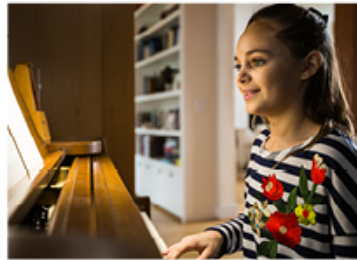


# Washington DSM Advisory Group Meeting

## October 12, 2021

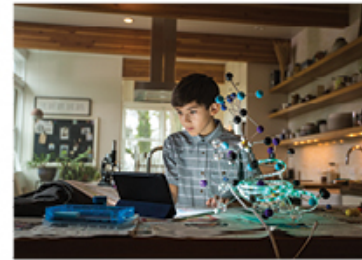
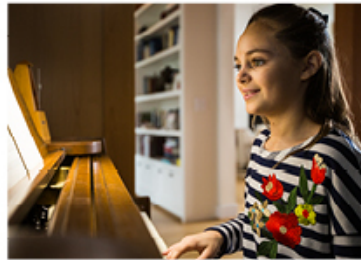




# Agenda

- Walk through these specific items in the biennial conservation plan:
  - Non-energy impacts
  - Competitive Procurement Framework
    - (and our plan to extend three of the contracts)
  - Clean Energy Implementation Plan utility actions/program changes
- Other updates
  - Forecast
  - CETA/CEIP

# Non-energy Impacts



# Non-energy impacts background and context

- July 22 DSM AG meeting plan
- Comments on 9-15 draft of business plan – how did Pacific apply NEI's?
- October 6<sup>th</sup> conversation with staff on useful analysis
- Condition 10
  - a) research impacts not previously quantified - DNV work
  - b) identify and include in cost effectiveness - AEG cost effectiveness memos
  - c) begin to identify the distribution of energy and nonenergy benefits in annual plans and reports. .... Additional impacts as they become available become available - AEG cost effectiveness memos and DNV gap analysis

# NEI application – proxy vs. DNV? **slide 19 from July 22 meeting**

- High level analysis by AEG.
- Applying DNV NEIs to mapped measures (not all measures) and dividing by all measure savings (Jan 2017 to ~ end of Jan 2021).

Sector	Total NEIs Calculated by DNV-GL	Total PacifiCorp First-Year Program Savings (kWh)	NEI \$/kWh
Residential	\$160,147	22,493,760	\$0.007
C&I	\$1,564,958	108,297,143	\$0.014
Overall	\$1,725,104	130,790,903	\$0.013

## NEI application – proposed **slide 20 from July 22 meeting**

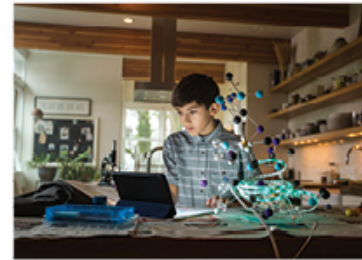
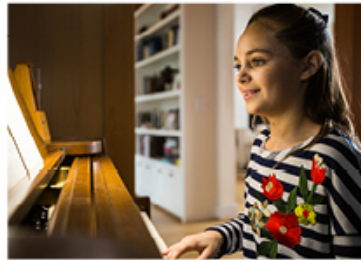
- Proposed ahead of IRP selections – may amend when selections are available
  - Supply curve NEIs and impacts in selections remain intact. No adjustment.
  - Proxy NEI added by IRP team and reflected in selection impacts remain intact. No adjustments
  - Since we have global and specific NEIs on all measures and reflected in selections, DNV values which are less certain will not be included as an adjustment to the target.
  - DNV values will be used in assessing cost effectiveness for as delivered 2022-2023 results.
  - Proxy values not included in assessing cost effectiveness for as delivered 2022-2023 results unless benefit cost ratios below 1.0

# Non-energy impact scenarios/useful analysis

- Scenario 1: as previously modeled with \$29 proxy for all measures
- Scenario 2 replaces the \$29 proxy with the DNV values for mapped measures and leaves the \$29 proxy for unmapped measures
- Scenario 3 replaces the \$29 proxy with the DNV values for mapped measures and zeroes out the proxy for unmapped measures (this would be the most accurate way to incorporate DNV's findings)

Program	NPV Non-Energy Impacts (\$)		
	Scenario 1 (29\$ for all measures)	Scenario 2 (DNV NEIs & 29\$ for non-DNV measures)	Scenario 3 (DNV NEIs & \$0 for non-DNV measures)
Home Energy Reports	\$328,795	\$328,795	\$0
Home Energy Savings	\$6,127,838	\$4,732,355	\$4,462,325
Wattsmart Business	\$15,395,320	\$10,726,278	\$9,321,515
NEEA	\$1,912,883	\$1,383,933	\$544,497
<b>Total</b>	<b>\$23,764,836</b>	<b>\$17,171,361</b>	<b>\$14,328,337</b>

# Competitive procurement framework

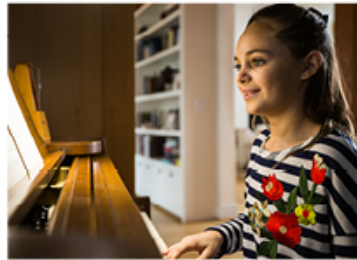




# Competitive procurement framework for Washington Conservation and Efficiency Resources

- New rules on procuring resources - WAC 480-107-065
- “... file first framework with 2022-2023 biennial conservation plan.”
- “include documentation of support by the advisory group..”
- DSM AG comments and responses provided in version with Oct 1 draft filing. Highlights on company responses
  - Specific to conservation and efficiency – doesn’t preclude DR, but DR pairs well with All-Source RFP (as with 2019 IRP).
  - Mass market (in addition to business) programs are highly dependent on strong relationships with market actors – trade allies
  - Three contracts extended – Resource Innovation + Cascade (two) to maintain delivery continuity, gain practical experience with equitable distribution and provide time for DSM AG engagement with next RFP(s) per the framework.
  - Annual planning process with providers to incorporate innovation; shows up in pilots, new offers, program changes

# Clean Energy Implementation Plan utility actions/program changes



# Low Income Weatherization – CEIP Utility Actions

1. Increase funds available for repairs from 15% to 30%
2. Permit installation of electric heat to replace permanently installed electric heat, space heaters or any fuel source except natural gas with adequate combustion air as determined by the Agency

*Program changes designed to promote the installation of electric heat and minimize use of wood heat, solid fuels or natural draft equipment in specific applications where combustion safety (and indoor air quality) cannot be maintained.*

Requires a filing

- Changes to Schedule 114 are required to implement these changes. Amended tariff sheets will be filed with the Commission to enable these changes.

# Home Energy Savings CEIP Utility Actions

- **Multi-Family:**
  - Windows - Enhanced incentives for windows in multi-family units on residential rate schedules. Initial focus on buildings in Highly Impacted Communities.
  - Lighting - Continue direct install residential lighting in multi-family units.
  - Continue focus in Highly Impacted Communities.
- **Lamp Buy Down**
  - Maintain and expand if possible general-purpose lamp buy down in “dollar stores” in Highly Impacted Communities. This will be the only retail lighting buy down offer.
- **Manufactured Homes**
  - Continue manufactured home direct install duct sealing and lighting.
  - Continue focus in Highly Impacted Communities.
- **New Construction**
  - Continue promoting new construction offerings for multifamily and single-family units.
  - Continue focus in Highly Impacted Communities.

# Home Energy Savings CEIP Utility Actions (cont.)

- Non-Electric, Non-Natural Gas Upgrades in Named Communities
  - Serve named community residential customers who use non-electric and non-natural gas fuel sources in their primary heating systems by decommissioning these systems and installing ductless heat pumps.
    - This measure will be offered at the same incentive rate as the typical ductless heat pumps measure, and will be available in single family, manufactured homes, and multifamily residences.
    - Customers in Highly Impacted Communities will be eligible for this incentive, customer eligibility criteria will be available on the program website.
    - Standard ductless heat pump measure replacing electric forced air furnace or zonal electric primary heating systems will still be available for all residential customers.
    - Use RTF deemed values for ductless heat pump installations that assume a zonal electric resistance baseline since RTF does not have any measures for alternative fuel source replacement or conversions.

# Wattsmart Business CEIP Utility Actions

- Utility actions focused on small businesses (Schedule 24)
  - Current program offers enhanced lighting retrofit incentives for small businesses

- Add a new small business offer for
  - Smallest of the small businesses
    - (< 30,000 kWh annual usage)
  - Named Community small businesses
    - Schedule 24 small businesses located in Highly Impacted Community
- New offer has higher incentive and incentive cap of 100 % of project costs (rather than 90%)
  - Reduces (or eliminates) the customer out-of-pocket cost barrier
- For lighting retrofits, installed by an approved vendor

- Outreach
  - Target a portion of company initiated proactive outreach (postcard mailings w/vendor follow-up) to small businesses in Highly Impacted Communities.
    - Continue to tie proactive outreach to approved small business vendor capacity to respond to customer inquiries.
- Vendor incentives
  - Offer a higher vendor incentive for completed lighting retrofit projects with small businesses located in Highly Impacted Communities.

# Participation Tracking/Reporting CEIP Utility Actions

Track program participation for the following and include in annual reports starting in 2022  
(2022 will be a transition year as applications are revised to collect additional information)

## Low Income Weatherization

- Participants located in a Highly Impacted Community
- Participants whose primary language spoken is other than English
  - (question asked of the contact person completing the incentive application)
- Participants who rent or lease rather than own
- Participants living in a manufactured home

## Home Energy Savings

- Participants located in a Highly Impacted Community
- Participants whose primary language spoken is other than English
  - (question asked of the contact person completing the incentive application)
- Participants who rent or lease rather than own
- Participants living in a manufactured home
- Participants living in a multi-family unit

## Wattsmart Business (except midstream)

- Participants located in a Highly Impacted Community
- Participants whose primary language spoken is other than English
  - (question asked of the contact person completing the incentive application)
- Participants who rent or lease rather than own
- Participants who are smaller businesses
  - (e.g., account associated with project receives electric service on Schedule 24)

# Home Energy Savings Other Program Changes

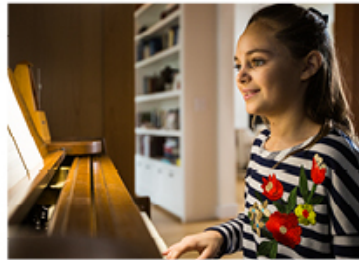
- Align with latest unit energy savings (UES) from the RTF.
- Add new measures:
  - Direct install duct sealing in single family homes
  - Load/occupancy sensing advanced power strips in retail
  - Multifamily attic insulation from R-0 to R-49
  - Multifamily floor insulation: R-19 to R-30
  - Windows (pre-condition baseline): U-22 or lower
- Increase incentives for various HVAC, building shell, and water heating measures.
- Split direct install lighting measures out to specify different incentives from retail lighting.
- Maintain retail lighting lamp buy down in “dollar stores” in named communities, but remove all other retail lighting buy down measure due to high deemed costs, low deemed savings, and/or discontinuation in RTF.



# Wattsmart Business Other Program Changes

Proposed Change	Why
Customer incentive increase Lighting retrofits 60% increase Non-lighting From \$0.18 to \$0.24/kWh Reduce the project cost incentive cap from 80 to 70%	<ul style="list-style-type: none"><li>• Business customers generally need to see shorter paybacks (2 years or less) on their investments in efficiency upgrades than prior to the pandemic.</li><li>• Incentive increases intended to bring more project paybacks closer to 2 years or less so more customers complete proposed projects.</li><li>• Analysis of participation data indicates the project cost cap can be set at 70% and paybacks on projects that would have capped between 70-80% are still less than two years. Also, 70% cost cap is aligned with other utility incentive offers.</li></ul>
Modify the small business offer to replace the existing \$/fixture incentives with a \$/kWh incentive structure	Proposed \$/kWh incentive provides more flexibility to address all eligible lighting in a small business with the small business lighting offer. Reduces complexity for the small business and streamlines the process.
Add new HVAC check-up measures	New offer to encourage customers to maintain existing rooftop units (RTUs) to optimize equipment efficiency and install energy saving measures on existing HVAC equipment.
Updates for various measures	Align with the RTF updates

# Other updates



# October 2021 Forecast for MWH (\$ from Aug update)

Table 1 (BP)		2020-2021 Biennial Target Savings and Budget Projections by Program					
Program or Initiative	2020 PacifiCorp Washington Conservation ACTUALS			2021 PacifiCorp Washington OCTOBER 2021 Conservation FORECAST			2020 + 2021
	Gross kWh/Yr Savings @site	Gross kWh/Yr Savings @gen	Estimated Expenditures	Gross kWh/Yr Savings @site	Gross kWh/Yr Savings @gen	Estimated Expenditures	Gross MWh Savings @gen
Low Income Weatherization (114)	69,527	74,864	\$ 347,189	145,860	157,056	\$ 865,000	232
Home Energy Savings (118)	4,720,378	5,082,714	\$ 2,672,704	3,607,590	3,884,509	\$ 4,064,407	8,967
Home Energy Reports (N/A)	3,542,270	3,814,175	\$ 259,013	139	150	\$ 360,860	3,814
<b>Total Residential Programs</b>	<b>8,332,175</b>	<b>8,971,753</b>	<b>\$ 3,278,906</b>	<b>3,753,589</b>	<b>4,041,714</b>	<b>\$ 5,290,267</b>	<b>13,013</b>
Wattsmart Business (140) - Commercial	21,182,321	22,792,601	\$ 4,240,996	15,578,466	16,762,741	\$ 5,145,304	39,555
Wattsmart Business (140) - Industrial	6,864,628	7,332,452	\$ 1,374,394	4,841,956	5,171,935	\$ 1,599,216	12,504
Wattsmart Business (140) - Irrigation	803,342	865,007	\$ 160,840	631,559	680,038	\$ 208,593	1,545
<b>Total Business Programs</b>	<b>28,850,291</b>	<b>30,990,060</b>	<b>\$ 5,776,230</b>	<b>21,051,981</b>	<b>22,614,714</b>	<b>\$ 6,953,114</b>	<b>53,605</b>
Northwest Energy Efficiency Alliance	5,569,225	5,996,719	1,002,231	3,023,217	3,253,636	842,389	9,250
<b>Total Other Conservation Initiatives</b>	<b>5,569,225</b>	<b>5,996,719</b>	<b>\$ 1,002,231</b>	<b>3,023,217</b>	<b>3,253,636</b>	<b>\$ 842,389</b>	<b>9,250</b>
Be wattsmart, Begin at Home	-	-	\$ -	-	-	\$ 64,523	-
Customer outreach/communication	-	-	\$ 249,711	-	-	\$ 250,000	-
Program Evaluations (& savings verification)	-	-	\$ 351,377	-	-	\$ 259,662	-
Potential study update/analysis	-	-	\$ 107,628	-	-	\$ 95,368	-
System Support	-	-	\$ 43,353	-	-	\$ 148,543	-
End use load research, RTF & CTA 2045	-	-	\$ 31,057	-	-	\$ 85,500	-
<b>Total Portfolio-Level Expenses</b>	<b>-</b>	<b>-</b>	<b>783,126</b>	<b>-</b>	<b>-</b>	<b>903,596</b>	<b>-</b>
<b>Total PacifiCorp Conservation</b>	<b>37,182,466</b>	<b>39,961,813</b>	<b>\$ 9,838,262</b>	<b>24,805,570</b>	<b>26,656,428</b>	<b>\$ 13,146,977</b>	<b>66,618</b>
<b>Total System Benefit Charge Conservation</b>	<b>42,751,691</b>	<b>45,958,532</b>	<b>10,840,493</b>	<b>27,828,787</b>	<b>29,910,064</b>	<b>\$ 13,989,366</b>	<b>75,869</b>
<b>Total Conservation</b>	<b>42,751,691</b>	<b>45,958,532</b>	<b>\$ 10,840,493</b>	<b>27,828,787</b>	<b>29,910,064</b>	<b>\$ 13,989,366</b>	<b>75,869</b>
						<b>penalty target (gen)</b>	<b>95,108</b>
							<b>70%</b>

# How Can the Public Contribute to the Clean Energy Implementation Plan?

- Participate in a public meeting or advisory group meetings and provide input:
  - 10/19/2021 – CEIP 2<sup>nd</sup> Technical Conference from 1–3 pm
  - 10/20/2021 – Equity Advisory Group meeting from 1-4pm
  - 11/10/2021 – Public Participation Meeting from 6-8pm
  - 11/17/2021 – Equity Advisory Group meeting from 1-4pm
  - 12/15/2021 – Equity Advisory Group meeting from 1-4pm
- Submit comments directly to PacifiCorp via email at [CEIP@PacifiCorp.com](mailto:CEIP@PacifiCorp.com)
- Once PacifiCorp has submitted the draft CEIP on November 1, file comments with the Washington UTC Records Center

# DSM Advisory Group Input on Clean Energy Implementation Plan

- DSM Advisory Group input is welcome
- The following meetings are proposed for DSM Advisory Group Input on the Clean Energy Implementation Plan (focus on EE items)

Timing	Proposed Topics
<b>Week of Oct. 18</b> Monday, 10/18 2-3:30?	Joint Advocate Comments response Customer Benefit Indicators, metrics, utility actions <i>(focus on the energy efficiency program related items)</i>
<b>Week of Nov. 15</b> Monday, 11/15 2-5pm window? Wed., 11/17 9am-noon window? Friday, 11/19 1-3pm window?	Input on draft Clean Energy Implementation Plan (Nov 1 draft)

# Thank you

