

**COMMENTS OF UTILITY CONSERVATION SERVICES, LLC (UCONS)
ON PUGET SOUND ENERGY’S PETITION TO MODIFY ITS BIENNIAL
CONSERVATION TARGET**

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UTC Dkt. No. UE-190905

I. INTRODUCTION

The Clean Energy Transformation Act (CETA)¹ required utilities to consider a statutory “social cost of carbon” in its resource acquisition decision, both new generation resources and conservation resources.² CETA also places a priority on “the equitable distribution of energy and nonenergy benefits . . .” to “[ensure] that all customers are benefiting from the transition to clean energy.”³ This certainly would include conservation services for the underserved ratepayers in manufactured homes. The impact of CETA on conservation planning is profound. A number of conservation measures that once may not have been thought not to be cost-effective, now, with the impact of carbon emissions being added to the cost side of the equation, will be so.

In approval of Puget Sound Energy’s (PSE’s) Biennial Conservation Plan (BCP), the Washington Utilities and Transportation Commission (Commission) required PSE to update its conservation target to take into account the social cost of carbon defined in CETA.⁴ Utility Conservation Services, LLC (UCONS) urges the Commission and PSE to take this opportunity to pursue the acquisition of all cost-effective conservation for the manufactured home sector and also to address equity issues of this customer class through ongoing review of the monthly and quarterly investment in conservation services provided to the manufactured home customer.⁵ The

¹ Chapter 288, Laws of 2019, codified in part in RCW 19.405.

² RCW 80.28.395.

³ *E.g.*, CETA, §§4(8), 6(1)(c)(iii).

⁴ Order 01, App. A, ¶(1)(b), UTC Dkt. No. UE-190905

⁵ UCONS has consistently advocated on behalf of the manufactured home customer in this and other Commission dockets. Comments in those dockets provide more background on UCONS and on the issue generally. *See, e.g.*, Comments of Utility Conservation Services LLC on Puget Sound Energy’s Biennial Conservation Plan, Dkt. No. UE-190095 (Dec. 5, 2019); Comments of

January 2018 urging of Chairman Danner that PSE see what can be done “this year” for the manufactured home sector continues to resonate.⁶

II. COMMISSION STATEMENTS ON MANUFACTURED HOMES IN ITS ORDER ACCEPTING PSE’S 2020-21 BIENNIAL CONSERVATION TARGET (ORDER 01)

In Order 01 in this docket, the Commission discussed the potential for increased conservation potential in the manufactured home sector. It summarized Staff’s suggestions:

Staff suggests two actions that PSE can take in the interim to improve distribution savings. First, PSE should apply an economic screen to quantify the economic conservation potential available in the manufactured homes sector. Second, PSE should, beginning in the 2020-2021 biennium, track and quantify how many single-family, multi-family, and manufactured homes its conservation program services each year, and report that information as requested by its conservation resource advisory group (CRAG).⁷

This recommendation was consistent with the recommendation that UCONS made in that proceeding.

The Commission agreed, stating:

[W]e agree with Staff’s recommendations to first apply an economic screen to quantify the economic conservation potential available in the manufactured homes sector. Second, PSE should, beginning in the 2020-2021 biennium track and quantify how many single-family, multi-family, and manufactured homes its conservation program services each year, and report that information as requested by the CRAG.

The need to track information separately for the manufactured home sector is important and consistent with historical practice at PSE. With funding from the American Recovery and Reinvestment Act (ARRA) in 2010, PSE began separately contracting for conservation services for their single-family programs and manufactured home programs. In extending their solicitation for conservation programs in 2012, we recall that PSE continued to run single family programs separately from those for manufactured homes because PSE concluded that many

Utility Conservation Services, LLC (UCONS) on Puget Sound Energy’s Biennial Conservation Plan, Dkt. No. UE-171087 (Dec. 1, 2018).

⁶ January 10, 2018, Open Meeting Recording at 57:10.

⁷ Order 01, Dkt. UE-190905, ¶11.

conservation measures simply do not work the same way in both housing types. Separately tracked information should be useful to Commission, Staff, NWEC, and anyone who wants to ensure that PSE's BCP (and future efforts implementing CETA) maximize cost-effective energy efficiency from this sector.

We assume, consistent with the Commission's directive, that such information has been tracked by PSE, but we do not know whether the CRAG has requested any special report format is uncertain. As noted below, we urge the Commission to direct such a report.

III. PSE'S PETITION

We have not analyzed how PSE handled the impact of CETA's social cost of carbon on the cost-effectiveness of various energy efficiency measures. We have a narrower focus: how PSE is evaluating the potential of conservation in the manufactured home market.

It appears from the analysis accompanying PSE's Petition that PSE may not be breaking out the manufactured home sector from the single-family sector for purpose of analyzing conservation potential as was contemplated by Order 01, the exception being in the context of low-income households. If the analyses does not segment the manufactured home goals for both low-income and non-low income households, Commission Staff and interested persons would not be able to track how many households were served and how much conservation potential exists in the manufactured home sector.

Further, we note the following in our review of the data presented in Exhibit 2 to PSE's Petition:

- Of the 30,000 qualifying low-income customers living in manufactured homes identified in the 2019 Cadmus Study conducted for the UTC and PSE, only 180 are identified to receive ductless heat pumps (DHP) as a conservation measure. That falls far short of the goal in the Northwest Power and Conservation Council's goal in its Seventh Power Plan that 5% of such customers be served annually.
- PSE's exhibit reflects they are paying low-income agencies \$3900 to perform the DHP measure, but only paying \$2400 for other contractors, even when those contractors are doing work in low-income households.
- PSE is claiming 2600kWh of savings for DHP in its exhibits. We note that the Council is recommending that savings to be increased to 3750 kWh in the 2021 Plan. This is based in part on the two attached Washington pilot studies supported by UCONS.

While there may be other information in PSE's compilation of data, it appears that at least some of the underlying data may need revision.

IV. NEW INFORMATION RELEVANT TO THE ISSUE OF CONSERVATION MEASURES IN MANUFACTURED HOMES

Since the Commission's consideration of PSE's BCP, which resulted in the issuance of Order 01, there are at least two relevant studies that may inform further Commission and PSE in their efforts to implement the new mandates of CETA and the ongoing mandates of the Energy Independence Act.

The first is a report on a pilot study of DHP measures in the Franklin Park Estates manufactured home park in Tacoma Power's service territory conducted by UCONS. Though some cost-effectiveness data still may be forthcoming from the Tacoma Power, we issued a report in April 2020 that dealt with the issue of how the presence or absence of preexisting, and generally aging, force air heaters impacted the savings associated with the installation of new DHP.⁸

The second is a report conducted for the Pacific Northwest National Laboratory (PNNL) that analyzed evaluated controls and energy savings of DHP in Department of Energy manufactured homes located in Richland, Washington. UCONS also supported that demonstration program which employed the same DHP systems as employed in the Tacoma Power study. This study was sponsored by NEEA and BPA to evaluate which applications of DHP may provide the region the greatest benefit under the forthcoming 2021 Plan Power Plan of the Northwest Power and Conservation Council.⁹

V. CONCLUSION AND RECOMMENDATIONS

Accordingly, we recommend that the Commission:

1. Direct PSE to make a supplemental filing monthly (or at least quarterly) commencing January 2020 to break out the manufactured home sector data from the single-family data as envisioned by Order 01;
2. In order to make progress on evaluating the cost-effectiveness of DHP measures for manufactured homes, and to evaluate the best methods and conditions to require for their

⁸ T. Eckhart, G. Sullivan & H. Reichmuth, UCONS Ductless Heat Pump Demonstration: Interim Evaluation of Phase 2 Enhanced Controls and Operational Procedures for Manufactured Homes at Franklin Pierce Estates Mobile Home Park, Summary of Findings (April 2020).

⁹ T. Ashley, C. Metzger, J. Kolln, & G. Sullivan, Maximizing the Use of Ductless Mini-Splits in the PNNL Lab Homes (Pacific Northwest National Laboratory, December 2019)

installation and operation, conduct a pilot study, analogous to the one conducted by Tacoma referenced above and report back to the Commission so the results can be incorporated into the next BCP and other energy planning documents; and

3. As we recommended in our previous comments on PSE's BCP, direct PSE to:
 - Quantify the equitable level of conservation in the MH market in its service area and
 - Set forth strategies and measures to acquire that conservation

Attachments (filed separately):

T. Eckhart, G. Sullivan & H. Reichmuth, UCONS Ductless Heat Pump Demonstration: Interim Evaluation of Phase 2 Enhanced Controls and Operational Procedures for Manufactured Homes at Franklin Pierce Estates Mobile Home Park, Summary of Findings (April 2020)

T. Ashley, C. Metzger, J. Kolln, & G. Sullivan, Maximizing the Use of Ductless Mini-Splits in the PNNL Lab Homes (Pacific Northwest National Laboratory, December 2019)