

3/9/17

ADDENDUM TO 2016 IRP ACTION PLAN

On February 8, 2017, Cascade representatives discussed with Commission staff the annual conservation plan (ACP) as well as a proposal to file an updated action plan in the 2016 Integrated Resource Plan (IRP), detailing intended changes to its conservation assessment methodology in the 2018 IRP. Cascade’s last potential assessment was performed in 2013. It is the understanding of Commission staff that the company has agreed to the following proposal.

Date	Deliverable	Description
Q2-2017	RFP for Conservation Potential Assessment	<p>In consultation with the Conservation Advisory Group and Commission Staff, finalize the Request for Proposal (RFP) for a new CPA. The Company has agreed to develop a new RFP for a conservation potential assessment and new (or modified) model using the Northwest Power and Conservation Council’s (NWPCC) four-step methodology for calculating conservation potential:</p> <ol style="list-style-type: none"> 1. Technical potential. Determine the amount of conservation that is technically feasible, considering the measures and number of these measures that could physically be installed or implemented, without regard to achievability or cost. 2. Achievable technical potential (use adoption curves). Determine the amount of conservation technical potential that is available within the planning period. This screen will consider barriers to market penetration and the rate at which conservation savings could be acquired. Where appropriate and available, Cascade will apply NWPCC’s adoption curves. <p><i>Note: Steps 3-4 (Economic Potential) will occur in Q2-2018.</i></p>
Q4-2017	2018 IRP Work Plan	The Commission will review the 2018 IRP work plan. The work plan must outline the content of the integrated resource plan to be developed by the utility and the method for assessing potential resources, including conservation.
Q1-2018	Conservation Potential Assessment	The consultant will finalize CPA, which will be included as part of the 2018 IRP.
Q2-2018	Calculate Economic Potential in 2018 IRP	<p>Using the Northwest Power and Conservation Council’s four-step methodology for calculating conservation potential, Cascade should calculate the economic potential within the IRP, but outside of the CPA:</p> <ol style="list-style-type: none"> 3. Economic achievable potential. Remodel Cascade’s existing modeling methodology from the Technical, Economic, Achievable, Potential format currently used to calculate the cost-benefit ratio to establishing the economic achievable potential. This is the conservation potential that is cost-effective, reliable, and feasible, by comparing the total cost of the conservation measures to the cost of other resources available to meet expected demand, using an integrated portfolio approach or the benefit-cost ratio approach. 4. Cost-effectiveness tests. <ul style="list-style-type: none"> • Total Resource Cost (TRC): In collaboration with the advisory group, the company will evaluate moving towards using the TRC in its annual conservation plan and report. The company will incorporate the TRC in its revised or new model and analyze the impacts of the program on both the utility and its ratepayers. The analysis will include, but is not limited to: expected carbon policies, capacity (supply and distribution), monetized non-energy benefits (NEBs), and conservation credit adder.

		<ul style="list-style-type: none">• Utility Cost Test (UCT): As allowed by the Commission's Policy Statement on Gas Conservation Programs in Docket UG- 121207, and in collaboration with the advisory group, the Company will also use the UCT to adjust economic achievable potential through the revised or new model.
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