

Appendix 3

2018-2019
NEEA Final Savings Estimate

Pacific Power

May 1, 2020

Memorandum

3/16/2020

TO: Don Jones, DSM Planning and Development Manager, Pacific Power;

FROM: Christina Steinhoff, NEEA Planning Analyst

CC: Stephanie Rider, Senior Manager, NEEA Data, Planning, and Analytics

SUBJECT: Final 2018-2019 Annual Report (Washington)

NEEA is an alliance of utilities that pools resources and shares risks to transform markets toward energy efficiency that benefits consumers in the Northwest. NEEA's role is to establish technology and market conditions that advance energy efficiency in markets in a sustainable way.

Energy savings are enabled by the alliance's market transformation programs, codes and standards work, and investment in tools, training, resources, data and research to support greater efficiency. The programs seek to affect sustainable changes in markets, which then result in energy savings.

The Washington investor-owned utilities (WA IOUs) have asked NEEA to establish a savings forecast for each biennium as one benefit from the alliance's work. This memo reports these savings against the two-year forecast sent to Pacific Power in August 2017.

NEEA allocates the savings based on Pacific Power's funding share¹ of its regional investment. The savings are above a common baseline established by the WA IOUs and are net of savings claimed through regional utility programs.² Appendix A documents NEEA's methodology to estimate savings. Details about baseline and technical assumptions are in the attached Excel spreadsheet.

Please contact Christina Steinhoff at 503.688.5427 with any questions about this report.

Final 2018-2019 Savings Estimate

Based on 2018-2019 data, NEEA estimates that Pacific Power's savings are **0.60 aMW** for Program Measures. The results are above the original target (Table 1). Program Measures do not include savings

¹ Funding share is the portion of NEEA budget provided by each stakeholder. NEEA calculates the shares using each electric funding utility's regional customer count and retail sales.

² Regional utility programs are the Bonneville Power Administration, Energy Trust of Oregon and local utility programs. These programs provide NEEA an estimate of their annual incented units. NEEA multiplies savings rate and baseline saturation assumptions by the units to estimate local program savings. NEEA subtract these values prior to reporting savings to its funders to avoid double counting.

from NEEA’s work on codes and standards. Those savings provide an additional 0.22 aMW for a total of **0.82 aMW**. The attached spreadsheet shows how the savings varied by program.

Table 1: Savings in Comparison to the 2017 Forecasted Targets

	2018	2019	2018-2019	
	Current	Current	Current	Target
Total	0.39	0.42	0.82	0.75
Program Measures	0.29	0.30	0.60	0.55
Codes & Standards Measures	0.10	0.12	0.22	0.21

These are site-base, first-year savings. NEEA allocates the regional savings (Idaho, Montana, Oregon, and Washington) using funder shares. To avoid double counting savings, these values net out a forecast of savings the Bonneville Power Administration, the Energy Trust of Oregon and local utilities will claim through their local programs.

***Program Measures** savings come from energy efficiency measures NEEA worked on.

****Codes and Standards** savings come from codes and standards NEEA worked on.

Appendix A: Methodology

Background

Pacific Power, Puget Sound Energy, and Avista Washington developed a joint approach³ to calculate savings from NEEA initiatives. As part of the utilities' biennium savings updates, NEEA provides a two-year electric energy savings forecast. The utilities subtract the savings from their conservation forecast to develop their Biennium Conservation Target.

Savings Rate

Where available, NEEA uses savings rates directly from the 7th Power Plan. For example, if the Power Plan has an ENERGY STAR measure that aligns with a NEEA program measure, this report uses that savings rate. If the rate is not available, NEEA calculates the savings rate using the same baseline year as the 7th Power Plan. NEEA reviews these calculations annually with the Northwest Power and Conservation Council. NEEA does not make any additional adjustments to savings. When comparing against the original forecast, NEEA freezes the savings rates and only updates the units.

New Measures

NEEA adds new measures to the savings analysis if:

1. NEEA worked on the measure;
2. NEEA did not have enough data to include the measure in the original target; and,
3. NEEA did not include them in the original target under a different savings category (e.g. other trackable measures).

For example, NEEA did not have a savings forecast or an evaluation in time to include savings from its work on residential computers and commercial laptops in the original targets. Since 2017, NEEA was able to complete an evaluation supporting the connection between its work on the ENERGY STAR Version 6.0 specification.⁴ The evaluation stated:

For Energy Star Version 6, NEEA participated throughout the update process and provided both stand-alone and collaborative comments with NRDC and California IOUs. NEEA's collaborative comments influenced the specification and were reported by EPA staff as valuable.

NEEA added these savings to the Program Measures total.

³ The utilities agreed that NEEA would develop a Total Regional Savings estimate using baseline and technical assumptions from the most recent Power Plan. NEEA would remove estimated savings counted by the utilities, the Bonneville Power Administration and the Energy Trust of Oregon. NEEA would allocate the remaining savings to the utilities based on their NEEA funder share percentage.

⁴ Apex Analytics, LLC. 2019. Desktop Power Supplies ENERGY STAR Version 6 Baseline Methodology and Specification Influence Review.

Avoiding Double Counting

NEEA avoids double counting by surveying the Bonneville Power Administration, the Energy Trust of Oregon and local utilities about their local programs. NEEA multiplies the Power Plan’s savings rate and baseline saturation assumptions by the survey units to estimate local program savings. The regional savings minus the program savings are the savings NEEA reports to the Washington IOUs.

Allocation

NEEA allocates the savings using funder shares. The shares vary based on the funding cycle. Savings from previous investments receive the previous funder share. Savings from current investments receive the current funder share. Table 2 shows the funder shares.

Table 2: Funder Share

Business Plan	Funding Share
2015-2019	2.55%
2010-2014	3.01%
Prior	2.56%