

Appendix D:  
Quick Reference Guide to Commonly Used Terms

## **Quick Reference to Commonly Used Terms**

The following common terms are used frequently within Avista's business planning and portfolio management process. The definitions are presented here to provide greater clarity and more constructive discussion throughout the review of the business plan and for the external oversight of Avista's DSM portfolio in general.

### **8760**

Total number of hours in a year.

### **Adjusted Market Baseline**

Based on the RTF Guidelines, represents a measurement between the energy efficient measure and the standard efficiency case that is characterized by current market practice or the minimum requirements of applicable codes or standards, whichever is more efficient. When applying an Adjust Market Baseline, no net-to-gross factor would be applied since the resultant unit energy savings amount would represent the applicable savings to the grid.

### **Advisory Group (formerly known as the Triple E Board)**

Avista's group of external stakeholders who comment about the Company's DSM activities.

### **Avoided Cost**

Theoretical costs that the Company would not incur by selecting an alternative path or option. Avoided costs, as defined by the Public Utility Regulatory Policies Act (PURPA), are incremental energy or capacity or both which but for the purchase from qualifying facilities the utility would either generate itself or purchase from another source.

### **AFUE (Annual Fuel Utilization Efficiency)**

The measure of seasonal or annual efficiency of a furnace or boiler. It takes into account the cyclic on/off operation and associated energy losses of the heating unit as it responds to changes in the load, which in turn is affected by changes in weather and occupant controls.

### **AMI (Advanced Metering Infrastructure)**

Systems that measure, collect and analyze energy usage, from advanced devices such as electricity meters, gas meters and/or water meters through various communication media on request or on a pre-determined schedule.

### **AMR (Advanced Meter Reading)**

The technology of automatically collecting data from energy metering devices and transferring that data to a central database for billing and/or analyzing.

**aMW**

The amount of energy that would be generated by one megawatt of capacity operating continuously for one full year. Equals 8,760 MWh of energy.

**ANSI (American National Standards Institute)**

A source for information on national, regional, international standards and conformity assessment issues.

**ASHRAE (American Society of Heating, Refrigeration and Air-Conditioning Engineers)**

To advance “technology to serve humanity and promote a sustainable world. Membership is open to any person associated with the field.”

**Base Load Generation**

Electric generating facilities that are operated to the greatest extent possible to maximize system mechanical and thermal efficiency and minimize system operating costs.

**BCP – Biennial Conservation Plan**

Referring only to state of Washington; a result of RCW 19.285, Energy Independence Act (also known as Initiative Measure No. 937 or “I-937”) mandate that utility companies obtain fifteen percent of their electricity from new renewable resources such as solar or wind by 2020 and to undertake all cost-effective energy conservation. The Washington State Utilities and Transportation Commission adopted WAC 480-109, Acquisition of Minimum Quantities of Conservation and Renewable Energy to effectuate RCW 19.285. The BCP is responsive to the energy efficiency requirements of WAC 480-109 and describes the savings targets, the programs that will achieve the targets and how those energy savings targets will be measured and presented.

**Black Scholes Model**

An option-pricing model derived in 1973 for securities options. It was later refined in 1976 for options on futures (commonly referred to as the Black 76 or simply “Black model”). The Black model is widely used in the commodity arena to value commodity options. The model can also be used to distinguish between underlying certain equivalent value of an asset and the risk premium associated with price volatility.

**BTU (British Thermal Unit)**

The amount of heat required to raise the temperature of one pound of water by one degree Fahrenheit. It is used to compare the heat producing value of different fuels. Natural gas futures and forward contracts typically are traded in MMBTU (million of Btus).

### **CAP (Community Action Partnership)**

General term for Community Action Programs, Community Action Agencies, and Community Action Centers that through federal and state and other funding sources (e.g. utility constitutions) provide services such as low-income weatherization.

### **Capacity**

Electricity: The rated load-carrying capability of a power generating unit or transmission line, typically expressed in megawatts. Some forward power contracts will specify the amount of capacity available that the purchaser pays a demand charge on the right to call on this amount of energy when needed. Many capacity contracts are analogous to a call option. Also, the maximum generation capability of an electric generating plant in any given hour.

Natural Gas: The rated transportation volume of natural gas pipelines, typically expressed in MMBTU. Also, the maximum amount of Dth that can pass through a pipeline in any given day.

### **Capacity Charge**

In natural gas or electricity markets, a price set based on reserved capacity or measured demand and irrespective of energy delivered. Also know as a demand charge.

### **CEE (Consortium for Energy Efficiency)**

Consortium of efficiency program administrators from across the U.S. and Canada who work together on common approaches to advancing efficiency. Through joining forces, the individual efficiency programs of CEE are able to partner not only with each other, but with other industries, trade associations, and government agencies. By working together at CEE, administrators leverage the effect of their funding dollars, exchange information on effective practices and by doing so achieve greater energy efficiency for the public good.

### **CFL (Compact Fluorescent Lamps)**

CFLs use between one fifth and one third of the power of equivalent incandescent lamps. While the purchase price of an integrated CFL is typically 3 to 10 times greater than that of an equivalent incandescent lamp, the extended lifetime and lower energy use will compensate for the higher initial cost.

### **CNG (Compressed Natural Gas)**

The compression of natural gas in storage vessels to pressures of 2,400 to 3,600 pounds per square inch, generally for use as a vehicle fuel.

### **COB (California Oregon Border)**

Area where utilities in the Northwest connect to those in California and a very common trading hub or pricing point for forward electricity contracts.

### **Coincidence Factor**

The ratio of the maximum simultaneous total demand of a group of customers to the sum of the maximum power demands of the individual customers comprising the group (in percent).

### **CPA (Conservation Potential Assessment)**

An analysis of the amount of conservation available in a defined area. Provides savings amounts associated with energy efficiency measures to input into the Company's Integrated Resource Planning (IRP) process.

### **COP (Coefficient of Performance)**

The coefficient of performance of a heat pump is the ratio of the output of heat to the supplied work or  $COP = Q/W$ ; where Q is the useful heat supplied by the condenser and W is the work consumed by the compressor.

### **Cost of Service**

The actual costs of providing service to individual customers, groups of customers, or an entire customer base. In the energy industry, cost-of-service analyses are performed at all stages of the supply chain from generation through billing. Utilities use these studies to determine how to spread the rate increase to customer classes such as residential, commercial, industrial, and irrigation end-users.

### **Council**

See the NPCC (Northwest Power and Conservation Council).

### **Critical Energy**

The average energy produced under coordinated operation during the critical or highest-use period.

### **Customer/Customer Classes**

A category(ies) of customer(s) defined by provisions found in tariff(s) published by the entity providing service, approved by the PUC. Examples of customer classes are residential, commercial, industrial, agricultural, local distribution company, core and non-core.

### **DCU (Digital Control Unit)**

Load control switch usually associated near end-use equipment (e.g. on an exterior wall of a home to control a hot water tank).

### **Decoupling**

In conventional utility regulation, utilities make money based on how much energy they sell. A utility's rates are set based largely on an estimation of costs of providing service over a certain set time period, with an allowed profit margin, divided by a forecasted amount of unit sales over the same time period. If the actual sales turn out to be as forecasted, the utility will recover all of its fixed costs and its set profit margin. If the actual sales exceed the forecast, the utility will earn extra profit.

### **DEER (Database for Energy Efficient Resources)**

A California Energy Commission and California Public Utilities Commission (CPUC) sponsored database designed to provide well-documented estimates of energy and peak demand savings values, measure costs, and effective useful life (EUL) all with one data source. The Company and its third-party evaluators may reference this resource as they compile Technical Resource Manuals or Conservation Potential Assessments.

### **Degree-Day**

A measure of the variation of one day's temperature against a standard reference temperature. There are both cooling degree-days (CDDs) and heating degree-days (HDDs). Utilities typically use degree days as a common measure of the trend amount of electric power to be consumed based on the heating or cooling demand. The difference between the mean daily temperature and 65 degrees Fahrenheit. A general measure of the need for heating (negative) or cooling (positive).

### **Demand**

The load that is drawn from the source of supply over a specified interval of time (in kilowatts, kilovolt-amperes, or amperes). Also, the rate at which natural gas is delivered to or by a system, part of a system or piece of equipment, expressed in cubic feet, therms, BTUs or multiples thereof, for a designated period of time such as during a 24-hour day.

### **Demand Factor**

The ratio of the maximum demand to the total connected load for a defined part of the electric system (in percent).

### **DG (Distributed Generation)**

Electricity that is generated from many small energy sources usually at the end-use or customer site.

## **Distribution**

The portion of the utility system from the transformer in the substation to the Point of Delivery for the customer. The Distribution System is the “last stage” in providing service to the customer. It is typically the (lower voltage) circuits that are rated for 13.8 kV in Avista’s system. These are the “lines behind your house” and can be underground as well as overhead.

## **DR (Demand Response)**

Mechanisms to manage the demand from customers in response to supply condition; for example, having electricity customers reduce their consumption at critical times or in response to market prices. Passive DR is employed to customers via pricing signals, such as inverted tier rates, time of use (TOU) or critical peak pricing (CPP).

## **DSM (Demand Side Management)**

The process of helping customers use energy more efficiently. Used interchangeably with Energy Efficiency and Conservation although conservation technically means using less while DSM and energy efficiency means using less while still having the same useful output of function.

## **Dth (Decatherm)**

A measure of gas volume equal to one million BTU.

## **EF (Energy Factor)**

The measure of overall efficiency for a variety of appliances. For water heaters, the energy factor is based on three items: 1) the recovery efficiency, or how efficiently the heat from the energy source is transferred to the water; 2) stand-by losses, or the percentage of heat lost per hour from the stored water compared to the content of the water; and 3) cycling losses.

## **Electric PCA, ERM**

The Purchase Cost Adjustment (PCA) and Energy Recovery Mechanism (ERM) are regulatory accounting mechanisms designed to recover/rebate deferred power supply costs associated with such things as abnormal stream flow conditions and changes in the wholesale market prices.

## **Electric Trading Time Frames**

- 1) Heavy Load or Peak: Standard time frame for purchase/sale of electricity, 16 hours per day, Monday through Saturday, hours 0700 through 2200.
- 2) Light load or Off-Peak: Standard time frame for purchase/sale of electricity, Monday through Saturday, hours 0100 through 0600, 2300 and 2400, and all 24 hours on Sunday. 3 of Flat - 24

hours, every day of the time period. Forward electric transactions – Trade in standard time frames of balance of the month, forward individual months, calendar quarters – January-March, April-June, July-September and October-December, and calendar years. All forward transactions can be peak, off-peak or flat.

3) Real -Time or Hourly: Electricity is purchased and sold every hour.

4) Pre-Schedule - Electricity Heat Rate Swap: Selling gas and purchasing electricity or purchasing gas and selling electricity in proportions to roughly equate if generating at a specific plant with an estimated heat rate. Transaction is made to take economic advantage of changing relationship between electric and gas prices.

### **EM&V (Evaluation Measurement & Verification)**

This is composed of impact analysis (the measurement of the impact of the installation of an efficiency measure), process analysis (the evaluation of a process with the intent of developing superior approaches through obtaining a better understanding of the process itself), market analysis (evaluating the interaction between the market and measure to include the estimation of net-to-gross ratios, technical, economic and acquirable potentials) and cost analysis (the estimation of the cost characteristics of a measure with particular attention to incremental cost and the influence that a program may have upon those cost characteristics).

### **EPA (United States Environmental Protection Agency)**

EPA leads the nation's environmental science, research, education and assessment efforts. The mission of the Environmental Protection Agency is to protect human health and the environment.

### **ERM**

See Electric PCA, ERM

### **ERV (Energy Recovery Ventilator)**

An energy recovery ventilator saves energy and helps to keep indoor humidity within a healthy range. It transfers heat and moisture between the incoming and outgoing air.

### **FERC**

Federal Energy Regulatory Commission

### **Firm Power**

Power or power-producing capacity intended to be available at all times during the period covered by a commitment, even under adverse conditions.



**Firm Service**

Natural gas or electricity service offered to customers that anticipates no planned interruption.

**Firm Transportation**

Natural gas transportation services for which facilities have been designed, installed and dedicated to a certified volume. Firm transportation services takes priority over interruptible service.

**Fixed Costs**

Costs that the Company/customers will incur over various levels of activities.

**GAMA (Gas Appliance Manufacturer's Association)**

Represents manufacturers of appliances, components and products used in connection with space heating, water heating and commercial food service.

**Heat Rate**

The quantity (expressed as a ratio) of fuel necessary to generate one kWh of electricity, stated in British thermal units (Btu). A measure of how efficiently an electric generator converts thermal energy into electricity (i.e. the lower the heat rate, the higher the conversion efficiency).

**HRV (Heat Recovery Ventilator)**

A ventilation system that recovers the heat energy in the exhaust air, and transfers it to fresh air as it enters the building. HRV provides fresh air and improved climate control, while also saving energy by reducing the heating (or cooling) requirements.

**HSPF (Heating Seasonal Performance Factor)**

The measure of the heating efficiency of a heat pump. The HSPF is a heat pump's estimated seasonal heating output in Btu's divided by the amount of energy that it consumes in watt-hours.

**HVAC (Heating, Ventilation, and Air Conditioning)**

Sometimes referred to as climate control, the HVAC is particularly important in the design of medium to large industrial and office buildings where humidity and temperature must all be closely regulated whilst maintaining safe and healthy conditions within.

**I-937**

Initiative Measure No. 937 in state of Washington mandate that utility companies obtain fifteen percent of their electricity from new renewable resources such as solar or wind by 2020 and to undertake all cost-effective energy conservation.

**IAQ (Indoor Air Quality)**

IAQ is a measure of the content of interior air that could affect health and comfort of building occupants.

**IHD (In Home Display)**

A device used to provide energy usage feedback to a customer on a real or near-real time basis.

**IOU (Investor-Owned Utility)**

A utility whose stock is publically traded and owned by private shareholders.

**IPUC (Idaho Public Utilities Commission)**

The IPUC regulates investor-owned utilities within the state of Idaho.

**IRP (Integrated Resource Plan)**

An IRP is a comprehensive evaluation of future electric or natural gas resource plans. The IRP must evaluate the full range of resource alternatives to provide adequate and reliable service to a customer's needs at the lowest possible risk-adjusted system cost. These plans are filed with the state public utility commissions on a periodic basis.

**IRP TAC (Technical Advisory Committee)**

Internal and external advisory committee for the IRP process.

**Interruptible Service**

Natural gas or electricity sales that are subject to interruption for a specified number of days or hours during times of peak demand or in the event of system emergencies. In exchange for interruptibility, buyers pay lower prices. Also for natural gas transportation or sales service which is subject to interruption at the option of any of the involved parties (seller, pipeline, LDC, buyer) because of energy shortages, capacity constraints, or economic considerations.

**Kilowatt (kW)**

One thousand watts. A watt is 1/746 horsepower (kW = 1.34 horsepower) or the power produced by a current of one ampere across a potential difference of one volt.

**Kilowatt-Hour (kWh)**

One thousand watts operating for one hour. Energy over time becomes work or 1.34 horsepower operating for one hour.

**LDC (Local Distribution Company)**

A natural gas utility providing service to customers.

**LED (Light Emitting Diode)**

Electronic semiconductor device that produces light, commonly used as an efficient lamp or display.

**Line Losses**

The amount of electricity lost or assumed lost when transmitting over transmission or distribution lines. This is the difference between the quantity of electricity generated and the quantity delivered at some point in the electric system.

**LIHEAP (Low Income Home Energy Assistance Program)**

Federal energy assistance program, available to qualifying households based on income, usually distributed by community action agencies or partnerships.

**LIRAP (Low Income Rate Assistance Program)**

LIRAP provides funding (collected from Avista's tariff rider) to CAP agencies for distribution to Avista customers who are least able to afford their utility bill.

**LMS (Load Management System)**

LMS is used by Avista to send load control signals to Demand Response equipment to cycle and/or curtail customer appliances.

**LNG (Liquefied Natural Gas)**

Natural gas that has been liquefied by reducing its temperature to minus 260 degrees Fahrenheit at atmospheric pressure. It remains a liquid at minus 116 degrees Fahrenheit and 673 psig. In volume, it occupies 1/600 of that of the vapor.

**Load**

The amount of power carried by a utility system at a specified time. Load is also referred to as demand.

### **Load Factor**

The ratio between average and peak usage for electricity and gas customers. The higher the load factor, the smaller the difference between average and peak demand. The average load of a customer, group of customers, or entire system, divided by the maximum load can be calculated over any time period. For example, assuming 3650 therms of natural gas usage over a year, the average daily load is  $3650/365$  or 10 therms. If the peak day load or maximum load was 20 therms, the load factor was 50 percent.

### **Load Growth**

This is the change, +/-, in the total therms (natural gas) and kWh (electric) that is consumed by retail customers from year to year. The amount the peak load or average load in an area increases over time (usually reported as an annual load growth in some percentage).

### **MAP (Maximum Acquisition Potential)**

The maximum amount of energy savings the Company could achieve under the Biennial Conservation Plan.

### **MDM/MDMS (Meter Data Management System)**

Used to organize meter interval data from an automated meter reading system.

### **Measure**

A measure is a energy-efficiency product or service that can be offered relatively independently of other similar products or services.

### **MEF (Modified Energy Factor)**

A new equation that replaced Energy Factor as a way to compare the relative efficiency of different units of clothes washers. The higher the Modified Energy Factor, the more efficient the clothes washer.

### **Megawatt (MW)**

One million Watts, or one thousand kilowatts. Forward power contracts are normally traded in megawatts.

**Megawatt-hour (MWh)**

One million watts operating for one hour, energy over time becomes work or 1,340 horsepower operating for one hour. An MWh is an average megawatt produced or consumed for one hour.

**MERV (Minimum Efficiency Reporting Value)**

MERV ratings are used to rate the ability of an air conditioning filter to remove dust from, the air as it passes through the filter. MERV is a standard used to measure the overall efficiency of a filter.

**Mid-Columbia (Mid-C)**

Electricity transacting hub or point, and points-of-connection to the transmission lines of the five non-feeder Columbia River coordinated hydro-generation facilities. The most common electricity trading point in the Northwest.

**MMBTU**

A unit of heat equal to one million British thermal units. Natural Gas contracts are typically traded in MMBTU. One futures contract is 10,000 MMBTU/day.

**NARUC**

National Association of Regulatory Utility Commissioners is an association representing the State public service commissioners who regulate essential utility services, such as electricity, gas, telecommunications, water, and transportation, throughout the country. As regulators, their members are charged with protecting the public and ensuring that rates charged by regulated utilities are fair, just, and reasonable.

**Native Load**

The retail customer load in which Avista has responsibility to plan and provide electric supply (includes scheduled losses incurred by Avista's systems; and does not include scheduled losses incurred by other parties wheeling of power on Avista's system).

**Natural Gas**

A naturally occurring mixture of hydrocarbon and non-hydro carbon gases found in porous geologic formations beneath the earth's surface, often in association with petroleum. The principal constituent is methane.

**NEB (Non-Energy Benefits)**

Benefits (or costs) resulting from the installation of an efficiency measure that are unrelated to the energy resource. This may any value or cost but is most commonly the impact of changes in water

usage, sewage cost, reduced maintenance cost, etc. Values or costs which cannot be reasonably quantified (such as security, safety, productivity) are not included in Avista's measurement of non-energy benefits

## **NEEA**

The Northwest Energy Efficiency Alliance is a non-profit organization working to encourage the development and adoption of energy-efficient products and services. NEEA is supported by the region's electric utilities, public benefits administrators, state governments, public interest groups and efficiency industry representatives. This unique partnership has helped make the Northwest region a national leader in energy efficiency. NEEA operates programs in Idaho, Montana, Oregon and Washington. It is funded by leading Northwest electric utilities as well as Energy Trust of Oregon and the Bonneville Power Administration, which pays on behalf of its electric utility customers. This money is pooled and used to fund projects approved by our Board of Directors.

## **NEET**

Northwest Energy Efficiency Taskforce was formed to bring together a group of high-level leaders to focus and improve the efficiency of electricity use throughout the Pacific Northwest. The taskforce will work to pull together innovative ideas from successful energy efficiency programs and explore how, through regional collaboration, energy efficiency can be delivered more efficiently. Part of the Northwest Power and Conservation Council.

## **NERC**

North American Electricity Reliability Council Their mission is to ensure the reliability of the bulk power system in North America by developing and enforcing reliability standards; assess reliability annually via 10-year and seasonal forecasts; monitor the bulk power system; evaluate users, owners, and operators for preparedness; and educate, train, and certify industry personnel. NERC is a self-regulatory organization, subject to oversight by the U.S. Federal Energy Regulatory Commission and governmental authorities in Canada.

## **Net-to-Gross Ratio**

This is the percentage of program participants who have been determined to have adopted the efficiency measure as a consequence of the intervention of the utility program. Participants who were influenced by the program are the "net" participants and all program participants are contained within the "gross" participation. Net-to-gross serves to determine the energy savings attributable to a particular energy efficiency program rather than naturally occurring energy efficiency in the absence of any program.

## **NPCC (Northwest Power and Conservation Council)**

The Council was established by the Northwest Power Act in 1980 to provide the electric customers of Washington, Idaho, Oregon and Montana with regional electric power planning coordination.

**Off Peak**

Times of low energy demand, typically nights and weekends. Off-peak hours in the Western U.S. are typified as the time from 10 p.m. to 6 a.m. Monday through Saturday, and all day Sunday. Forward contracts typically trade as on-peak, off peak, or flat (24 hours).

**On Peak**

Times of high-energy demand when it is at its peak. On-peak varies by region. In the Western United States, it is typically 6 a.m. to 10 p.m. Monday through Saturday. 0600 - 2200 Monday through Saturday, excluding NERC holidays.

**OPUC (Public Utility Commission of Oregon)**

The agency that regulates investor-owned utilities in Oregon.

**Participant Cost Test (PCT)**

One of four standard practice tests developed in California as a means to evaluate the cost-effectiveness of demand side management programs from the perspectives of different participants. The Participant Test shows the cost-effectiveness for the “participating” customer. It includes the value of the energy savings among other things from the project vs. the customer project cost.

**PCA**

See Electric PCA, ERM

**Programmable Communicating Thermostat**

A load controlling thermostat that can communicate with a utility’s load management system by internet protocol or radio frequency (RF).

**Program Administrator Cost Test (PAC)**

See UCT (Utility Cost Test)

**Peak Load**

Maximum demand, Peak demand. The greatest of all demands that have occurred during a given period.

**Peaking Capability**

Generating capacity normally designed for use only during maximum load period of a designated interval.

**PGA (Purchase Gas Adjustment)**

The Purchase Gas Adjustment is a mechanism that is periodically filed with the Utility Commissions and designed to recover or rebate the deferred changes in the cost of natural gas purchased to service customer loads.

**Photovoltaic (PV)**

Technology and research related to the application of solar cells for energy by converting sunlight directly into electricity.

**Power Plan**

The Northwest Power and Conservation Council is required to complete a regional Power Plan every five years. The Plan includes both supply-side (generation) and conservation resources. (Per the definition of “conservation” in the Northwest Power Act, electric-to-natural gas conversions are not considered to be “conservation” within the Plan). The Sixth Power Plan is currently nearing approval by the Council.

**PPA (Power Purchase Agreement )**

A legal contract between an electricity generator and a purchaser of energy or capacity.

**Prescriptive**

A prescriptive program is a standard offer for incentives for the installation of an energy efficiency measure. Prescriptive programs are generally applied when the measures are relatively low cost and are employed in relatively similar applications.

**Program**

A program is an aggregation of one or more energy-efficiency measures into a package that can be marketed to customers.

**PUC (Public Utility Commission)**

State agencies that regulate the tariffs (pricing) of investor-owned utility companies.



**PUD (Public Utility District)**

A political subdivision with territorial boundaries greater than a municipality and sometimes larger than a county for the purpose of generating, transmitting and distributing electric energy and/or other utility commodities.

**RAP (Realistic Acquisition Potential)**

The amount of energy savings the Company could realistically achieve under the Biennial Conservation Plan.

**Rate Base**

The capital investment (plant assets on the balance sheet) that regulatory commissions deem to be prudent and, therefore, allow to be recovered from customers. Further, it is the only utility cost that is allowed to have a profit component (return on equity) imputed upon it. All other costs are only returned dollar for dollar at the time of a rate case.

**Rate Design**

The manner in which retail prices are structured to recover the cost of service from each customer class. Rate design includes pricing components such as basic charges, demand charges and energy charges.

**Ratepayer Impact**

This concept is applied to analyses of projects to determine if the project will increase, decrease or be neutral to existing rates that customers currently are charged. This impact can be interpreted in total over the life of the project or year-by-year during the project's duration.

**RGI (Renewable Generation Incentive)**

Avista's distributed renewable incentive in Washington.

**RIM (Rate Impact Measure Test)**

One of four standard practice tests developed in California as a means to evaluate the cost-effectiveness of demand side management programs from the perspectives of different participants. The RIM Test (aka the "non-Participant Test") indicates if the program will result in a rate increase or decrease. The non-participating customer bears the cost of the rate increase without obtaining any program benefits.

**RTF (Regional Technical Forum)**

An advisory committee established in 1999 to develop standards to verify and evaluate conservation savings. Members are appointed by the Council and include individuals experienced in conservation program planning, implementation and evaluation. The RTF is also responsible for developing a conservation and renewable rate discount (C&RD) for the Bonneville Power Administration. The C&RD program awards rate discounts to customers who have implemented effective energy conservation measures. The RTF serves as a subcommittee to the Northwest Power and Conservation Council.

### **R-Value**

A measure of thermal resistance used in the building and construction industry. The bigger the number, the better the building insulation's effectiveness. R value is the reciprocal of U factor.

### **Schedules 90 and 190**

These tariffs authorize Avista to operate electric-efficiency (Schedule 90) and natural gas efficiency (Schedule 190) programs within Washington and Idaho. Electric to natural gas conversions are considered electric-efficiency programs, subject to achieving a specified net BTU efficiency.

### **Schedules 91 and 191**

These tariffs establish a surcharge levied upon retail electric (Schedule 91) and natural gas (Schedule 191) sales to fund electric and natural gas-efficiency portfolios respectively.

### **Seasonality**

The seasonal cycle or pattern refers to the tendency of market prices to move in a given direction at certain times of the year. Generally, seasonality refers to the changing supply and demand over various times of the year.

### **SEER (Seasonal Energy Efficiency Factor)**

Performance Rating of Air-Conditioning and Air-Source Heat Pump Equipment. The higher the SEER rating of a unit, the more energy efficient it is. The SEER rating is the Btu of cooling output during a typical cooling-season divided by the total electric energy input in watt-hours during the same period.

### **Site Specific**

A nonresidential program offering individualized calculations for incentives upon any electric or natural gas-efficiency measure not incorporated into a prescriptive program.

### **SNAP (Spokane Neighborhood Action Program)**

A Spokane organization that provides financial, housing, and human services assistance to low-income customers.

### **Societal Test**

The Societal Test is one of four standard practice tests developed in California as a means to evaluate the cost-effectiveness of demand-side management programs from the perspectives of different participants. This is a true societal cost-benefit test in that all transfer payments are excluded and externalities are fully incorporated into the calculations.

### **T-5**

Usually most efficient Tubular Type, 5/8 inch diameter fluorescent lighting.

### **T-8**

More efficiency Tubular Type, 1 inch diameter fluorescent lighting.

### **T-12**

Tubular Type, 12/8 inch diameter fluorescent lighting.

### **Tariff Rider**

The surcharge on retail electric and natural gas sales that provides the funding for Avista's DSM programs. This surcharge is authorized under Schedule 91 (for electric programs) and Schedule 191 (for natural gas programs).

### **T&D (Transmission and Distribution)**

Transmission is the portion of the utility plant used to transmit electric energy in bulk to other principal parts of the system. Distribution is the portion of the utility system from the transformer in the substation to the Point of Delivery for the customer. These are the "lines behind your house" and can be underground as well as overhead.

### **Technical Committee**

Avista's group of external stakeholders who comment about the company's approach to the measures and measurements associated with DSM activities.

### **Therm**

A measure of the heat content of gas equal to 100,000 Btu.

### **Throughput**

Related to natural gas load change, but usually referenced to the energy use per customer/premises/meter from year to year.

### **TRC (Total Resource Cost)**

One of the four standard practice tests commonly used to evaluate the cost-effectiveness of DSM programs. The TRC Test evaluates the cost-effectiveness from the viewpoint of all customers on the utility system. The primary benefits include the avoided cost of energy and non-energy benefits in comparison to the customer incremental cost and non-incentive utility expenditures. The California standard practice allows for tax credits to be considered offsets to the customer incremental cost (though Avista calculates the TRC Test with and without this offset).

### **TRM (Technical Resource Manual)**

A central document that provides a list energy efficiency measures and their associated savings values. Useful with regards to program management and evaluation, measurement and verification activities.

### **Triple-E (External Energy Efficiency Board – see Advisory Group)**

Avista's group of external stakeholders who comment about the company's DSM activities.

### **U-Factor**

U-Factor measures the heat transfer through a window, door, or skylight and tells you how well the product insulates. The lower the U-Factor, the greater resistance to heat flow (in and out) and the better its insulation value. ( $1/U = R\text{-Value}$ )

### **UCT (Utility Cost Test)**

One of the four standard practice tests commonly used to evaluate the cost-effectiveness of DSM programs. The UCT evaluates the cost-effectiveness based upon a programs ability to minimize overall utility costs. The primary benefits are the avoided cost of energy in comparison to the incentive and non-incentive utility costs.

### **UES (Unit Energy Savings)**

The amount of energy saved per unit of specific conservation measure; referenced in the Technical Resource Manual, Conservation Potential Assessment or Regional Technical Forum documentation.

**UTC (Washington Utilities and Transportation Commission)**

The agency that regulates investor-owned utilities in Washington.

**WACOG (Weighted Average Cost of Gas)**

The price paid for natural gas delivered to an LDC's city gate, purchased from various entities, such as pipelines, producers or brokers, based on the individual volumes of gas that make up the total quantity of supplies to a certain region.

**Ways to Save**

Avista's Energy Efficiency Campaign showing customer ways to save by utilizing energy efficiency programs and energy savings tips.

**Weather Normalized**

This is an adjustment that is made to actual energy usage, stream-flows, etc., which would have happened if "normal" weather conditions would have taken place.