

**Northwest Power & Conservation Council
Conservation Resources Advisory System
May 28, 2021**

Kevin Smit, NWPCC, began the meeting at 9:00 by calling for introductions. He reviewed the new extended timeline for the 2021 Power Plan and directed CRAC attendees to the minutes from past meetings posted on the website. Chad Madron, NWPCC, explained how to best interact with the Go-to-Webinar platform.

Draft 2021 Plan Conservation Program

Smit updated the CRAC about Plan Analysis and recapped the target-setting approach. He devoted most of the meeting to Model Conservation Standards recommendations and proposals for research and other programs.

Steve Bicker, Tacoma Power, questioned Smit's call for a "light decarb" scenario [Slide 4,] pointing to WA's aggressive push towards radical decarbonization and electrification. He called for a more serious look, perhaps putting it before a capacity run, as electrification will have a dramatic impact on capacity.

Smit said he has a slide on this that will be presented later in the day. He previewed that staff has run a full-on Path to Decarbonization and a light decarb approach. Smit said they chose to run the light version because the optimization model could not handle that much load on the system.

Bicker predicted that capacity will be the head of the spear driving conservation. Tina Jayaweera, NWPCC, added that the "light decarb" scenario removed heavy-duty vehicles and freight, rail and other kinds of transport that are pretty extreme but still includes an extra 12,000aMW of load by 2041.

Jeff Harris, NEEA, said that last Plans looked at whatever resources was on during winter peak [Slide 6] and now it's investigating the average ramping resource if hydro is unavailable to provide balancing. He asked to identify the resources on the margin if the hydro system cannot do the job.

Jayaweera clarified that the 7th Plan identified the deferred acquisition of a simple cycle turbine. She said Smit will reveal the resource needed during ramping and previewed that it is a deferred battery.

Craig Patterson, independent, pointed to the 500 MW baseline for conservation and noted that the 2019 BA fact sheet says that 62MW were realized. He asked how staff gets from 62 to 500. Smit asked for clarification around the BA fact sheet. Patterson said they are the BPA summary fact sheets and expressed frustration with the disconnect between forecast work and past realities.

Smit explained that the 500aMW is a six-year forecast of future EE potential for the region and the fact sheet is probably what BPA achieved in a year. Smit emphasized that the future does not look like the past and past achievements are incorporated in the baseline and ramp rates.

John Morris, D+R International, said he liked the bullet on [Slide 9] about the value of maintaining a robust EE infrastructure. He was curious how the Council will move forward and if there is an opportunity for CRAC attendees to weigh in on the process. Smit said there is not a push to quantify that risk, but it is on Council members' minds. Morris approved of this framing. Smit said comments are always welcome.

Charlie Grist, independent, said it will be important to look at how EE fills those sunrise/sunset times versus the next best resource. He said he was having trouble understanding the tradeoff between how much a resource is under water versus when it is making money.

Smit said there will be a slide showing that EE has a high value during the sunrise/sunset period and at night but is underwater during the day. He said this shows that there are different values at different times of the day. Jayaweera added that interruptible resources, like a battery, are not underwater during the day so it can charge up and dispatch during peak.

Grist argued that they are underwater because the capital costs are paid for, yet they are not producing during those times. Jayaweera said they are looking at that and saw a lot of curtailment of renewables but found that it was still cheaper to build a lot of renewables and not use them.

Harris again called this a fundamental, order of operations issue. He said doing the EE piece before the generating resources part would reduce load and the need for resource. Harris recognized the challenges with this proposed approach, noting the complex policy environment, but still felt that reducing loads first made sense.

Bicker added that the region is no longer looking at a simple economic comparison between resources. He noted that the group is using new terms, trading capacity for resource adequacy and resiliency. Bicker thought that decarbonization/electrification policies will create scenarios where everything—renewables and EE—are needed. He understood that EE can not be turned off but said many utilities are joining the EIM which would allow sales into other markets. Smit agreed, saying resource adequacy will be big and EE provides significant value. He added that more model enhancement will be needed before the next Plan.

Patterson asked about the difference between the regional target and the BPA target, adding that he thought the Council's purview was only BPA [Slide 10.] Smit said the Council plans for the entire Region including all the utilities and mid-Cs.

Jennifer Finnigan, SCL, pointed to a potential target between 750 to 1000aMW and said utility conservation potential assessments are due at the end of the year, adding that these assumptions will not include this proposed higher level. She asked for guidance around creating the conservation potential assessments. Smit said the avoided costs for EE will be available. He noted that he's seeing lower targets in CPAs and IRPs.

Nicolas Garcia, WPUA, bristled against the idea of coming up with a target and then adjusting inputs to reach that target [Slide 11.] He worried that numbers representing resiliency, flexibility, and risk will have no basis, calling this poor public policy. He called for an approach that quantifies resiliency, flexibility, adequacy, and other risk inputs first, calling it meaningless to do it any other way.

Smit understood Garcia's point and asked what the difference is between a 10% adder and any other proxy value created to reach a target. He said this is similar to how other Plans were created, noting that the 6th Plan included a risk credit.

Garcia thought that this would lead to assertions without foundation for the value of resiliency, flexibility, and adequacy. He was concerned by this, again calling it bad public policy.

Patterson agreed with Garcia adding that he is still not hearing about use patterns changing due to COVID. Smit countered that the effects of COVID are being watched and pointed to an upcoming meeting that will include an end-use load research presentation.

Jennifer Light, NWPCC, suggested moving forward in the presentation as there are slides that outline action items.

Grist asked if there is a different cost effectiveness formulation under deep decarbonization [Slide 14] wondering what analytics show about EE's role in the scenario. Smit said the deep decarbonization scenario calls for doing it all saying the avoided costs would be extremely high. He said a cost effectiveness metric could be derived from the intermediate case. Grist thought this would be a helpful area to probe for those wondering what the deep decarb means for efficiency. Smit added that the deep decarb scenario was so expensive and out of normal bounds that to do it all would be outrageously expensive.

Finnigan agreed that it would be helpful to probe this area. She then asked how the MCS would be used and/or applied. Smit said it would send a strong signal that any proposed electrification should be efficient electrification. Finnigan asked how that could be justified. Smit asked how electrification could be justified.

Amy Wheelless, NW Energy Coalition, pointed to Seattle energy code that calls for heat pumps but allows an exception for a small multi-family unit. Smit called this a particularly good question without a specific resolution yet. He said this will be taken under consideration.

Garcia pointed to homelessness, saying that proposals that increase the cost of homes will make this problem bigger. He noted that the MCS states that this should be economically feasible for people and an important slice of customers could not afford this.

Garcia asked what happens if a measure in an MCS is no longer cost effective [Slide 15,] wondering if it stays in forever. Smit thought so. Garcia argued that MCS are to be cost effective for the region and if a portion is not then statutorily you are obligated to ask for something different. Smit thought some language could be included about that.

Jayaweera added that existing codes and standards are embedded in the baseline. Garcia said [Slide 12] says the standards must be cost effective so the Council needs to ask if standards remain cost effective. Smit said he needs to think about this point more.

Deb Young, Northwestern, explained the state of codes in Montana, adding that only a portion of the state is under jurisdiction of the Plan. She asked how the Plan will accommodate Montana and Idaho [Slide 16.] Smit said this would make a strong recommendation to those states to adopt similar standards. He thought most included appliance standards are cost effective as they fill gaps in the federal standards.

Young thought that some things that are cost effective in OR and WA are not cost effective, practical, or affordable in Montana. Smit called this a good point, adding that different climates and characteristics are accounted for. Young asked how this is documented. Smit said each state has their own standard-setting process that would produce the analysis.

Wheless said her code list is not showing any climate-dependent equipment. She then asked if water-efficiency measures are being contemplated. Jayaweera stressed that the idea behind this is getting all four states to consider and adopt state-level appliance standards and have a regular review cycle to avoid inequities. Wheless advocated for including building codes in that language to create regional consistency.

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Deborah Reynolds, WA UTC, asked if the building stock assessments are collecting the right information to make DR recommendations [Slide 19.] Jayaweera answered that understanding controls will be immensely helpful pointing to the

RBSA's effort to identify types of thermostats. Reynolds said it would be helpful to investigate app-enabled lightbulbs.

Garcia asked if regional and sub-regional differences in the RBSA are included and investigated. Jayaweera said there are statistical goals by state and sub-region. Harris spoke more about the desire to have a representative sample and how resource limitations make this hard. He said this time may include an effort to get more granular information to better support demand response and suggested including this in the action item.

Garcia added that he thought an appropriate standard for the Puget Sound may be insufficient in eastern WA. Harris said that data is collected and fed into codes and standards processes but emphasized that they are limited in how granular they can be.

Smit stated that this proposal recommends an increase over what NEEA does today.

Reynolds asked if there will still be oversampling opportunities for utilities. Jayaweera suggested reaching out to Mike Psaris at NEEA for more information. Reynolds clarified that she meant describing this in the action plan.

Young said the RBSA and CBSA are good as regional studies but are not utility or sub-regional specific. She said she hears a suggestion to expand NEEA into bigger areas. Yet she thought that NEEA's board cannot justify expenditures for individual utilities on energy efficiency market transformation because there is too much difference. She concluded by saying that staff is recommending utilities offer that funding anyway.

Smit said he would phrase the statement differently but yes, adding that this is important to the region. He said the model is finding more potential in commercial and industrial which is different than the past. He speculated that NEEA's budget could be shifted but admitted that he was not familiar with the organization's inner workings.

Young pointed to BPA's knowledge and initiative in industrial. She said that work was thought to be sufficient and did not require further regional effort. She added

that utilities with large industrial loads also thought they had good knowledge and understanding that didn't need to be continued with NEEA. She cautioned to look at what knowledge those entities already have before putting language in the Plan. Young concluded by saying the suggestion that the everyone in the region pay for something that not everyone in the region needs might not be an appropriate path.

Patterson challenged the idea that low-cost EE has been exhausted [Slide 20] using the example of Lane Electric spending \$5000 on new windows for an older, uninsulated mobile home when insulating measures would cost around the same amount. He said there has not been enough effort on space and water heat and many people must choose between paying for electricity or food. Patterson stated that 10% of his utility use pre-paid accounts yet the economy is still ignored in Council analysis. He added that some utilities have declining block rates which encourage consumption. Patterson concluded by wondering how these conflicts are ignored by the priorities the Council puts forth.

Jessica Aiona, BPA, thanked staff for calling out the importance of market research and making sure BPA is included in the statement [Slide 22.]

Shani Taha, UCONS, stressed that the equity target focusing on hard-to-reach markets, aka mobile homes, [Slide 24] shouldn't focus on replacement as that will be expensive. She thought that measures like duct sealing, air sealing, and other weatherization work would make a big difference to families living in these properties.

Harris thought that the Council could play a big role in coordinating with other agencies. He thought this could possibly make home replacement within the realm of possibility but still thought that EE measures were needed in the short-term. Taha suggested looking at CA for successful approaches.

Garcia said it would be helpful to provide utility guidance around different mobile home challenges. He worried that state governments might not have enough bandwidth to give guidance based on the structural state of a mobile home. Garcia thought this would mean that the lion's share of the work will fall on utilities. Jayaweera pointed to the low-income working group, CAP agencies, and

other entities that have more insight. She said coordinating with those agencies makes sense.

Harris said it might be good to include manufactured housing standards in the MCS as there may be a chance to weigh in on a federal standard on improvement.

Harris supported the RTF moving to EnergyPlus [Slide 28] pointing to an opportunity to calibrate with end-use load research data. Light said this is already in the work plan.

Finnigan moved back to [Slide 25-26] pointing to a lack of small business data. She wondered how such a data set could be built out. Smit wondered if utilities could provide local data, saying some have usage and square footage information. He agreed that it will take work and require sharing agreements but called it conceptually doable.

Grist noted some difficulties with the CBSA getting certain kinds of buildings and the struggle with getting billing data. He said this recommendation should highlight the need for some organization to coordinate the collection of data. He believed that this effort would require utility-specific contributions to get the billing data. Grist acknowledged that this would take some elbow grease and the recommendation should reflect that.

Wheless stated that this will take effort and utilities have a lot of data, but privacy rules will present a challenge. She then added that submetering is also an issue and suggested talking to the building people at the dept of commerce to get more information. Smit thanked her for her comments.

Patterson suggested that, as most conservation savings are projected and deemed, some sort of true up evaluations are called for [Slide 29.] Smit said this is covered in the program evaluation outlined on [Slide 23] and thanked him for supporting the continuation of this work.

Harris noted that this world is vastly different than the last Plan and thanked staff for their terrific work. Young echoed Harris saying this is not an easy task given the continued and rapidly changing environment coupled with many unknowns. She pointed to the Texas outage saying the event took her breath away. Smit

thanked her for her comment, adding that Texas is on everyone's mind as well and the Council is looking at their situation.

Smit ended the meeting at 12.

Attendees via Go-to-Webinar

Kevin Smit	NWPCC
Tina Jayaweera	NWPCC
Jennifer Light	NWPCC
Chad Madron	NWPCC
Jessica Aiona	BPA
Jonathan Belais	NEEA
Steve Bicker	Tacoma Power
Leann Bleakney	NWPCC
Ben Cartwright	Energy Trust
Gillian Charles	NWPCC
Michael Coe	Snohomish PUD
Debbie DePetris	Clark PUD
Jennifer Finnigan	SCL
Nicolas Garcia	WPUDA
Charles Grist	independent
Jeff Harris	NEEA
Elaine Hart	Moment Energy Insights
Fred Heutte	NW Energy Coalition
Nicole Hydzik	Avista Corp
Chad Ihrig	Franklin Energy
Anna Kim	Oregon PUC
Ted Light	Lighthouse Energy
David Moody	BPA
Eli Morris	Applied Energy Group
John Morris	DR Intl
Brandy Neff	PNGC Power
Heather Nicholson	independent
Craig Patterson	independent
Liz Reichart	WA Dept of Commerce
Deborah Reynolds	WA UTC
Peter Schaffer	PacifiCorp

Gurvinder Singh	PSE
Megan Stratman	NRU-NW
Shani Taha	UCONS
Aquila Velonis	Cadmus Group
Bonnie Watson	BPA
Amy Wheelless	NW Energy Coalition
Deb Young	Northwestern
Brian Dekiep	NWPCC
Ryan Fulleman	Tacoma Power
Quentin Nesbitt	Idaho Power
Kelli Schermerhorn	Northwestern