



An Energy-Efficiency Workshop and Exposition
Orlando, Florida

The BPA Option

Tim Scanlon
U.S. Dept. of Energy,
Bonneville Power Administration

August 18, 2003



An Energy-Efficiency Workshop and Exposition
Orlando, Florida

Presentation Overview

- **Who We Are**
- **What We Do**
- **When Do We Respond**
- **How We Do It**
- **How to Access BPA**
- **Typical Relationships**



An Energy-Efficiency Workshop and Exposition
Orlando, Florida

BPA – Who We Are

- **Only self-funded DOE power marketing administration**
- **A federal agency & utility (>\$4 billion sales)**
- **Congressional direction to encourage energy efficiency and provide energy efficiency services for federal agencies, including third party non-recourse project financing**



An Energy-Efficiency Workshop and Exposition
Orlando, Florida

What We Do

- **Support FEMP and “Greening the Government” goals**
- **Act as a catalyst, facilitator and aggregator**
- **“Make a Difference” for federal agencies**
- **Help overcome barriers to project implementation**
- **“Grow the Pie” for private businesses**
- **Provide support only where all stakeholders welcome BPA participation**



An Energy-Efficiency Workshop and Exposition
Orlando, Florida

What We Do

- **Perform Government functions (serving as an extension of the ordering agency's staff)**
- **Provide support on an actual costs only, cost reimbursable basis**



An Energy-Efficiency Workshop and Exposition
Orlando, Florida

When Do We Respond

- **When conventional options are not economic**
- **When conventional options are not available or viable**
- **When requested by project stakeholders (agency, local utility and/or energy services company)**



An Energy-Efficiency Workshop and Exposition
Orlando, Florida

Types of Federal Project Support

- **Technical support (in western USA)**
 - Project definition
 - Metering, controls
 - Bulk purchasing
 - Project implementation
 - M&V
 - Rebate management
- **Financing support (nationwide)**
 - \$100K to \$100M per project
- **Combined project financing and technical support**
 - In the western USA only



An Energy-Efficiency Workshop and Exposition
Orlando, Florida

Program Pace

- Began providing technical support in June 1995, project financing support started in January 1998
- In recent years, ~50 technical support projects/yr, totaling \$7M-\$20M annually (96-98% pass-through)
- In 2003, ~10 financing orders expected, delivering ~\$65M of project financing



An Energy-Efficiency Workshop and Exposition
Orlando, Florida

How We Do It

- **Aggregate agency financing needs**
- **Compete pools of financing requirements**
- **If stakeholders are agreeable, provide buyout or buy-down financing to produce new working capital for additional energy efficiency, renewables, etc.**



An Energy-Efficiency Workshop and Exposition
Orlando, Florida

How We Do It

- **Project content (can include new construction, sewers, fuel switching, irrigation, CHP, wind, etc.) as long as the core content is energy efficiency, renewables, etc.**
- **Bundling different measures (e.g., energy/water efficiency with renewables or distributed generation)**
- **Repayment sources can vary**
- **Payment terms of various duration (usually 5-15 yrs)**
- **Can mix financing with other funds**

BPA-Facilitated Private Source Financing- How it Works



1. Agency issues order to BPA for project financing. Agency pledges future payments to BPA.



5. Agency makes the periodic payments assigned to the Financing Partner by BPA as specified in the order to BPA from the agency.

3. BPA's Financing Partner provides capital to BPA in exchange for the payment stream assignment (they buy the payment stream).

Financier



2. BPA locates best financing offer and executes Funding Agreement with Financing Partner. BPA also signs an Assignment of Claims with the Financier--assigning BPA's claim to the payment stream to the Financier.

4. If BPA is implementing and financing,
BPA pays suppliers, contractors,
utilities, energy services companies,
etc.



An Energy-Efficiency Workshop and Exposition
Orlando, Florida

How to Access BPA

- **BPA receives project orders through site specific, regional and national BOAs, MOAs, intergovernmental contracts, and interagency agreements**
- **Civilian agencies and DOD can access BPA as a federal agency providing utility services under FAR 41**
- **DOD installations can also access BPA as a utility under 10 USC 2865(d)**
- **Civilian agencies and DOD installations may also use 42 USC 8256(c) to access BPA**



An Energy-Efficiency Workshop and Exposition
Orlando, Florida

Typical Relationships

- Agency orders and obtains financing from BPA
- Agency implements project using a GSA areawide or a BOA with the local utility, or
- Agency implements with an ESCO using the GSA FSS or an agency procurement
- In the western USA, agencies may order financing and implementation from BPA; if so, BPA accesses the local utility or competitively procures an ESCO



An Energy-Efficiency Workshop and Exposition
Orlando, Florida

How to Learn More - Contacts

- **Mark Ebberts, Federal Financing Specialist, BPA Energy Efficiency, Portland, OR; 503-230-3971; fax: 503-230-5147; mhebberts@bpa.gov**
- **Frank Brown, Federal Account Representative, BPA Energy Efficiency, Seattle, WA; 206-220-6774; fax: 206-220-6805; febrown@bpa.gov**
- **Tim Scanlon, Federal Market Lead, BPA Energy Efficiency, Seattle, WA; 206-220-6773; fax: 206-220-6805; tjscanlon@bpa.gov**