# State of Washington Investor-Owned Utility
# 2012-2013 Biennial Conservation Plan
# Template

QUESTIONS: How should the BCP incorporate the list of conditions common across the utilities? Should it be included as a form of compliance checklist that can be completed at the end of the biennium? Or should chapter 10 include a list of conditions not addressed elsewhere in the BCP? Or should there be no list?

How should the BCP address the separation of gas and electric programs?

The Biennial Conservation Plan (BCP) is the overarching document for conservation programs. The BCP is filed every two years by Avista, Puget Sound Energy and PacifiCorp in early autumn and takes effect January 1. Dual-fuel utilities may include their natural gas targets, programs and metrics, but careful attention must be given throughout the BCP to identifying and explaining electric conservation potential and savings to assess compliance with the Energy Independence Act of 2006. The BCP contains a budget with a 10-year potential and two-year conservation target, as well as projected cost effectiveness results and refers to companion documents such as an EM&V Framework, EM&V Plan, Cost Effectiveness Standards, or a Technical Reference Manual. The Biennial Conservation Plan will be accompanied by Conservation Program Tariffs, which will contain more detailed eligibility rules and program descriptions.

## Table of Contents

- Transmittal Letter - with reference to statutory and regulatory requirements and company contact for more information.
- Table of Contents – including lists of tables and figures

## Preface

Discuss authority, intent, and context of BCP.

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## 1. Overview of 2012-2013 Biennial Conservation Plan

1.1. Summary of the utility's metrics for achieving all available conservation, including the 10-Year Conservation Potential Assessment & Biennial Conservation Target. Include a table summarizing the conservation potential and target (See guidance on Table 1 in Section 11.)

1.2. Summary description of Biennial Conservation Plan (BCP), plan objectives, historical performance or experience that informs the plan, key assumptions, and overall strategy to achieve energy conservation goals.

1.3. Summary of portfolio savings goals, budget and cost-effectiveness (complete Tables 2, 3 and 4).

1.4. Summary of the portfolio implementation schedule over the two-year plan period, with list of critical milestones including dates of reports to be delivered to WUTC.

1.5. Summary of the strategies that will be used to manage the conservation portfolio including use of adaptive management and establishing a foundation for future-year conservation savings.

1.6. Summary of the portfolio evaluation, measurement and verification (EM&V) activities, and processes.

1.7. Summary of cost recovery mechanisms.

1.8. List of referenced or companion documents to be considered with this document.

## 2. Conservation Potential and Conservation Targets

2.1. Description of process, assumptions and resources (references) used to develop ten-year achievable conservation potential and 2012-2013 conservation targets[1] treating gas and electric conservation potential and targets separately as needed.

2.2. Description of ten-year achievable conservation potential and 2012-2013 conservation targets

2.3. The conservation potential assessment methodology should be summarized here. Further details and the Conservation Potential Assessment Study document may be included as an Appendix or incorporated by reference.

- Provide a discussion of methodology used to calculate all cost-effective savings
- If a target range is identified, briefly describe the rationale or difference between the low and high values.

2.4. Other metrics to measure utility success toward achieving all available conservation

## 3. Energy Efficiency Portfolio - Program Summary Table

Complete Table 5 which has very brief descriptions of the programs for each customer classification: residential, non-residential, low-income and, as needed, conservation-eligible demand response, combined heat and power, generation efficiency, and transmission and distribution efficiency upgrades.

## 4. Stakeholder Engagement

Describe company external advisory group(s) and their involvement in development and/or review of this 2012-2013 Biennial Conservation Plan including the 10-Year Potential Assessment and 2012-2013 Target.

## 5. Program Descriptions

5.1. Discussion of criteria and process used for selection and design of programs (treating electric and natural gas programs separately):

- Describe portfolio and program design criteria and metrics that define program success (e.g., energy savings, customers served, number of units installed).
- Describe how programs were constructed for each portfolio to provide market coverage sufficient to reach overall target for current two-year time period as well as estimating ability to meet ten-year potential. Provide a brief history of program experience or results that are pertinent to design of the portfolio or program. Describe analyses and/or research that were performed (e.g., market, best-practices reviews, market modeling, review of

[1] The BCP must identify whether the conservation council's most recent plan and calculator or the utility's IRP and acquisition process were the source of its ten-year conservation potential. The BCP should also clearly indicate how the utility prorated this ten-year projection to create its two-year conservation target.

current/continuing program performance in company or other service territories).

- Describe alignment with other Washington utility and non-utility programs, including NEEA programs.

5.2. Residential programs - include descriptions of each program organized under the following headings:

- Program title and years during which the program will be implemented, including the starting date
- Objective(s) and program metrics, including expected number of participants and the basis for the estimated savings at the measure level (e.g., unit energy savings).
- Target market including participation requirements
- Program approach, rationale, and description (program theory)
- Implementation strategy (including changes that may occur in different program years) including ramp-up, marketing, and any applicable market transformation strategy
- Eligible measures and proposed incentives; include tables for each year of program, as appropriate showing financial incentives and rebate levels (e.g., $ per measure, $ per kWh or aMW saved). Discuss the factors driving the incentive level (e.g., market conditions & barriers, instilling consumer ownership, other available incentives and maximizing conservation).
- Brief description of any non-energy benefits
- Other information deemed appropriate (e.g., anticipated conclusion of the program because of new standards or codes).

- Residential Low-Income programs - include descriptions of low-income program(s) organized under the same headings as listed above for residential programs.

5.3. Non-Residential Programs

- Descriptions of each program organized under the same headings as listed above for residential programs.

5.4. Other programs

- General education
- Experimental/special
- Market transformation
- Conservation-eligible demand response
- Combined heat and power
- Generation efficiency enhancements
- Transmission and distribution efficiency enhancements

5.5. Program budgets and data. Provide tables for each program indicating:

- Estimated program budget (total) by year – include table with budget per year with categories of at least consumer incentives and program administrative costs (include definitions of each)
- Savings targets – include tables with total MWh and aMW goals per year and cumulative life-cycle savings (MWh)

5.6. Cost-effectiveness.

- Include Total Resource Cost and Program Administrator Cost test results for each program and for the entire portfolio, separating electric and natural gas portfolio results where applicable. Include values for each benefit and cost component of cost-effectiveness calculations. Reference can be made to actual calculations, which should be part of the Appendices.
- Include results for the Ratepayer Impact Measure test and the Participant Cost test at the overall portfolio level

## 6. Reporting and Tracking Systems

6.1. Indicate dates and titles of reports and other documentation that will be provided to Commission (associated with 2012 and 2013 portfolio)

6.2. Project management tracking systems:

- Provide brief overview of the utility data tracking system for managing and reporting measure, project, program and portfolio activities, status and performance as well as utility performance and expenditures.

6.3. Reporting to be posted on WUTC website:

- List reports that would be provided to the Commission, the schedule for their delivery, and the intended contents. The focus should be on metrics identified in Section 5.1 above.
- Describe data that would be available for Commission review and audit.

## 7. Adaptive Management and Implementation Strategies

7.1. Overview of Utility Management and Implementation Strategies:

- Describe risks to portfolio performance and any risk management strategies that will be employed to mitigate those risks, including adaptive management. Examples of risks that can cause a program to not deliver expected savings including customers or other key market players (e.g., contractors) choosing not to participate in a program or savings from technologies targeted by a program that are less than expected (or more difficult to verify than expected) QUESTION: Is the identification of risks and risk-management strategies necessary here? Are these important considerations in evaluating the appropriateness of program design or evaluating the appropriateness of program/incentive adjustments or both?

- Describe the company's approach and process for shifting goals and funds, as needed, between programs and adding new measures and/or programs. Indicate how Commission and advisory group input may be utilized.

7.2. Executive management structure:

- Describe company management structure for efficiency programs and include Utility organization chart for management team responsible for implementing this Plan.
- Describe administrative budget (i.e., costs not directly related to program direct implementation costs and customer incentives).

## 8. Utility Evaluation, Measurement and Verification (EM&V) Activities

8.1. Describe utility impact evaluation, measurement and verification activities. Describe the procedures for measurement and project installation verification, quality assurance and control, and savings documentation.

8.2. Describe process evaluations and how results will be used to improve programs.

8.3. Describe market assessments and how results will be used to improve programs and update expected progress toward meeting the utility's targets.

8.4. Describe any work to be performed by independent third-party evaluator(s) and their role.

8.5. Provide information on EM&V budgets sufficient for the Commission to judge whether expenditures meet the percentages given in existing orders.

8.6. Development or updates to a written framework for evaluation, measurement, and verification (EM&V).

8.7. Modification of existing or development of new EM&V conservation protocols.

## 9. Cost Recovery Mechanism

9.1. Provide and describe tariffs and a cost recovery mechanism. Provide calculations and supporting cost documentation or incorporate these elements of the tariff filing as an Appendix.

9.2. As appropriate, provide a rationale for any significant proposed changes in cost recovery, e.g., performance incentives, pursuant to the WUTC Order in Docket U-100522

## 10. Plan Compliance Information and Other Key Issues

Indicate the ways in which this Plan meets the conditions defined in the utility's orders. (Sub-sections may reference other chapters of this document).

## 11. Tables for Portfolio Plan Template

The following tables are provided in a Microsoft Excel spreadsheet. Any program listings, years, or data shown are for illustrative purposes only.

Table 1 Summary of 10-Year Conservation Potential & Target, By Fuel Conserved
Table 2 Portfolio Summary of Lifetime Costs and Benefits
Table 3 Summary of Portfolio Energy Savings
Table 4 Summary of Portfolio Costs & Cost Effectiveness
Table 5 Program Summaries

The tables should follow the formats below, duplicated for natural gas where needed:

**Table 1: Summary of 10-Year Conservation Potential & Target, By Fuel Conserved**

| Unit | 10-Year Conservation Potential | | Biennial Conservation Target *(electric only)* | | |
|---|---|---|---|---|---|
| | 10-Year Cons. Potential, Electric | 10-Year Cons. Potential | 2012 Cons. Target, Electric | 2013 Cons. Target, Electric | Total 2012-2013 Cons. Target |
| MWh | | | | | |
| aMW | | | | | |

**Table 2: Program Summary of Costs and Benefits**

- Total Utility Costs, Total Customer Costs, Net Lifetime Benefits, and TRC per the Northwest Power Conservation Council's methodology.

| | A | B | C | D = C-B-A | | | |
|---|---|---|---|---|---|---|---|
| **Sector** | **January 2012-Dec. 2013 Total Utility Costs ($000)** | **January 2012-Dec. 2013 Total Customer Costs ($000)** | **Total Lifetime Benefits ($000)** | **Total Lifetime Net Benefits ($000)** | **TRC[2]** | **Net Cumulative Annual MWh Savings through Dec. 31, 2013** | **Average MW Savings as of Dec. 31, 2013** |
| **Residential** | | | | | | | |
| **Non-Residential** | | | | | | | |
| **Low Income** | | | | | | | |
| **Total** | | | | | | | |

**Table 3: Summary of Portfolio Savings**

| | Program Year 2012 | Program Year 2012 | Program Year 2013 | Program Year 2013 |
|---|---|---|---|---|
| | MWh Saved | aMW Saved | MWh Saved | aMW Saved |
| Residential Sector - Cumulative Gross Savings | | | | |
| Low Income -Cumulative Gross Savings | | | | |
| Non-Residential Sector - | | | | |
| Portfolio Total - Cumulative Gross Savings | | | | |
| Savings as Percent of Two Year Target | | | | |
| Savings as Percent of Ten Year Potential | | | | |

**Table 4: Summary of Portfolio Costs and Cost-Effectiveness**

| | Program Year 2012 | | Program Year 2013 | | 2012 and 2013 Program Year Totals | |
|---|---|---|---|---|---|---|
| | Program Budget ($000) | % of Portfolio Budget | Program Budget ($000) | % of Portfolio Budget | Program Budget ($000) | % of Portfolio Budget |
| Residential Sector Annual Budget | | | | | | |
| Non-Residential Sector Annual Budget | | | | | | |
| Low Income Sector Annual Budget | | | | | | |
| Totals | | 100% | | 100% | | 100% |

**Table 5: Program Summaries**

| | Program Name | Program 2012-2013 Budget | Program One or Two Sentence Summary | Program Years Operated | First Year Annual MWh and aMW Savings | Percentage of Sector Portfolio and Percentage of Total Portfolio First Year Annual MWh and aMW Savings |
|---|---|---|---|---|---|---|
| **Residential Portfolio Programs** | | | | | | |
| **Res Program 1** | | | | | | |
| **Res Program 2** | | | | | | |
| | | | | | | |
| **Totals for Residential Sector** | | | | | | |
| **Non-Residential Sector Programs** | | | | | | |

| | | | | | | |
|---|---|---|---|---|---|---|
| **Non-Res'l Program 1** | | | | | | |
| **Non-Res'l Program 2** | | | | | | |
| | | | | | | |
| **Totals for Non-Residential Sector** | | | | | | |
| **EM&V** | | | | | | |
| **Other portfolio level expenses** | | | | | | |
| **Total for Portfolio** | | | | | | |