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MEMORANDUM

To: Don Jones
From: David Costenaro
CC: Jeff Bumgarner, Eli Morris, Ingrid Rohmund, Bridget Kester, Kurtis Kolnowski
Date: November 18, 2015
Re: NEEA Pro-rata Savings Projection for PacifiCorp service territory in Washington

Background

Conservation Potential Assessment (CPA) studies in Washington develop potential savings estimates for a comprehensive set of energy conservation measures. Some of these measures are implemented or facilitated by the Northwest Energy Efficiency Alliance (NEEA). The CPA studies and NEEA may have differences in modeling assumptions or methodology that will produce different estimates of savings.

The CPA studies that AEG (formerly EnerNOC) performs for its utility clients in the Pacific Northwest use the most current technology and measure data available from the Regional Technical Forum (RTF) and/or the Council's Regional Power Plan at the time of the analysis. Since the project schedules for our utility clients do not coincide with each other or the NEEA planning schedule (although they may overlap), and each study strives to use the most current local information, some measure assumptions may be different.

2014-2015 Biennium Targets

For the 2014-2015 biennium, NEEA's savings forecast was based on a 6th Power Plan baseline for 2014 and a proxy 7th Power Plan baseline for 2015. To better align NEEA's savings forecast with the CPA baselines used to develop the 10-year conservation forecast, both Avista and PacifiCorp adjusted NEEA's forecast, though in slightly different ways, as summarized below.

- Avista performed a line-item comparison of NEEA initiatives either within or outside of the CPA. For additional detail on how the methodology and impact of the adjustment, see October 16, 2013 memo from Jan Borstein of AEG, formerly EnerNOC.
- PacifiCorp performed a high-level adjustment of forecasted 2014 savings to convert from NEEA's 6th Plan baseline assumption to a baseline more consistent with the CPA. For additional detail on how the adjustment was performed, see Page 28 of PacifiCorp's 2014-2015 Biennial Conservation Plan.

2016-2017 Biennium Targets

For the 2016-2017 biennium, both utilities again subtracted forecasted savings from NEEA initiatives from the conservation forecast to develop their biennial conservation targets. The methods used to determine the expected impacts are as follows:

Avista established their biennium target based on 20% of the 10-year potential. To address the NEEA measures, Avista chose again to use the same line-item adjustment for consistency, since the process had already been set up, and to align the baseline assumptions between the 10-year period that formed the basis for Avista's CPA and the 2-year period that formed the basis of NEEA's targets. The adjustment projects estimates of the NEEA measures forward over the 10-year timeframe so they are in better alignment with the CPA. By performing this adjustment, Avista could more accurately determine the utility's pro-rata share. Avista's using the memo methodology again to serve this function is consistent and appropriate. (See September 22, 2015 memo from Bridget Kester of AEG).

PacifiCorp used NEEA's 2016-2017 forecasted savings directly without applying any adjustments. Because PacifiCorp's CPA, NEEA, and the draft 7th Power Plan used similar baseline assumptions, an adjustment such as the one applied in the 2014-2015 biennium was not necessary.

To further investigate whether a NEEA adjustment was appropriate for PacifiCorp, we lined up the baseline assumptions for two of the largest saving measures in the tables below: Screw-in lamps and linear fluorescent lamps. In general, we found that these key assumptions were in line between PacifiCorp, NEEA, and the draft 7th Power Plan, especially in the near-term before the 2020 EISA standard.

Table 1 *Screw-in Lamp Assumptions in Analyses of Interest*

Screw-In Lamp	Baseline Unit	
	2015-2019	2020-2034
PacifiCorp 2015-2034 CPA	Market Mix (~30 lm/W)	CFL (~60 lm/W)
7th Plan Baseline	Market Mix (~30 lm/W)	Halogen (~45 lm/W)
NEEA 2016-2017 Plan	Market Mix (~30 lm/W)	Halogen (~45 lm/W)

Table 2 *Linear Fluorescent Lamp Assumptions in Analyses of Interest*

Linear Fluorescent Lamps	Baseline Unit	
	2015-2019	2020-2034
PacifiCorp 2015-2034 CPA	T8 HE (~90 lm/W)	
7th Plan Baseline	T8 HE (~90 lm/W)	
NEEA 2016-2017 Plan	T8 HE (~90 lm/W)	

In conclusion, PacifiCorp's most recent study has baselines that are in alignment with the most recent regional data. As such, AEG's recommendation is that PacifiCorp's filed biennial target has been adjusted appropriately for the forecasted impacts of NEEA and no further action is necessary.