





# DER Concept Screening Methodology




March 2021

# Guiding principles for screening & preliminary selection of DER opportunities

## Screening and DER Portfolio Design Guiding Principles

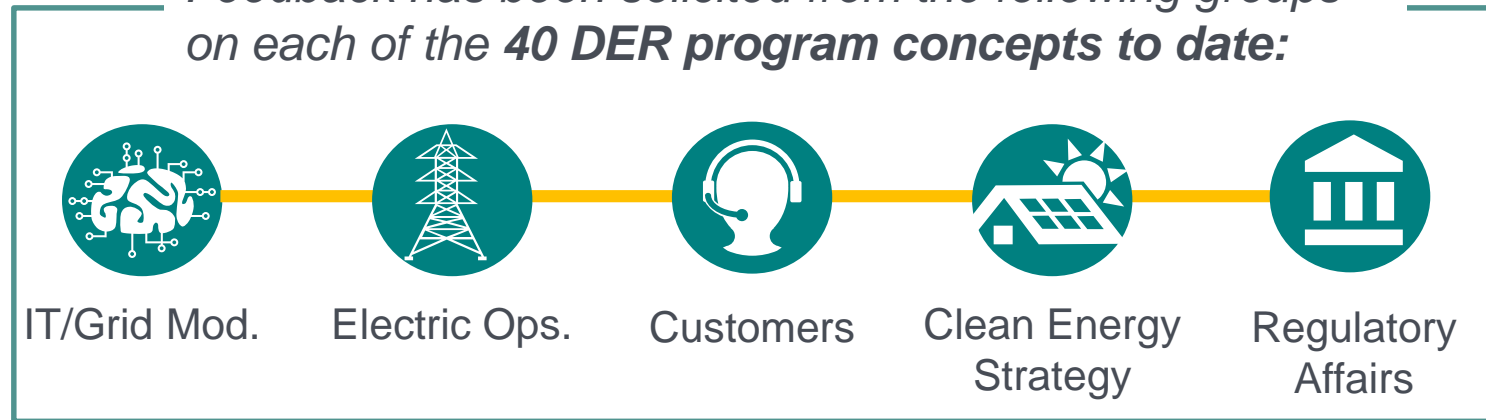
-  Aligned with IRP Resource Portfolio
-  Contributes to longer-term CETA objectives
-  Prioritizes near-term scalability of solutions
-  Prioritizes near-term feasibility of solutions

## Aligns with PSE's three Evaluation Dimensions

- Strategic Fit**  *Encompasses ability to scale DER solutions that contribute MWh and MW to CETA goals*
- Feasibility**  *Encompasses feasibility from multiple internal stakeholder perspectives*
- Accessibility**  *Decreased barriers to customer participation in DER programs and immediate benefits resulting from savings and local job creation*

# DER concept screening to date

*Feedback has been solicited from the following groups on each of the 40 DER program concepts to date:*



**Three key dimensions for program suitability have been used to screen concepts for further inclusion in PSE's Clean Energy Implementation Plan (CEIP):**



**Strategic Fit**



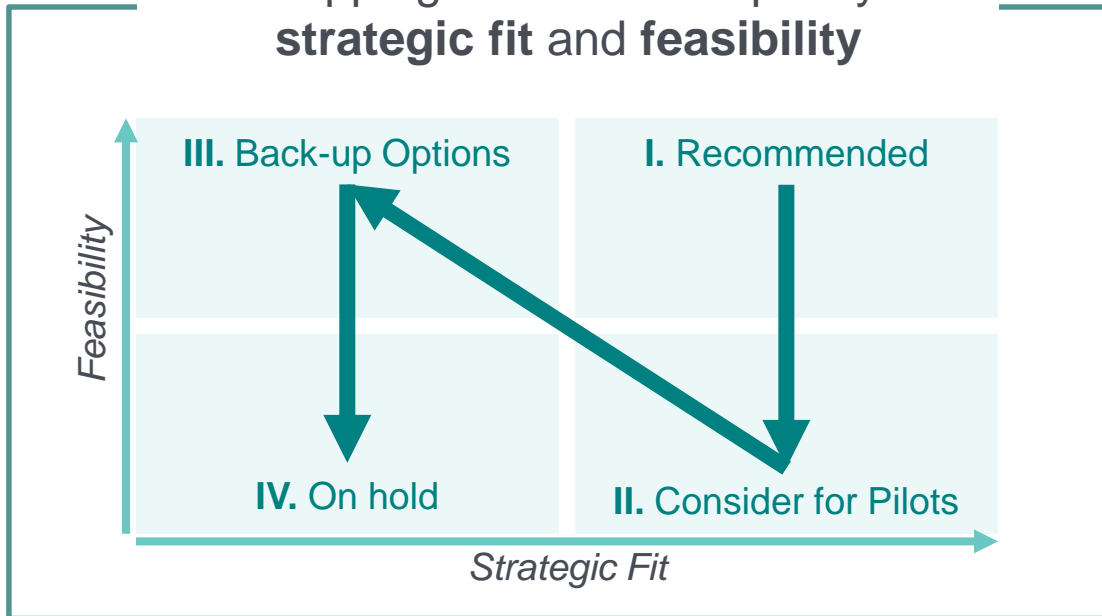
**Feasibility**



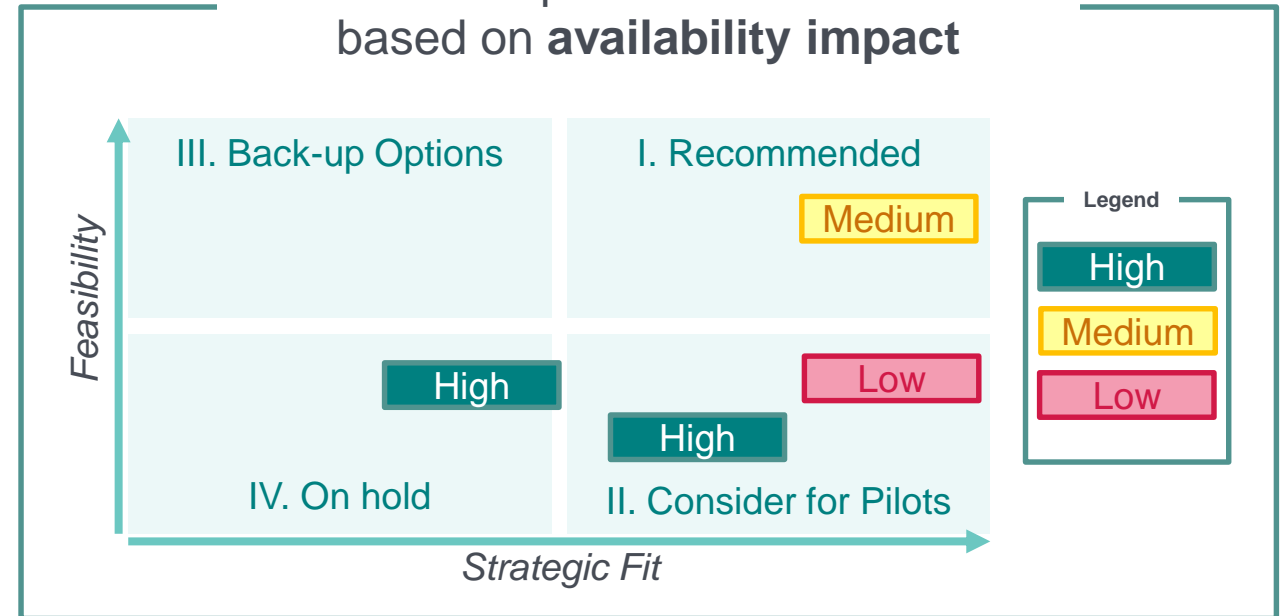
**Accessibility**

# Current mapping and ranking of key dimensions

Mapping of DER concepts by **strategic fit** and **feasibility**



DER concepts are further ranked based on **availability impact**



# Current scoring uses a three-tier rating system that assigns point values

Strategic Fit



Feasibility



Availability

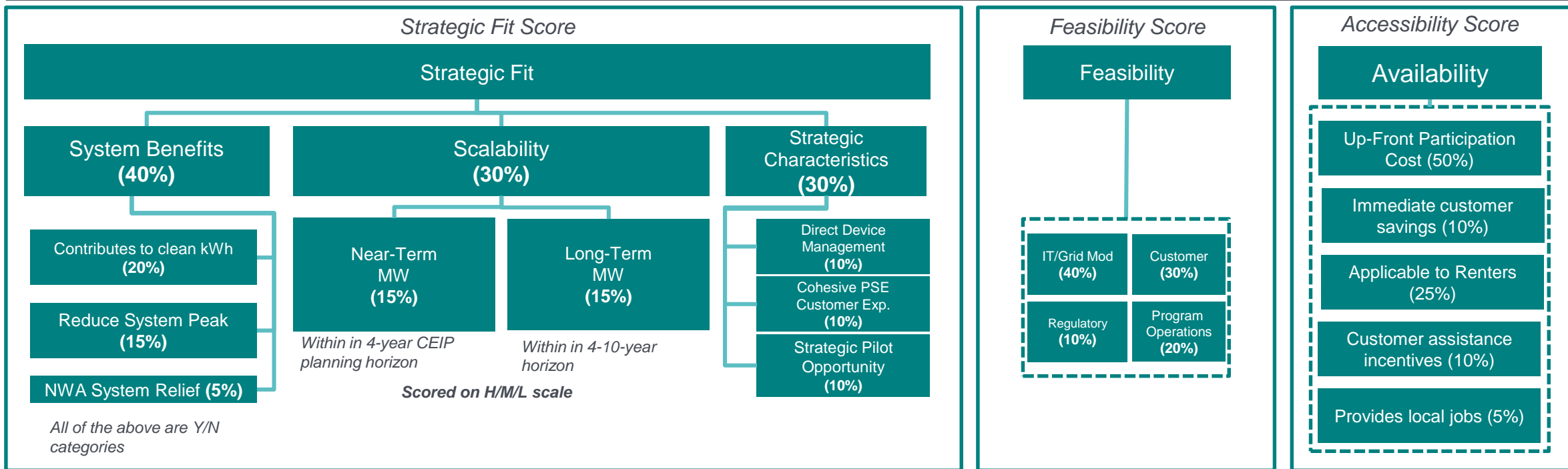


All key dimensions are currently being ranked as either **High**, **Medium**, or **Low** – each with a numerical point values as follows:

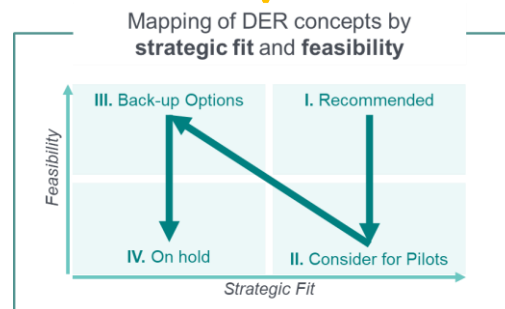


Criteria are ranked as based addition of scores with those having the highest point total being ranked highest

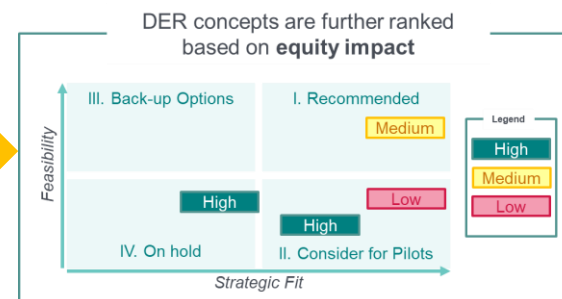
# West Monroe has conceptualized a weighted scoring approach which aligns with PSE's existing approach, incorporates scalability & emphasizes strategic priorities



Continued mapping of programs by strategic fit and feasibility



Accessibility scoring is overlaid



# Scoring Criteria Descriptions and Weighting

Scoring Metric	Subcategories	Description	Additional Subcategories	Relative Weighting	Scoring Mechanism
Strategic Fit (out of 100%)	System Benefits	Evaluates <i>if</i> a DER concept can support the use cases which directly support achievement of CETA targets: clean kWh, system peak shaving, or deferral of capital expenditure using DER concepts.	Contributes to clean kWh	20%	Y/N
			Reduced System Peak	15%	Y/N
			Non-wire Alternative	5%	Y/N
	Scalability	Qualitatively evaluates <b>how much</b> of a contribution a DER concept can provide toward IRP/CETA goals in the short-term (within the 4-year CEIP timeframe) and/or over the long-term (4-10-year timeframe).	Near Term MW	15%	H/M/L
			Longer Term MW	15%	H/M/L
	Strategic Characteristics	Represents various key program characteristics which assess alignment to PSE's strategy of becoming its customer's clean energy partner of choice, outside of CETA contributions.	Direct Device Management	10%	H/M/L
			Cohesive PSE Customer Experience	10%	H/M/L
Stakeholder Strategic Fit Score			0%	H/M/L	
Feasibility (out of 100%)	IT/Grid Modernization	Evaluates the level complexity and maturity of supporting technology required to enable to program	N/A	40%	H/M/L
	Customer	Evaluates the practicality & experience of participating from a customer's point of view		30%	H/M/L
	Regulatory	Evaluates the alignment to policy goals & likelihood of receiving support/approval		10%	H/M/L
	Program Operations	Evaluates the level of complexity & difficulty in operating the program, from the utility's perspective.		20%	H/M/L
Availability (out of 100%)	Reduction in Upfront Participation Cost	Reduces barriers associated with customers needing up-front capital to participate in programs	N/A	50%	H/M/L
	Immediate Customer Savings	Provides savings and benefits to customers and does not depend solely on savings to accrue over a given payback time		10%	H/M/L
	Applicable to Renters	Enables tenants to make energy decisions that align with CETA targets		25%	H/M/L
	Customer Assistance Incentives	Program or offering features the ability for customers to easily procure and benefit from DERs to alleviate arrearage		10%	H/M/L
	Provides Local Jobs	DER solution provider leverages local labor and/or meaningfully contributes to workforce development opportunities		5%	H/M/L

# Defining Strategic Fit Subcategories

**System Benefits(40%):** Scores the capability to contribute to clean kWh, system peak shaving, or deferral of capital expenditure using DER concepts. Concepts not contributing to any of these three system benefits are not directly aligned with meeting CETA targets. **System benefits applicability is scored on a Yes/No basis.**

**Scalability(40%):** Qualitatively evaluates how much of a contribution a DER concept can provide toward IRP/CETA goals in the **short-term** (within the 4-year CEIP timeframe) and/or over the **long-term** (4-10-year timeframe). **Scalability is scored on a qualitative High/Medium/Low basis.**

**Strategic Characteristics (20%):** Represents various key program characteristics which assess alignment to PSE’s strategy of becoming its customer’s clean energy partner of choice, outside of CETA contributions. **Strategic characteristics are scored on a qualitative High/Medium/Low basis**

