

**FILED WITH
Executive Secretary**

June 26, 2013

IOWA UTILITIES BOARD

**STATE OF IOWA
BEFORE THE IOWA UTILITIES BOARD**

IN RE:)
) **DOCKET NO. EEP-2013-0001**
Request of Black Hills Energy)
Company for Approval of an) **Direct Testimony**
Energy Efficiency Plan)
)

DIRECT TESTIMONY
OF
ANDREW P JOHNSON

On Behalf of

Winneshiek Energy District

June 27, 2013

1 **Q. What is your name and business address?**

2 A. My name is Andrew Johnson, my business address is Winneshiek Energy District, 217
3 West Water Street, Decorah, Iowa, 52101.

4

5 **Q. On whose behalf are you testifying today?**

6 A. I am testifying on behalf of the Winneshiek Energy District (WED).

7

8 **Q. Please describe your background and experience in the field of energy efficiency.**

9 A. I worked for 7 years for the USDA Natural Resources Conservation Service as a Soil
10 Conservationist, District Conservationist, and Resource Conservation and Development
11 Coordinator. This work entailed implementation and administration of conservation
12 planning and USDA conservation programs with communities, organizations, and private
13 landowners. Conservation work at that time involved energy only peripherally (today it is
14 a core resource concern within agency programs), but the conservation partnership – led
15 by local Soil and Water Conservation Districts in collaboration with state agencies and
16 USDA – was clearly a highly effective model at creating behavior and societal change
17 from the ground up.

18 Subsequently I founded and have served as Executive Director of the Winneshiek
19 Energy District (WED) since 2010. WED, like the Soil and Water Conservation Districts,
20 is dedicated to locally-led planning and community mobilization efforts from the ground
21 up, in the field of energy efficiency and renewables rather than soil and water
22 conservation. In this capacity I have designed and implemented innovative and successful
23 community-level energy efficiency programs, and led community outreach efforts and

1 the development of unique tools and mechanisms for public engagement and change.
2 Relevant accomplishments of WED will be described in future sections. My vita is
3 attached as Exhibit WED-001.
4

5 **Q. What is WED’s mission and why has WED chosen to participate in this case?**

6 A. WED’s work is built around the promotion and implementation of a sustainable energy
7 society. This includes energy planning and community mobilization in all areas of energy
8 efficiency and renewable energy. In our first few years we have directly assisted
9 hundreds of households and businesses through all steps of the energy planning and
10 implementation process, and involved thousands of energy citizens in events and
11 activities. We serve energy users without regard to energy source throughout Winneshiek
12 County, and to varying degrees in neighboring counties. We also host a Green Iowa
13 AmeriCorps (GIA) team and work closely with the UNI Center for Energy and
14 Environmental Education (CEEE) to increase the impacts of GIA in-home “direct install”
15 (DI) services. Black Hills Energy (BHE) serves many communities and energy users
16 within this geographic area – and other communities also served by GIA teams – and we
17 hope through our recommendations to significantly increase the success and impact of
18 their coming 5-year efficiency plan for our common customers and beyond.
19

20 **Q. What is the purpose of your testimony?**

21 A. The purpose of my testimony is to address aspects of BHE’s proposed 2014-2018 Energy
22 Efficiency Plan that we believe should be adjusted and improved. My testimony first

1 describes my overall assessment of BHE’s approach, and then addresses the following
2 specific issues with which I have concerns:

- 3 • The plan continues to underestimate energy efficiency potential and underachieve
4 savings through relying on an auditing/assessment model versus a comprehensive
5 energy planning process and approach
- 6 • The plan appears to preclude participation in innovative and highly impactful
7 locally-led energy planning and community mobilization efforts through “locking
8 out” vast numbers of qualified energy professionals and organizations from the
9 funds dedicated for technical assistance – and related administration and
10 education – to BHE customers
- 11 • The plan significantly underestimates and underachieves savings available from
12 Direct Installation efforts (subsequently referred to as “Direct Install”, or DI)
13 through continuing its linkage with energy assessments, and locking out qualified
14 local organizations and proven approaches such as Green Iowa AmeriCorps
- 15 • The plan – like all Iowa IOU EE plans – fails to adequately address effective
16 program implementation where Iowan’s are served by multiple utilities

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18
19 **Overall Assessment of BHE’s Energy Efficiency Plan**

20 **Q. What is your assessment of BHE’s Energy Efficiency Plan?**

21 A. The proposed plan is the result of over 20 years of program evolution, adjustment, and
22 improvement. Iowa was one of the first states in the nation to establish rate-payer funded

1 energy efficiency programs and all utilities have made great strides and achieved
2 significant savings over that time period. Many states followed Iowa's lead over the
3 years, and nationally two general models have evolved for these legislatively mandated
4 programs: those that continue to be designed and administered solely or largely by
5 utilities, and those where the State has designated the funds be administered by a non-
6 utility "third party" entity, whether governmental or private.

7 Iowa has remained in the former category, hence the current BHE plan and
8 proceeding. We believe that greater achievable savings potential exist, and we believe
9 that neither of the afore-mentioned models adequately harnesses the "missing link" that is
10 the tremendous power of energy planning and direct install, locally led organizations, and
11 local energy professionals to accelerate transformation to a more energy efficient society.

12
13 **Q. Is there a viable alternative model or hybrid, and if so what is it?**

14 Yes there is, this BHE plan already includes elements of it, and using resources currently
15 at our disposal in Iowa, BHE and the other participating utilities could efficiently and
16 effectively pioneer a hybrid approach and lead the nation again as we did so long ago.

17 Currently, the majority of BHE's proposed expenditure consists of prescriptive
18 and custom rebates, and demand response programs administered by BHE. The
19 remainder is spread among a broad array of low-income, technical assistance, and
20 educational and other programs administered by a mixture of BHE and
21 partners/contractors. Aspects of a "middle ground" (between full utility administration
22 and full third-party administration) exist here, such as the low-income programs

1 administered through the Iowa Department of Human Rights and the Community Action
2 (CAP) agencies, and of course the varied nature of current technical assistance among
3 customer classes and in different geographic areas.

4 The energy world is changing fast. Energy citizens of all customer class, size, and
5 income range are increasingly interested in both energy efficiency and renewable energy
6 options. Just in the past 5 years a legion of dedicated and well-trained energy
7 professionals (auditors, evaluators, raters, energy managers, renewable installers, etc.)
8 have been trained throughout Iowa at community colleges and with green job (and even
9 EE program) training funds. Non-profits and communities across the state are getting into
10 the action, and just as States are often laboratories for national priorities, so Iowa
11 communities are demonstrating tremendous diversity in locally-led energy transitions.

12 The Iowa program – led in this case by BHE – could fully develop this new
13 energy world into a middle ground EE program strategy and harness the best of both
14 worlds: the efficiency of prescriptive and custom rebate programs as managed by
15 utilities, and the power of locally-led energy planning, direct install, and related
16 educational and outreach efforts. The latter efforts should be implemented by an open
17 marketplace of qualified energy professionals, and organizations with the ability to
18 catalyze greater change at levels of both individual energy users and entire communities.
19 Together BHE and the Iowa EE programs can demonstrate how the power of energy
20 planning and local mobilization – in partnership with utilities and effective State
21 facilitation – can overcome market barriers and tap a previously untapped (and largely
22 unrecognized) energy efficiency opportunity.

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**The Plan Underestimates and Underachieves Savings
Because it Lacks Comprehensive Energy Planning**

Q. What is comprehensive energy planning?

A. Comprehensive energy planning is a highly effective method of providing technical assistance to energy users. It grew out of the conservation planning approach used by the Natural Resources Conservation Service of USDA for decades. The approach includes the following elements for energy (common to many sound planning processes):

- The collection and analysis phase includes determining the objectives of the homeowner (typically building comfort and saving money), analyzing data (including past utility data), conducting appropriate diagnostic tests and analysis of all *energy sources and uses*
- The decision and support phase includes developing recommendations based on customer objectives, providing financial and other modeling and analysis sufficient to allow for evaluation of alternatives, and working with the customer to prioritize recommendations and develop a realistic implementation plan
- The implementation and evaluation phase includes on-the-ground follow-through: connecting customers to resources such as contractors or financial services, monitoring implementation as necessary, and conducting required reporting

Comprehensive energy planning is highly effective but it is not in BHE’s plan. Nevertheless, it is not difficult to “get there from here” via a revision to BHE’s proposed plan.

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Q. What is the difference between BHE’s past technical assistance programs (“audits”), their proposed “evaluations”, and comprehensive energy planning?

A. BHE’s technical assistance programs (like those of the other IOUs) have developed out of the energy industry “audit” model. Some summarize this approach as “get in, generate a report, and move on.” Audits (or what are termed “assessments” in this current BHE plan) are a product (report) provided to a customer (energy user) after a relatively brief visit, which often ends up in the recycling bin or buried and forgotten. If and when an “audit” is acted upon, it is often simply because it was a pre-requisite to obtaining a rebate, not because the technical assistance actually identified new opportunities and assisted the customer in following through.

Energy planning, on the other hand, is an extensive process focused on identifying motivations and opportunities, and facilitating the achievement of those opportunities.

Specific differences include:

- *Comprehensive energy planning by definition includes all energy sources and uses regardless of utility.* Much utility auditing in the past – and BHE’s current proposal – has included only the energy source provided by that utility. By definition this means BHE customers may get incomplete technical work, because BHE provides only natural gas to Iowa customers, leaving electric measures to be addressed by others. But buildings are systems, and utility customers are people, and it is in by far the best interests of ratepayers and society as a whole to address all opportunities in one comprehensive plan. All the IOU EE plans claim

1 collaboration and coordination between programs, yet the facts remain that after
2 20+ years the lack of or confusion created by such coordination is still a key point
3 of every program evaluation, and for a very large number of customers there is
4 simply no collaboration whatsoever (such as our Home Performance pilot
5 described in the next section).

- 6 • Diagnostics and analysis components of past audits or proposed “assessments” are
7 often inadequate to provide the customer enough information about financial costs
8 and returns to make investment decisions and move forward with a plan. We
9 support BHE offering a blower door test and/or infrared thermography through
10 higher level audits. But there are no standards offered regarding the incorporation
11 of those diagnostics (together with 12 months of all-energy usage and
12 expenditures, and key household and building information) into a comprehensive
13 modeling, financial analysis and prioritization of recommended practices.
- 14 • The actual “planning” part of the process is absent from past and current technical
15 assistance programs. This requires sitting down at the kitchen table or back office
16 to review alternatives, develop a simple plan of action, and be a resource for
17 follow-through as necessary. Every program evaluation we’ve looked at covering
18 Iowa IOU EE plans over the years suggest “follow-through” is critical for
19 customer “conversion” from initial technical assistance to implementation, but
20 they rarely realize the two key missing links to make such follow-through
21 effective: first, the energy professional and customer need to take the report and
22 develop an implementation plan, as it’s difficult to follow through on a plan if you

1 don't first create the plan. And second, "follow-through" is difficult if the
2 "auditor" is driving (or calling) from 2-4 hours away, which is currently the case
3 for BHE customers in Winneshiek County. Truly LOCAL energy professionals
4 and organizations can provide effective plan development, follow-through, and
5 follow-up; remote professionals – no matter how good – cannot.

- 6 • Energy savings from improvements made as a result of comprehensive energy
7 planning should be credited back to the benefits-cost test for the energy planning
8 practice/measure in the EEP. Currently BHE ascribes only direct install (and in
9 some cases possibly envelope) savings to the actual technical assistance, or
10 assessments. It claims savings for each element of Direct Install carried out by
11 those providing assessments, and apparently calculates benefits-costs based on a
12 broad-brush deemed savings constant per home or business assessed, but this is
13 not how technical assistance ought to be valued. Direct Install savings ought to be
14 credited to a DI program, whether implemented by assessors, energy planners, or
15 community programs (explained in a future section). Home/Business assessments
16 (ideally full-scope energy planning as described in this section) ought to
17 correlated with recommended practices identified in the energy plan, and
18 *implemented within 12 months of the plan date.*

19 BHE appears to recognize the importance of more comprehensive technical assistance
20 with its establishment of tier 1 and tier 2 evaluations: this is a step in the right
21 direction and hopefully can provide the basis for more comprehensive energy
22 planning going forward.

1 We include an example of comprehensive home energy planning as Exhibit
2 WED-002. This is an analysis/report/plan developed for a Decorah customer in 2011.
3 The actual signed plan page is not included for confidentiality, but the document was
4 completed through collaboration of our energy planner and the customer, and all
5 practices shown were successfully installed within one year.

6
7 **Q. Does comprehensive energy planning overcome market barriers?**

8 A. Yes. BHE’s Residential Evaluation program does not specifically identify these barriers,
9 but other plans and evaluations (including of IOU programs using the same contracted
10 technical assistance providers) have, for example, referred to limited time, resources, and
11 awareness of how to act on recommendations. They acknowledge that customers often
12 don’t trust energy savings and suggest that providing savings estimates from trusted
13 sources can help to address this barrier. BHE’s proposed plan does propose program
14 follow up to encourage customers to move through installation steps.

15 These are steps in the right direction but they don’t amount to comprehensive
16 energy planning. Adequate diagnostics and analysis, development of an implementation
17 plan in partnership with the customer, and providing the partnership for follow-through
18 will – when done correctly – better overcome barriers in a majority of situations.

19 Another major program/market barrier to effective technical assistance programs
20 is the mixed service dilemma. Many Iowa utility customers receive their energy from
21 multiple sources, including multiple utilities and even multiple IOUs. While there is some

1 coordination between the IOU programs, and between BHE (and the other IOUs) and
2 customer-owned utilities (COUs), there are still very serious gaps resulting in significant
3 customer confusion, participation obstacles, and program inefficiencies.

4 One example of this was just received from a customer we've served with energy
5 planning here in Decorah. Since July 2012 we've been implementing a Home
6 Performance Pilot project for Black Hills customers in Decorah, and recently completed
7 comprehensive energy planning (including a Home Performance audit) with Mr. Kirk
8 Johnson. He is in the process of planning practice implementation, and is also
9 considering participating in Iowa Power and Light's (IPL) current solar rebate program.
10 When he learned he would be required pay significantly for a second Home Performance
11 audit from IPL, because BHE and IPL have not collaborated on either the current BHE
12 Home Performance pilot with WED or IPL's Home Performance audits to their
13 renewable energy customers, he was less than pleased. His letter is attached as Exhibit
14 WED-003, and includes this statement:

15 "While I appreciate the thoroughness of all this inspecting... and assessing... I
16 can't help but think about the wastefulness of having to do this a number of times
17 by a number of organizations/companies and for a variety of fees. Forgive me for
18 saying so, but the \$550 fee that I have already paid to Alliant Energy for an
19 upcoming audit feels a little more like "ransom money" in order to have the
20 privilege to install a solar system on my home. It seems to me that a neutral
21 provider like the Winneshiek Energy District should be capable of doing these
22 energy audits ONCE for an energy consumer and far more efficiently than the
23 corporate auditors can."

24 Quality energy planning as described here, and an open market approach to
25 technical assistance and energy planning services (as outlined in the following section)
26 would go a long way towards solving the mixed service dilemma that has plagued the

1 IOU programs for over 20 years. Through such an energy planning system, savings can
2 be directly attributed based on completed practices relevant to each utility.

3 Documentation of savings is critical to this BHE proposal and all the Iowa IOU
4 plans, but BHE and all parties involved have a diverse and robust set of tools and
5 experiences in this arena. Challenges in savings documentation should be no excuse for
6 program inefficiency and duplication, or preventing the implementation of innovative
7 energy planning and a technical services open marketplace (described in the next
8 section).

9
10 **Q. Do you have examples of comprehensive energy planning that have had major**
11 **impacts?**

12 A. Yes, we now have two consistent examples implemented here in Decorah by WED.
13 We'll describe the first – a completed stimulus-funded residential and commercial
14 program – here below, and the second – a current BHE-WED Home Performance pilot –
15 in the next section in the context of local energy professionals and an open marketplace.

16 Winneshiek Energy District carried out a roughly 18-month energy planning and
17 cost-share program during 2011 and the first part of 2012 in Decorah, Iowa. This
18 program was funded in large part through an Energy Efficiency and Conservation Block
19 Grant (EECBG) from the Iowa Office of Energy Independence to the City of Decorah
20 (WED was just one sub-recipient of the larger grant). The program included a focus on
21 residential and small commercial energy planning, and a direct install program in

1 partnership with Green Iowa AmeriCorps and the University of Northern Iowa
2 (addressed later in this testimony). Comprehensive energy planning was offered to
3 participants, along with a 30% cost-share from the federal funds, limited to cost-effective
4 practices and subject to caps. Participation and results include:

- 5 • 86 residential single-family households signed up for the program, and 64 of them
6 completed significant projects (typically at or above that necessary to successfully
7 test out of Home Performance). Average first-year financial savings per
8 household was \$387, including an average of 839 kWh and 347 therms per
9 household. This translates into a conversion rate of 74% (90% if comprehensive
10 direct install is included), the envy of any program in the country and far
11 surpassing (to the best of our knowledge) the combined impact of all Home
12 Performance pilots of all three IOUs in Iowa during that time period.
- 13 • 63 commercial signups received initial assessments and in 8 cases no major
14 improvement opportunities were identified. Of the remaining 55 that received
15 comprehensive energy planning, 49 completed major projects. Average first year
16 financial savings per participant was \$2,022, including 15,431 kWh and 727
17 therms. This is a conversion rate of 89%. There has been no similar commercial
18 program or pilot within BHE or among the IOUs to which comparison can be
19 made.

20 When comprehensive energy planning is conducted effectively at the local level,
21 our experience is clear: it drives change. While it's true we were able to add financial
22 incentives to sweeten the pot, the majority of these participants would not have

1 completed these projects were it not for our comprehensive energy plan and the
2 willingness of our staff to walk customers through each stage of their plan. To fail to
3 account for this fact by not attributing savings to quality technical assistance both
4 continues to perpetuate the status quo of poor quality technical assistance and to seriously
5 over-state impact of stand-alone prescriptive incentives in creating change.

6 For example, when a local nursing home received their analysis with many highly
7 cost-effective recommendations it was a bit overwhelming. We got in touch to develop a
8 plan but their board hadn't been able to fully review the options. Time went by but we
9 encountered the same problem – even with good information and viable alternatives it
10 was still hard for this nursing home to take action. We suggested focusing in, and getting
11 quotes for the facility about lighting, which was the most cost-effective energy efficiency
12 measure. Once this happened and the numbers came in, staff and board response was
13 essentially “What are we waiting for?!” The lighting project was completed with roughly
14 \$8,000 in projected annual savings, a couple smaller practices were implemented shortly
15 thereafter, and additional projects are scheduled (for example when roof replacement
16 happens in coming years). This customer likely wouldn't have ever signed up without our
17 presence (relevant to the next section), and *even with good financial analysis and*
18 *incentives* quite likely would not have implemented any changes in the near future. This
19 story repeated itself time and time again with both commercial and residential customers.

20
21 **Q. Would comprehensive energy planning be difficult or costly to implement within the**
22 **existing structure of the BHE program?**

1 A. No, not at all. Getting an auditor/assessor/planner in the door of a customer entails the
2 majority of the expense already: marketing, admin, trip time, minimum visit time, and
3 where follow-up of any sort is included, possibly additional office time. The greater
4 levels of diagnostics and analysis, and the time spent developing a plan and helping the
5 customer follow through all add cost, but the return in implementation and impact far
6 outweigh the added costs incurred.

7 Two key issues come into play however. Comprehensive energy planning *must* be
8 all-inclusive; it must include all energy sources and uses. Customers with split utilities, or
9 with only one utility plus propane, must be eligible for single-contact comprehensive
10 planning the same as all other customers. This may affect the benefit-cost tests, but the
11 effectiveness and impact (and confusion-reduction) will far outweigh these effects. Also,
12 effective energy planning may (but does not always) require more than one visit (even
13 prior to “test-out”). When energy auditors/assessors/planners are travelling significant
14 distances, effective energy planning is highly unlikely to occur. This is directly relevant
15 to the following section, which provides a feasible answer to the problem.

16

17 **The plan significantly underachieves savings because it precludes customer**
18 **participation in innovative and highly impactful locally-led energy planning and**
19 **community mobilization efforts**

20 **Q. How does it “preclude participation” in these efforts?**

21 A. As BHE explains in the “Residential Evaluation” and “Nonresidential Evaluation”
22 portions of their proposed plan, they intend to contract with “eligible evaluators” to

1 provide the technical services to customers. We sincerely hope this means they will be
2 working towards an energy professionals database with core qualifications and open to
3 all, but we assume it will more likely be a continuation of past programs whereby all
4 IOUs contract a single firm such as ATEC to provide services statewide.

5 Even though a minority of utility customers know the details of the EE programs
6 or have participated, most have an inkling that there's something available to them for
7 free or minimal cost. But when a qualified local energy professional or organization
8 offers energy auditing, assessment, or planning services, they can't afford to do so for
9 free, and many very interested potential customers know enough to ask "can't I get a free
10 audit from the utility?". Even though that audit (or assessment) may not be in any way
11 similar to a comprehensive energy plan offered by a local energy professional or
12 organization, the presence of a free service is often enough to discourage participation in
13 the local program, service, or effort. And those local energy professionals and
14 organizations are currently locked out of the EE programs, and the technical assistance
15 funds existing within those programs.

16
17 **Q. But isn't WED currently contracted by BHE to provide technical assistance for a**
18 **Home Performance Pilot?**

19 A. WED has indeed been implementing a Home Performance Pilot (described in detail
20 shortly) under an MOA with Black Hills running from July 2012 through June 2013 (and
21 providing basic walk-through audits as well). We are very appreciative of BHE's
22 willingness to work with us and believe the partnership has gone smoothly. We were

1 hoping to extend the MOA through the 2013 calendar year, or at the very least provide
2 follow-through services to enrolled HP customers who have six months to complete
3 practices and test out. Regrettably, Black Hills has provided notice of termination of the
4 MOA, and denied our request to provide follow-through services to HP customers within
5 their 6-month implementation phase *with whom have already provided the first phases of*
6 *energy planning*. WED is thus – again – locked out of BHE’s EE program, though we’ve
7 implemented the most successful Home Performance pilot in the history of Iowa’s EE
8 programs.

9
10 **Q. Who are the “qualified energy professionals and organizations” you refer to?**

11 A. Over the past few short years (essentially the period of BHE’s last 5-year plan) the
12 energy “auditing” and analysis industry has grown and matured, nationally and in Iowa.
13 On the residential side, both the Residential Energy Services Network (RESNET) and the
14 Building Performance Institute (BPI) have become accepted standards (though neither
15 has yet fully developed into energy planning, they’re moving in that direction). For larger
16 commercial and industrial applications there are Certified Energy Managers and
17 specialized trainings for engineers, and in agriculture a handful of training programs are
18 now functioning or under development.

19 In Iowa, we have hundreds of professionals trained through the community
20 colleges and elsewhere in recent years (especially receiving BPI and RESNET
21 certification). Northeast Iowa Community College has itself trained hundreds over the
22 past three years in auditing, solar site assessment, and other energy skills and services,

1 and similar programs exist around the state. There are also a growing number of local
2 energy and sustainability efforts in communities across the state. WED is one example
3 with fully functioning residential energy planning
4 (<http://energydistrict.org/programs/home-energy-planning/>) and direct install
5 (<http://energydistrict.org/programs/home-energy-planning/> -see subsequent section)
6 programs. Many of these local organizations are moving beyond education and outreach
7 and recognizing the importance of some form of energy planning. Green Dubuque is an
8 example of a community-level organization in this situation. Local organizations are in a
9 perfect position to build trust and motivate community, and they're either training or
10 joining forces with the new wave of energy professionals.

11 Together these organizations and professionals are part of the growing “green
12 industry”, and hold great potential for partnering with utilities and capturing ever greater
13 amounts of energy efficiency. Unfortunately, our flagship Iowa programs – including this
14 proposed BHE 5-year plan – are standing in the way of this movement by locking out the
15 vast majority of these qualified professionals and organizations from the program funds
16 dedicated for technical assistance – and related administration and education – to BHE
17 customers.

18
19 **Q. What do you mean by ‘locking out’?**

20 A. BHE’s plan states they will contract with “eligible providers” for technical assistance
21 services. The plan does not elaborate, but in the past BHE has contracted with one or two
22 large firms for the provision of technical assistance throughout their service territory, and

1 the same appears likely this time around. Thus, every BHE customer that requests an
2 assessment or audit would be connected to one of those groups for scheduling.
3 Customers do not have the option to choose a local technical service provider, even if
4 multiple local, well-qualified providers exist. Besides many obvious drawbacks to this
5 model, it also results in extensive travel in many instances for the assessors. For example,
6 IOU customers in Winneshiek County frequently receive technical assistance from
7 individuals driving at least 2 hours – from Northfield MN, Madison WI, or Cedar Rapids
8 and even Des Moines. It is difficult to justify an energy efficiency program with
9 unnecessary energy costs – let alone the time costs – when locally qualified resources
10 exist.

11
12 **Q. Do you have specific examples?**

13 A. Yes, we previously described the recent termination of our MOA with BHE. We have
14 also described earlier in this testimony the energy efficiency program WED implemented
15 in Decorah in 2011 and 2012. At the beginning of that program and at multiple times
16 since then we asked BHE and IPL to contract with us to provide technical services within
17 our local area for residential and commercial customers. At no time (other than the 12-
18 month, recently terminated residential MOA with BHE) have these requests been
19 granted, resulting in WED being locked out from the technical assistance funds present
20 within BHE and IPL's EE plan and program. Of the 64 residential participants in our
21 2011-12 stimulus-funded program, dozens were required to receive an additional BHE
22 audit beyond our existing Home Performance work in order to be eligible for insulation

1 and air sealing rebates from Black Hills Energy. This is representative of the general state
2 of affairs with the IOU programs as a whole (including BHE’s current proposal) not
3 allowing local professionals or organizations the opportunity to serve local customers.

4 Another very specific example is the letter from Kirk Johnson included as Exhibit
5 WED-003. And a final example is a Green Dubuque’s response to a recent Winneshiek
6 Energy District presentation on the potential impacts of locally-led energy planning is
7 another example (see Exhibit WED-004):

8 “The approach of energy planning would be a perfect fit for our efforts and we’d love to
9 learn more and start a similar program, but this doesn’t appear feasible if we can’t access
10 the utility energy efficiency program funds. ... In my work throughout the state
11 promoting energy efficiency and renewable energy I have seen a great deal of frustration
12 in the delayed and sometimes rushed “audits” from the seemingly overwhelmed
13 exclusive utility contractors. There is also a great deal of frustration that customers must
14 pay for the audit but cannot choose the company that performs the audit. This is an even
15 bigger concern in cities like Dubuque that have an abundance local trained energy
16 auditors that feel locked out of the market.”
17

18 The funds in these programs are rate-payer funds, but this state of affairs means
19 that local BHE customers are both denied access to their choice of technical assistance
20 provider, and precluded from participating in effective local programs.

21
22 **Q. Why are locally-led efforts potentially so much more effective at comprehensive**
23 **energy planning and community mobilization, and what are the results of your 1-**
24 **year Home Performance pilot with BHE?**

25 A. There is a great power in local – we all realize that within our communities, our schools,
26 our neighborhoods, our arts/culture/sporting events. That power derives from community
27 spirit, and also from networks and connections. A vast web of personal, business, and

1 other connections shapes local or community identity. Applied to the energy sector, these
2 local connections – of individual private energy professionals and especially of locally-
3 led energy-focused organizations – can overcome a wide array of market barriers
4 common to virtually all aspects of the IOU EE plans (including BHE’s current proposal).

5 The participation and conversion rates that WED has described above for our
6 stimulus-funded commercial and residential programs are testament, as are the Green
7 Iowa AmeriCorps Direct Install successes described later. Most recently, our Home
8 Performance Pilot is demonstrating similar success, including (in less than 12 months):

- 9 • 62 total participants receiving evaluations, 41 of those signing up for, paying the
10 extra \$100 fee, and receiving test-ins for Home Performance (HP)
- 11 • Of the first 31 participants (signups through February, including 11 basic and 20
12 HP), 7 have tested out, plus another three that we have followed through with
13 enough to know they’re qualifying and will test out shortly
- 14 • Of the remaining 31 participants enrolled since February, another 10 are basics
15 and 20 are HP customers, both accelerating the participation rate and continuing
16 the 2:1 ratio of HP to basic signups – unprecedented in IA
- 17 • HP customers have 6 months to complete practices and test out. Given the current
18 status of our energy planning and implementation with the 20 newer HP
19 customers, we’re confident even greater than the current 50% conversion rate
20 would test out *if WED were allowed to complete the process* with them

21 How does this compare to similar IOU Home Performance efforts in Iowa, and
22 how can the process be improved upon?

- 1 • According to the annual reports of the three IOUs for the three years they have
2 offered Home Performance Pilots (2010, 2011, and 2012), their participation rates are
3 low and conversion rates even lower (around 5%)
- 4 ○ Black Hills in Council Bluffs has tested in 156 and tested out 4
 - 5 ○ IPL (in three communities) has tested in 111 and tested out 9(?)
 - 6 ○ MidAmerican has tested in 39 and tested out possibly 4 (unclear)
- 7 • During just 12 months in one community (Decorah), WED is achieving enrollment
8 rates orders of magnitude higher, a conversion rate of roughly 50%, and if allowed to
9 complete our energy planning process with all current HP enrollees, we are confident
10 we would test out over 20 participants by the end of 2013 – apparently more than all
11 Iowa IOUs combined in three years of pilots
- 12 • These results are despite the significant headwinds WED faced in implementing this
13 pilot in Decorah. The following three issues represent major opportunities for
14 improvement (in addition, of course, to the foundational reason for our success –
15 locally led energy planning), and include:
- 16 ○ Lack of marketing effort or funds: to the best of our knowledge, and despite
17 repeated requests, BHE dedicated no marketing or outreach funds or efforts to
18 the Decorah pilot. Creating marketing partnerships and/or providing
19 marketing allotments to local energy professionals/organizations providing
20 technical assistance would prove highly effective – and efficient.
 - 21 ○ BHE and IPL (the electric service provider in Decorah) did not collaborate on
22 this pilot, despite our requests, and so electrical practices were not eligible to

1 be counted towards test-out and receipt of the HP rebate. When test-out is
2 predicated upon completing three of the top five recommendations,
3 disallowing practices related to an entire energy source is a serious handicap.
4 One example customer completed insulation and air sealing, and was going to
5 replace an old refrigerator but upon realizing it didn't help qualify for the test-
6 out rebate, did not do so. Lack of utility collaboration also fails to account for
7 energy improvements resulting from the audit that may happen but not be
8 counted because of lack of participation by one utility. ALL TECHNICAL
9 ASSISTANCE AND ENERGY PLANNING MUST BE PROVIDED FOR
10 ALL ENERGY SOURCES/USES TO BE EFFECTIVE AND EFFICIENT.

- 11 ○ Perhaps the greatest – and most easily corrected – challenge to HP participants
12 in this pilot is the 6-month requirement for customers to complete practices
13 and test out to receive the additional rebate. This is simply not long enough: at
14 least 5 HP participants that have currently passed the 6-month deadline and
15 failed to test out *have now or will shortly complete practices that would have*
16 *made them eligible for test-out*, if the deadline were 12 months rather than 6.
17 This change plus including electric practices would likely raise our formal
18 (test-out) conversion rate to the neighborhood of 75% - roughly equal to what
19 we achieved in our previously described stimulus funded residential energy
20 planning project. IPL's 2011 report includes an HP evaluation in Appendix F
21 which recognizes that even their existing 12-month HP deadline for practice

1 completion is often not long enough, and recommends a formal extension
2 request process.

3 Quality energy planning led by local, trusted energy professionals and
4 organizations set to common high standards holds untapped potential for dramatically
5 improving the effectiveness of existing (and in many ways robust) IOU EE programs.
6 IPL’s 2011 and 2012 reports both include the following observation: “Across the country,
7 the biggest challenge with Home Performance with ENERGY STAR program is
8 encouraging homeowners to follow through on recommended measures. This has held
9 true for customers engaged in IPL’s program.” And it has held true for all HP pilots from
10 all three Iowa IOUs, despite the fact that Home Performance (and the related but as yet
11 untried in Iowa “Building Performance” – similar to our commercial energy planning
12 program) is the closest Iowa IOUs have come to energy planning. Home Performance
13 methodology has improved the initial technical evaluation, but it still isn’t making a plan,
14 and you can’t “follow through” effectively with a customer on plan implementation from
15 many hours away. Locally-led energy planning isn’t rocket science, and it can fit well
16 into the existing IOU EE plans. We simply need to create the standards, structure, and
17 marketplace to make it happen.

18 We’re at the cusp of an opportunity for utility-local partnership, and this is the
19 greatest moment in the “cycle” of Iowa’s EE plans for nurturing that relationship. There
20 is even a significant untapped potential for the full gamut of education and outreach
21 programs within the locally-led context. It is absolutely critical to capture the large
22 opportunity for energy planning and direct install (the focus of the next section). An open

1 marketplace for energy planning and locally-led community efforts would create the
2 “middle ground hybrid model” for program implementation referred to at the beginning
3 of this testimony.

4
5 **Q. How could an open marketplace for energy planning and locally-led efforts be**
6 **implemented smoothly and effectively?**

7 A. Capturing the potential of energy planning and unleashing the energy of locally-led
8 efforts must move beyond pilot projects and case-by-case partnerships. Local energy
9 professionals and organizations can never flourish with the uncertainty of the current
10 system. An open, transparent marketplace creating universal standards for energy
11 professionals and for technical assistance and energy planning across all three IOU EE
12 programs is critical. This section applies to technical assistance across the full spectrum
13 of customers, including residential, commercial/industrial, and agricultural.

14 The marketplace and standards should be coordinated by a third party in
15 consultation with – but independent of – the utilities. This is not meant as a complete re-
16 design of the programs or a major jump toward full third-party administration of the
17 programs. The prescriptive and custom rebates, demand response, and at least a portion
18 of the educational programs would continue to be administered by each utility, and this is
19 the vast bulk of the programs. The technical aspects and some related administration,
20 marketing, and education would be coordinated by a third party but would be an
21 evolution of existing, long-established programs and services.

1 Note that this common approach to the provision of energy planning technical
2 assistance to customers is closely related to the idea of a statewide Technical Reference
3 Manual included in BHE’s forward plan budget and described in more detail in the direct
4 testimony of MidAmerican Energy’s Mr. Rea and their 2014-18 plan: “The TRM would
5 serve as a common reference document for all Iowa IOUs, stakeholders, program
6 implementers, and regulators, so as to provide transparency to all parties regarding
7 savings assumptions and calculations and the underlying sources of those assumptions
8 and calculations.” A marketplace for technical assistance would also require common
9 standards be set and a third party coordinating body be engaged, and provide
10 transparency and consistency for utilities, regulators, customers and other stakeholders. It
11 would go a long way towards overcoming confusion and the inefficiencies inherent in the
12 current model of split utilities for large numbers of customers.

13 We suggest the following key elements of an energy planning marketplace open
14 to all qualified local professionals and organizations:

- 15 • A third party entity capable of coordinating the development of standards for
16 energy professionals and the technical services themselves must be identified. We
17 are fortunate in Iowa to have two unique, well-respected public entities familiar
18 with the utility programs and capable of coordinating this effort efficiently and
19 effectively in robust partnership with Iowa utilities and for the benefit of Iowa
20 ratepayers: the Iowa Energy Center at Iowa State University, and the Center for
21 Energy and Environmental Education and the University of Northern Iowa.

- 1 • The first role of a coordinating entity would be to establish and convene a state
2 technical committee (including representatives from the utilities themselves) to
3 develop the afore-mentioned standards: for energy professionals (and their
4 organizations) desiring to provide technical services (energy assessments, energy
5 planning) to ratepayers/customers, for the levels of technical services themselves
6 (including direct install – see next section), and potentially for the local
7 organizations wishing to use marketing and education funds linked to the
8 aforementioned services. This technical committee is again simply an evolution –
9 not a new invention – of the energy efficiency collaboratives coordinated in recent
10 years by the Office of Consumer Advocate, which should also remain involved in
11 the process. There is also a very functional and effective model in the state
12 technical committees formed by USDA-NRCS for implementation of the
13 conservation partnership described at the beginning of this testimony, which
14 could be emulated by the third party coordinated body for the energy efficiency
15 programs.
- 16 • The standards developed for energy professionals would form the basis for an
17 open-market online database to be managed by the coordinating entity. This
18 would allow energy professionals and organizations to register and provide
19 evidence of their qualifications, and be approved as technical service providers for
20 certain levels/classes of the pre-defined technical assistance and energy planning
21 services

- Utility customers could then simply go online, learn about the levels of technical assistance and energy planning they're entitled to, choose the provider of their choice, and plan/schedule the work. Multiple options exist for reimbursement from program funds, including reimbursement directly to the customer, who would be charged by the service provider for the appropriate level of assessment or planning.

This is not a difficult or highly complicated process, and in fact we have 20 years of groundwork laid, excellent resources available in the state, and (relatively recently) a greatly expanded workforce of well-trained and qualified energy professionals. Energy planning standards have been discussed earlier. Qualification requirements for energy professionals and organizations, and quality control for technical services, are already a well-developed process within the programs that could easily be transferred to the third party facilitator of the technical assistance open marketplace. BHE's current plan (page 29) explains a rigorous QA/QC screening and qualifying protocol for professionals, for example, and the residential program explains that all evaluators must be BPI certified.

Q. Wouldn't such an approach be administratively expensive and difficult to implement?

A. No. BHE and other IOU customers already are able to choose their contractors for practice implementation, and this is simply an efficient expansion of that concept. Nothing in this marketplace proposal is a drastic departure from the status quo, it is simply a streamlining and strengthening of technical services, a free-market approach to

1 the provision of those technical services, and the creation of an environment in which the
2 power of local community initiatives and the army of newly trained energy professionals
3 is encouraged to flourish and innovate.

4 While it is true there will be costs incurred by the coordinating entity (likely one
5 of the Centers mentioned above), in the current BHE plan and Iowa IOU EEP structure
6 each utility is separately incurring program development, administrative, marketing and
7 related costs. It is difficult to believe there is no potential for savings from that scenario
8 to the marketplace proposed above. This would allow BHE and other IOUs to offer their
9 customers freedom of choice in local technical service providers without each of them
10 independently needing to build and manage the capacity for such a system. And even if
11 there were a slight increase in administrative costs, the savings over time from quality
12 energy planning and the power of local resources overcoming identified market barriers
13 will more than offset those costs and maintain cost-effectiveness.

14 Iowa's communities and energy professional workforce are ready for this, the
15 Iowa resources are in place for smooth implementation, our IOUs have capacity to make
16 the transition smooth and uneventful, and most importantly, Iowa energy citizens and the
17 energy efficiency world are ready for innovation and greater impact.

18
19 **Q. How will local energy professionals and organizations find and enroll customers?**

20 A. Local organizations and professionals generally have contacts, they have roots in the
21 community. That's not to say that classic marketing isn't important – it is and will
22 continue to be, but when combined with local leadership, recognition, and trust it goes a

1 whole lot farther. This is why it is important to dedicate a portion of the marketing funds
2 toward allotments for local qualified professionals and organizations – in addition to the
3 most proven utility-led outreach efforts such as bill stuffers/inserts.

4 Yet there is an even greater untapped opportunity to reach customers – through
5 analysis of energy usage and prioritization for local contact of those with greatest
6 identified potential. Just as BHE shares customer data on a regular basis with their
7 contracted technical providers, (or with the CAP agencies for low-income programs), so
8 BHE could share customer data under strict confidentiality agreements with qualified
9 local energy organizations implementing energy planning and direct install (see next
10 section) programs. This would allow analysis, prioritization, and targeting of customers
11 with the greatest energy improvement potential by local energy organizations partnering
12 with BHE to maximize the impact of the EE programs.

13 Over and over again the identified market barriers in the IOU EE plans include
14 lack of awareness and understanding of programs, combined with secondary concerns
15 such as time constraints, uncertainty about savings, and worries about costs and
16 financing. Locally-led energy planning can overcome virtually all these barriers,
17 especially with the ability to identify and contact customers with clearly high opportunity
18 for improvement, explain to them the options and process, and offer to begin that process
19 with no commitment on their end other than seriously considering options presented
20 during the analysis and planning process.

21 Targeting and prioritization of opportunity to maximize results is not a new
22 concept in resource conservation. In agricultural watersheds, for example, USDA and

1 local partners have been using geographic information systems and other tools to identify
2 the 20-30% of cropland contributing 70-80% of soil erosion to streams and rivers, and to
3 work closely with the appropriate landowners on conservation planning and enrollment in
4 financial incentives programs. BHE partnership with qualified local energy planning
5 organizations would simply bring this model to the energy world via local, trusted
6 organizations working hand in hand with both the utility and the local customers to
7 maximize impact of the EE program.

8
9 **The plan significantly underestimates and underachieves savings available from Direct**
10 **Install efforts through continuing DI linkage with audits/evaluations, and locking out**
11 **qualified local organizations and proven programs such as Green Iowa AmeriCorps**

12 **Q. What is the problem with linking Direct Install to Energy Evaluations?**

13 A. On the one hand, it makes perfect sense for an auditor/evaluator/planner to provide Direct
14 Install services once on site, and we commend BHE for expanding the scope of their
15 Direct Install in the current plan. On the other hand, it makes NO sense for Direct Installs
16 to be LIMITED to assessments, and it is a very “lazy” way to “pay” for Direct Install
17 when it comes to benefits-cost. The purpose of energy assessments (or better yet
18 planning) ought to be to conduct quality diagnostics and analysis that results in the
19 customer making significant recommended improvements. Implemented practices should
20 be easily track-able and these should provide the savings for the benefits-cost test.

21 The more serious issue with the assessment-DI linkage, however, is that it
22 severely limits the savings potential by abandoning most customers that won't get an

1 audit/evaluation. If we assume 1) that only a small percentage of BHE customers get an
2 audit every year, 2) that DI is relevant to the great majority of households, and that 3) the
3 DI itself does not require (by definition) a fully qualified energy auditor/evaluator, then
4 why not create programs and conditions that catalyze the rapid evolution of community-
5 based Direct Install programs capable of partnering with BHE to capture much greater
6 amounts of DI savings by serving many more customers than only those receiving energy
7 audits?

8
9 **Q. But if DI savings can't pay for audits, how are they cost-effective?**

10 A. The purpose of audits/energy planning is to identify opportunities and help the customer
11 make the most cost-effective improvements available to them. Effective energy planning
12 (as described earlier in this testimony) should prove more than cost-effective through
13 tracking practices installed within a year of the beginning of the planning process.
14 Savings from all practices completed outside this 12-month window following
15 assessments/planning can continue to be attributed via prescriptive rebates to the rebate
16 program. The tracking of practice implementation by customers receiving
17 assessments/planning services is not difficult in this information age, and is actually
18 critical to developing effective technical assistance programs. For one specific example
19 of stand-alone DI cost-effectiveness within BHE's current plan, see answer to the next
20 question.

21
22 **Q. So if DI isn't implemented by auditors/evaluators, how will it be implemented?**

1 A. There's nothing wrong with auditors conducting a DI when on-site, except that it may not
2 be the best use of their time and expertise. What makes more sense is to create a program
3 that stimulates community-level partnership with BHE to ramp up the DI program
4 community-wide. This could dramatically increase the universe of potential DI customers
5 and therefore DI savings in a very short period of time. Direct Install is a perfect program
6 for community involvement, for combining actual boots-on-the-ground change
7 facilitation with the community-wide education and outreach efforts. A great diversity of
8 such programs can be expected to flourish if given the opportunity; the Green Iowa
9 AmeriCorps programs explained below are one such program already in existence and
10 achieving solid results.

11 BHE's current proposed plan even includes a very small-scale "pilot" of a stand-
12 alone community-based DI program, in the form of their "Low-Income Weatherization
13 Teams". These teams of BHE, IUB and other community volunteers work at the
14 community level to "weatherize" homes, though the work is essentially a standard DI
15 plus some basic air sealing work (it is not a full-scope weatherization such as the CAP
16 agencies provide through the Weatherization program). Key points of this model stand-
17 alone DI program relevant to this and the following question include:

- 18 • Participation goals are 110 households/year (our GIA team - discussed next – and
19 those of other communities can each do this every year – with great impact!)
- 20 • Using the budget and savings goals presented on pp. ES-xi to ES-xiii, the
21 "weatherization teams" achieve a cost-effectiveness of roughly \$20/dekatherm,

1 while the combined tally for residential programs is about \$51/DT and for
2 nonresidential programs is about \$32/DT

- 3 • This apparently does not even include the single most cost-effective component of
4 a holistic DI program, which is lighting measures
- 5 • Even doubling the budget allocated per household to allow for some management
6 and marketing funds for community-based efforts around the state (such as Green
7 Iowa AmeriCorps) would still make for a highly cost-effective program

8
9 **Q. But who will run these programs and how will we have quality control?**

10 A. Basic standards for community-level DI programs can easily be defined by the same
11 third-party coordinating the open-market energy planning process. Nothing about this
12 process need be difficult: the BHE DI program has already evolved a robust set of simple
13 practices that can be done quickly by individuals with a modest amount of training
14 (though as mentioned before with Home Performance, it sorely needs to be implemented
15 in collaboration with electric utilities and include all energy practice opportunities).

16 One proven and highly effective model currently exists for community-level DI,
17 and holds great potential for replication. The Green Iowa AmeriCorps Program is run
18 through the UNI Center for Energy and Environmental Education (CEEE). CEEE has
19 four teams placed in four different communities with host organizations. Each team has
20 members trained as BPI building analysts. GIA team members spend at least half their
21 time conducting “weatherizations” and the rest of the time during their 11-month term
22 conducting education, awareness, and volunteer-generating activities in their

1 communities. The “weatherization” work is actually closer to a DI than a Community
2 Action weatherization, as it adds a blower door test and a certain amount of air sealing
3 activity (in leaky homes) to the DI list found in BHE’s current plan proposal.

4 WED is currently hosting its third annual GIA team, and we can speak to their
5 effectiveness. We’ve put a great deal of time and energy into both expanding the scope of
6 their work to include the fullest extent of all practical measures, and development of an
7 online database for documenting installed measures from on-site location. At each
8 household, our team currently changes almost every light bulb in the house (mostly to
9 CFL, though we’re starting to look at LEDs); installs efficient aerators and showerheads
10 in every location they’re lacking; conducts a blower door test, combustion safety testing,
11 and if warranted extensive air sealing; and addresses a series of additional items
12 depending on opportunity, including programming thermostats, adjusting computer
13 power settings, installing smart power strips with computer or entertainment systems,
14 changing furnace filters, insulating water heater pipes, and taping accessible ducts.

15 We have created an online tool to present and visualize the accomplishments of
16 our GIA team, which can be found at <http://tools.energydistrict.org/map/>. A snapshot of
17 this page is submitted as Exhibit WED-005. It shows that to date, the GIA in Winneshiek
18 County have served 333 households, with average first-year savings of \$142/household,
19 for a total first-year savings to date of \$46,867. Total first-year electric savings achieved
20 to date is 281,276 kWh (including an average of over 900 kWh per household for the 279
21 households that received lighting installation). Total first-year natural gas savings
22 achieved to date is 9,394 therms, (including an average of 37 therms per household for

1 the 109 receiving hot water heating measures, and an average of 42 therms per household
2 for the 124 receiving air sealing).

3 Funding for programs like this can come and go rapidly however. Through stable
4 financial partnership with BHE and other Iowa utilities and the EEP programs, the Green
5 Iowa AmeriCorps program could expand over time to serve many more Iowa
6 communities and be yet another model Iowa program emulated by our neighbors.

7
8 **Q. How will savings be calculated for DI and how will local programs be reimbursed?**

9 A. Savings can easily be calculated based on current BHE program assumptions and
10 methods. Another model is currently in use at WED. Our GIA team members take the
11 last few minutes at every household and enter each installed item into an online database.
12 Entering each light bulb by usage tier and wattage differential, and each showerhead by
13 measured before/after flow rate, for example, gets more accurate estimates of savings but
14 also incentivizes the DI installer to maximize savings opportunities at each visit.

15 We suggest that BHE (and the other IOUs as well) support community DI
16 programs such as (but not necessarily limited to) GIA based on BOTH savings-based
17 reimbursement at positive benefits-cost rates, AND for community-level education and
18 outreach efforts through the E&O components not subject to benefits-costs tests. One
19 attractive approach would be to simply create a formula, for example whereby each dollar
20 reimbursed to the local program based on energy savings might be matched with 2 dollars
21 in educational funding. Educational programming could be coordinated somewhat with
22 the existing plan programming or follow certain guidelines, but ideally would be largely

1 left up to the local program priorities or GIA member initiative. This approach would be
2 most likely to stimulate innovative and locally-relevant activities. Our GIA team has, for
3 example, organized bike to work week activities, created “open streets” events, organized
4 extensive brownbag talks and evening presentations on energy efficiency and renewables,
5 worked with teachers and students in the local schools, and worked with countless
6 additional local partners on related issues and activities.

7 The sky’s the limit for what locally-led DI and education efforts like Green Iowa
8 AmeriCorps can accomplish – especially if allowed to become part of the existing Iowa
9 energy efficiency programs and to partner with BHE and other utilities. What a vibrant
10 model this is and ripe for expansion, and what a great opportunity for BHE, Iowa
11 ratepayers, and the state as a whole to expand a highly effective model to additional
12 communities using existing energy efficiency resources.

13
14
15 **BHE’s plan – like all Iowa IOU EE plans – fails to adequately address effective program**
16 **implementation where Iowan’s are served by multiple utilities..**

17 **Q. Why is this such an important issue?**

18 A. For well over 20 years the Iowa IOUs have been implementing EE programs, and they
19 have yet to achieve effective collaboration in program implementation ESPECIALLY in
20 the areas of technical assistance and related direct install services. Program inefficiencies,
21 customer confusion, and lost planning/conversion opportunities are extensive, and there
22 appears to be no significant progress towards fixing the split utility problem in the 2014-

1 2018 plans – in fact if anything there is retrenchment and re-focusing on savings potential
2 form each utility’s own energy source alone.

3
4 **Q. But is there truly a viable solution to this long-standing problem?**

5 A. Yes, development of common and high-quality energy planning standards for technical
6 assistance and direct install programs, third party (existing Iowa resources) coordination
7 of this process and development of an open marketplace for provision of such services
8 via qualified local energy professionals and organizations, and proper allocation of
9 savings to energy planning activities and the appropriate utility would all make great
10 strides in solving the problem.

11
12 **Conclusion**

13
14 The states are clearly models of innovation when it comes to energy efficiency and
15 renewable energy in the United States. Iowa was one of the very first to establish large-
16 scale rate-payer funded programs, we’ve come a long way and have much to be proud of,
17 including this BHE proposed plan. My testimony suggests significant but we believe very
18 workable improvements to allow local professionals and communities to become the
19 laboratories of innovation within BHEs (and the broader IOU) efficiency plan, through a
20 “hybrid” approach including:

- 21 • Transitioning from and “audit/evaluation” model (a product-driven approach
22 to technical assistance: get in, delivery audit, get out) to a more

1 comprehensive and impactful energy planning model (a process-oriented
2 approach to technical assistance: identify objectives and opportunities, create
3 and implement plan together with customer).

- 4 • Developing an open marketplace for qualified technical assistance providers
5 that allows ratepayers to choose their provider, nourishes rather than restricts
6 the growing industry of qualified energy professionals, harnesses the power of
7 community-based organizations to prioritize and provide services, and utilizes
8 existing and strong Iowa resources to coordinate this innovative marketplace
- 9 • Unlocking the tremendous opportunity of community-led Direct Install efforts
10 such as Green Iowa AmeriCorps to accelerate DI by including DI in the open
11 marketplace for professionals and organizations, and creating a
12 reimbursement/funding mechanism linking payment-for-savings and
13 educational and outreach funds
- 14 • Establishing a new vision and path for implementing energy planning and
15 direct install services through an open marketplace that would make great
16 strides towards solving the split utility dilemma that has plagued Iowa's EE
17 programs from the beginning

18 BHE, IUB, the Iowa Legislature, and all other parties to the process have created a robust
19 set of energy efficiency and customer-owned renewable generation programs. I hope our
20 modest proposal may contribute to continued innovation, creativity, and growing impact
21 of the programs for the benefit of ratepayers, communities, and Iowa as a whole.

22

1 Thanks you,
2 Andrew Johnson

3

4 I, Andrew Johnson, being first duly sworn on oath, state that I am the same identified in the
5 testimony being filed with this affidavit, that I have caused the testimony [and exhibits] to be
6 prepared and am familiar with its contents, and that the testimony [and exhibits] is true and correct
7 to the best of my knowledge and belief as of the date of this affidavit.
8

8

9

10

Sincerely,

11

12

/s/ Andrew Johnson

13

Andrew Johnson

14

Executive Director

15

Winneshiek Energy District

16

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17

andy@energydistrict.org

18

June 27, 2013

19

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