirements

Policies, at a glance

Removed

- Simplified payback requirement
- Order, purchase, install
- Deemed measures not allowed
- Industrial pass through

Modified

- Proposal is optional for Option 1
- Cost-effectiveness
- BPA review commitment

Kept

- M&V per BPA Protocols
- Completion report requirements
- $/kWh capped by % cost
- Partial self-funded projects need end-user payment info
- 1 year measure life
- No fuel switching

Proposal and Completion Reports

Process Option	Proposal: Review Requirements	Project Completion Review Requirements
Option 1	BPA review is **optional**, except for special circumstances.*	BPA approval of completion report is **required** prior to submittal of savings into BPA reporting system.
Option 2	No requirement.	Customer is **required** to approve project prior to submittal of savings into BPA reporting system and retain in customer file.

* Use of special BPA funding and cost-effectiveness risk management

Cost-effectiveness

- Option 1 projects ≤200,000 kWh – no cost-effectiveness screen. Projects > 200,000 kWh:

BPA approval Proposal	Cost-Effectiveness Screen
Yes	Proposal TRC $\geq$ 0.5 based on proposed costs and savings. No subsequent cost-effectiveness screen on completion report.
No	Completion report TRC $\geq$ 0.5 based on verified costs and savings. when savings are greater than 200,000 kWh. BPA will not apply a cost-effectiveness screen to projects less than or equal to 200,000 kWh.

- Option 2, manage invoice at TRC ≥ 1.0 based on verified costs and savings

What does this mean to you?

- Updated Custom projects chapter
  - New proposal/completion report requirements
  - Cost effectiveness screen changes
  - Updated deemed measure allowances
  - All other changes incorporated
- New Option 1 Custom Project Calculator

Option 1 Calculator v2.0

- Release date: April
- Key changes:
  - Proposal entry optional
  - New "Project Information" tab
  - Funding inputs allow entry by % or $$
- Training offered in April

Questions?