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July 2, 2024

MEMORANDUM

TO: Council Members

FROM: Kevin Smit

SUBJECT: Energy Efficiency Supply Curve Development Methodology

BACKGROUND:

Presenter: Kevin Smit, Christian Douglass

Summary: In preparation for the Ninth Power Plan, staff will be providing the Council with a series of presentations on different aspects of developing the Plan. This presentation will be on the development of energy efficiency (EE) supply curves.

Relevance: The Northwest Power Act requires energy efficiency to be treated in the same way as supply side resources when considering the Plan's resource strategy. To analyze EE in our production cost models (OptGen), staff develops a supply curve that provides bundles of the amount of EE available at different price points, with information on seasonal attributes.

Workplan: B.2.1 Prepare for the ninth power plan, developing a draft scope, preparing models and inputs, and developing environmental methodology.

Energy Efficiency Supply Curve Development Methodology

July 2024 Council Meeting

Kevin Smit

Christian Douglass



Northwest **Power** and
Conservation Council



Overview

- History of conservation targets
- Conservation in the 2021 Plan
- Definitions (from the Title)
 - Efficiency as a Resource
 - What is Energy Efficiency?
 - What is a Supply Curve?
- Basic formula for estimating EE potential
- Supply curve development process
- New for the Ninth Plan

Context

This is the first in a series of “Primers” that provide background in how we develop various components of the power plan.

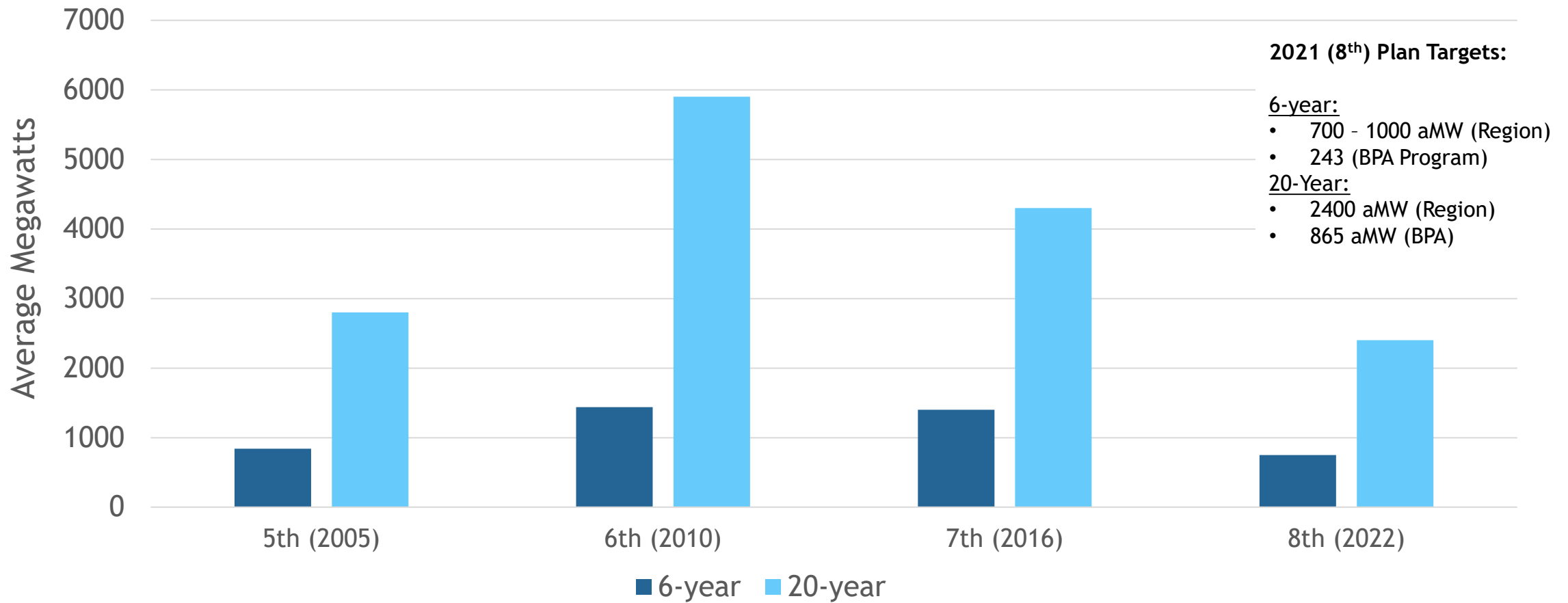
Energy Efficiency Supply Curves

Generating Resources Reference Plants

Demand Response Supply Curves

Etc.

Power Plan Targets 2005 - 2022



Power Plan Targets (2005-2022) – More Detail

| Plan | Energy Efficiency Target | Significant New EE Measures/Categories |
|---------------------|---|---|
| 2021 Plan (2022) | 750 - 1000 aMW by 2027 (6 years) 2400 aMW by 2041 (20 years) | Motor-driven products: pumps, fans, compressors, advanced motors. VHE DOAS |
| Seventh Plan (2016) | 1400 aMW by 2021 (6 years) 3000 aMW by 2026 4300 aMW by 2035 (20 years) | Server rooms, LED lighting, Ag sector measures, VRF systems, advanced control systems |
| Sixth Plan (2010) | 1,200 aMW by 2014 (5 years) 5,900 aMW by 2030 (20 years) | Distribution system efficiency, consumer electronics (LED TVs), exterior and street lighting, Industrial sector EE (2x) |
| Fifth Plan (2005) | 700 aMW by 2009 (5 years) 2,800 aMW by 2024 (20 years) | Compact fluorescent lighting, heat pump water heaters, AC/DC power converters, integrated building design |

Conservation in the 2021 Power Plan

Sector and Measure Bundles

| Residential | aMW by 2027 |
|----------------------|-------------|
| Dryer | 8 |
| Electronics | 11 |
| Food Preparation | 0.1 |
| HVAC Equipment | 0.6 |
| Weatherization | 8 |
| Smart Thermostats | 6 |
| Lighting | 13 |
| Refrigeration | 5 |
| Clothes Washers | 22 |
| Water Saving Devices | 25 |
| Circulator Controls | 0.2 |
| Level 2 EVSE | 0.7 |
| Total | 100 |

| Commercial | aMW by 2027 |
|------------------|-------------|
| Electronics | 46 |
| Food Preparation | 5 |
| HVAC | 40 |
| Lighting | 230 |
| Motors/Drives | 20 |
| Process Loads | 10 |
| Refrigeration | 40 |
| Water Heating | 9 |
| Total | 398 |

| Industrial | aMW by 2027 |
|----------------------------------|-------------|
| Compressed Air | 19 |
| Energy Management | 54 |
| Fans and Blowers | 14 |
| HVAC | 21 |
| Lighting | 41 |
| Material Handling and Processing | 9 |
| Other | <1 |
| Pumps | 27 |
| Refrigeration | 24 |
| Water/Wastewater | 8 |
| Total | 227 |

| Agriculture | aMW by 2027 |
|---------------------|-------------|
| Lighting | 2.1 |
| Dairy | 0.8 |
| Irrigation Hardware | 4.7 |
| Irrigation Motor | 4.8 |
| Other | 0.1 |
| Total | 13 |

| Distribution System | aMW by 2027 |
|---------------------|-------------|
| CVR | 3.1 |

How did we get to the 750 aMW and the measure bundles?

Definitions and Process for Developing the EE Supply Curves



Conservation as a Resource

Conservation (Energy Efficiency) is a resource

Conservation is to be evaluated/valued along side of other generating resources

Conservation is defined as a Resource in the NW Power Act:

Resource means --
*electric power, including the actual or planned electric power capability of **generating** facilities, or actual or planned load reduction resulting from direct application of a renewable energy resource by a consumer or from a **conservation measure.** (3(19))*



What is Energy Efficiency?

Definition of Conservation Under the Power Act

Conservation means any reduction in electric power consumption as a result of increases in the efficiency of energy use, production, or distribution.

1. Does the opportunity reduce electric power consumption?
2. Is the reduction in electric power consumption the result of an increase in efficiency of energy use, production, or distribution?

Also, must be “...reliable and available within the time it is needed...”

(From cost-effectiveness definition)

A Few Notes from the Power Act...

(3(4))

Cost-effective means that such measure or resource must be forecast...

- to be reliable and available within the time it is needed, and
- to meet or reduce the electric power demand ... of the **consumers** of the **customers** at an estimated incremental **system cost** no greater than that of the least-cost similarly reliable and available alternative measure or resource, or any combination thereof.

“System cost” means an estimate of **all direct costs of a measure or resource over its effective life**, including ... the cost of distribution and transmission to the consumer and, among other factors, waste disposal costs, end-of-cycle costs, and fuel costs (including projected increases), and such **quantifiable environmental costs and benefits ... are directly attributable to such measure or resource.**



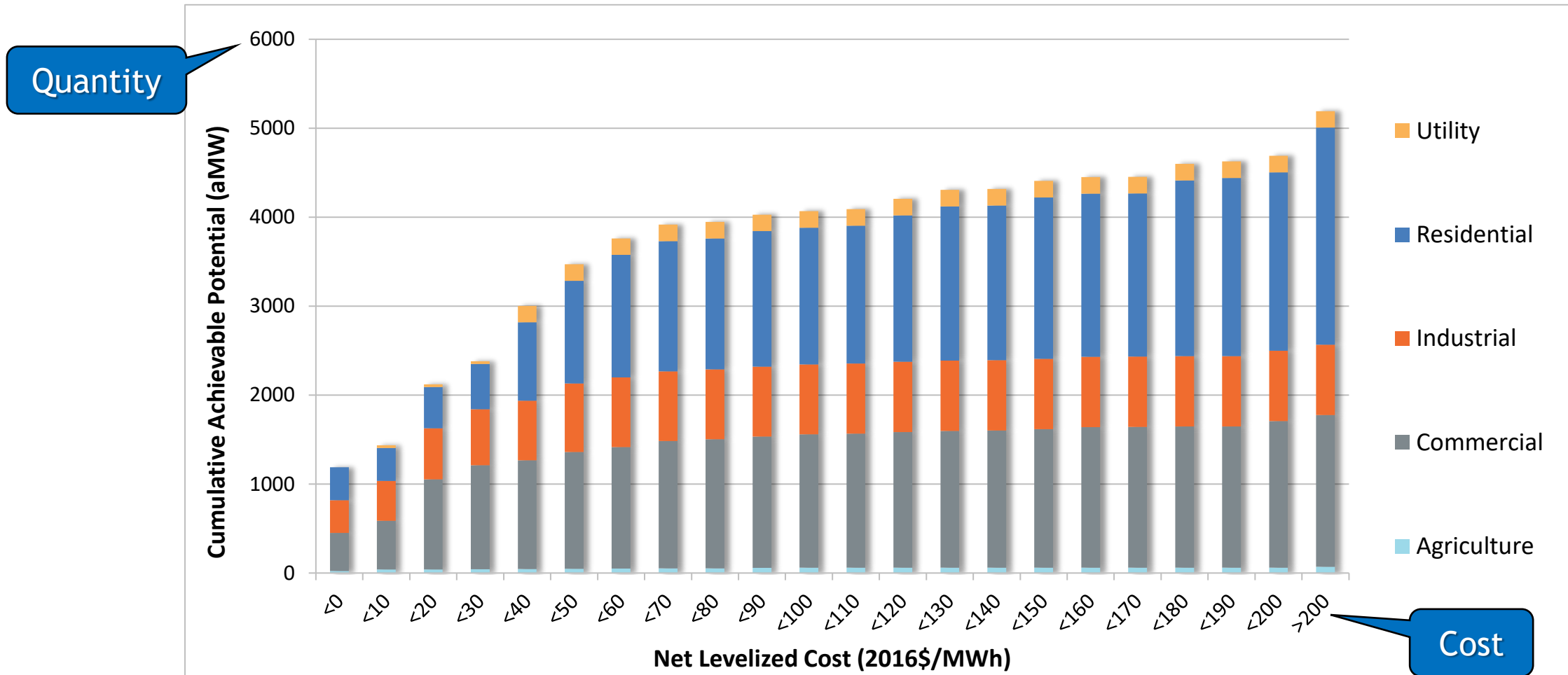
What is a Supply Curve?

- Conservation resources need to compete along with supply side resources on an “apples to apples” basis
- The energy efficiency supply curves include the electricity savings, levelized cost, and other attributes necessary to compare EE with other supply-side resources
- The supply curves are the result of a region-wide conservation potential assessment
- The supply curve tells our optimization models how much EE is available and what cost
- A subset of the supply curve eventually leads to EE goals/targets



Supply Curve Example

(20-Yr Potential Supply Curve from 2021 Plan)



The Basic Formula for EE Savings

$$\text{EE Savings Potential} = \text{Number Units} * \text{kWh savings per Unit} * \text{Achievable Amount (\%)}$$

- Examples:
- Number of homes
 - Floor area of retail
 - Number of refrigerators
 - Acres irrigated
 - Number of transformers

4,019,793

Total number of Single-Family (SF) homes in 2041

$$\left(\frac{\text{kWh/Unit at Baseline Efficiency}}{\text{kWh/Unit at Improved Efficiency}} \right)$$

EXAMPLE:

Attic Insulation R0 – R49 in Heating Zones (HZs) 2&3 in a home with an electric furnace

2,253 kWh/year savings

9308 kWh/year (no attic insulation)
 – 7055 kWh/year (R49 attic insulation)
 = 2253 kWh/year savings

Fraction of available or remaining stock that is realistically achievable over time

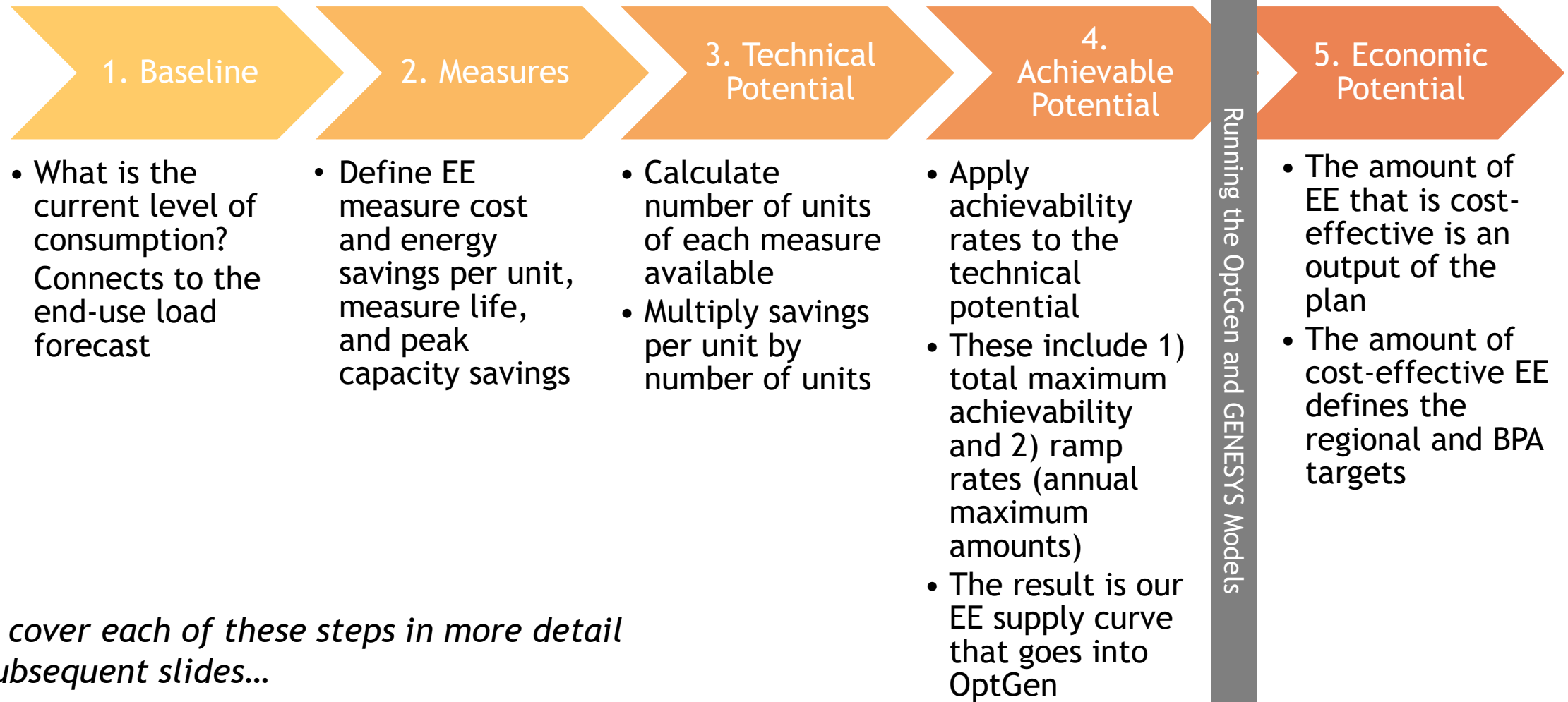
0.012% - applicability factor (% of all SF homes in HZs 2 & 3, with an electric furnace, with no attic insulation...)

85% - achievability factor

$$4,019,793 * 2,253 * 0.012\% * 85\%$$

= 900 MWh/year in total savings

Process Flow – Supply Curve and EE Target



Will cover each of these steps in more detail in subsequent slides...

1. Establish the Baseline and Sync with Electricity Load Forecast

- Forecasts of electricity demand AND conservation potential must both use same baseline efficiency
 - Use the same units and growth forecasts
 - Same unit efficiency assumptions
- Frozen Efficiency Forecast
 - Establish the base year and then “freeze” or fix the baseline
 - This ensures we don’t double count the EE
 - Product stock turnover results in some overall efficiency improvement



Baselines for Each Measure Depends on Decision Timing

New

New Homes, New Buildings

Decision when new item is built or purchased.

Baseline is best of minimum code requirement, federal standard, or common practice

Natural Replacement

Replace on Burn-Out, Major Remodel

Decision when equipment fails or becomes obsolete.

Baseline is best of minimum code requirement, federal standard, or common practice

Retrofit

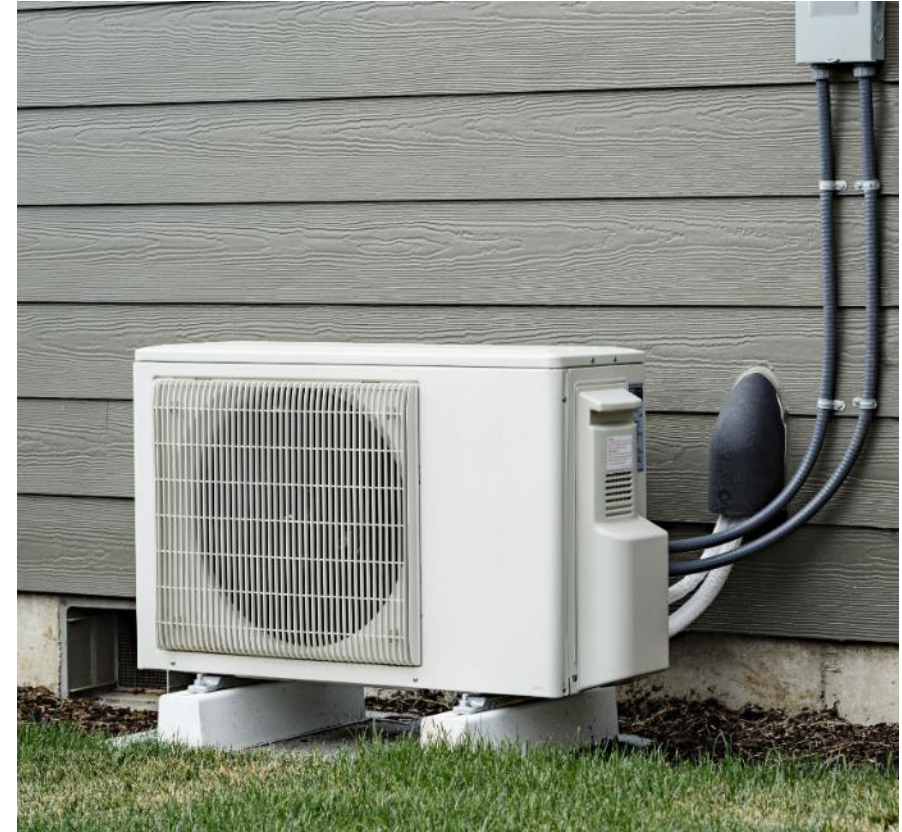
Remove & Replace (windows), Add-On (insulate attic of older home)

Decision timing is discretionary.

Baseline is as-found condition, unless subject to code or standard

Identify EE Measures

- Over 100 measure categories in the 2021 Power Plan (e.g., *Air-Source Heat Pump*)
 - Buildings (insulation, windows, heat pumps, etc.)
 - Appliances (refrigerators, dishwashers, ovens, steamers, etc.)
 - Processes (energy management, pump optimization, etc.)
 - Utility distribution system (Conservation Voltage Regulation-CVR, reconductoring, transformers)
 - Across residential, commercial, industrial, agriculture, utility
- Over 2000 measure applications (e.g., *Energy Star Air-Source Heat Pump, heating zone 1, new construction*)
 - By heating zone, vintage, heating system type
 - Factors that change incremental cost or savings



2021 Plan EE Measure List: Res & Com

Commercial

- ▣ **Compressed Air**
 - Compressors
- ▣ **Electronics**
 - Computers
 - PowerStrips
 - Servers & Power Supplies
- ▣ **Food Preparation**
 - Cooking
 - Pre-Rinse Spray Valve
- ▣ **HVAC**
 - ARC
 - Chiller-System
 - Chiller-Upgrade
 - CircPumps
 - Commercial EM
 - Com-PTHP
 - ConnectedThermostats
 - DHP
 - Fans
 - Glass
 - HeatPumps
 - Secondary Glazing Systems
 - UnitaryAC
 - VHE-DOAS
 - VRF-DOAS
- ▣ **Lighting**
 - Bi-Level Stairwell Lighting
 - Exterior Building Lighting
 - LEC Exit Sign
 - LPD Package
 - Parking Garage Lighting
 - Street and Roadway Lighting
- ▣ **Motors/Drives**
 - Clean Water Pumps
- ▣ **Process Loads**
 - EBHeaterControl
 - Elevators
- ▣ **Refrigeration**
 - GroceryRefrigeration
 - IceAndVending
 - Refrig-Freezer
 - Water Cooler Controls
- ▣ **Water Heating**
 - CircPumps
 - HPWH ResType
 - Showerheads
 - Washer

Residential

- ▣ **Dryer**
 - Clothes Dryer
- ▣ **Electronics**
 - Advanced Power Strips
 - Desktop
 - Laptop
 - Monitor
 - UHD TV
- ▣ **Food Preparation**
 - Electric Oven
 - Microwave
- ▣ **HVAC**
 - ASHP Conversion
 - ASHP Upgrade
 - CAC
 - Cellular Shades
 - Circulator Controls
 - Circulators
 - DHP
 - DHP Ducted
 - Duct Sealing
 - GSHP
 - Heat Recovery Ventilation
 - RAC
 - ResWx
 - Smart tstats
 - Whole House Fan
- ▣ **Lighting**
 - Fixtures
 - Lamps
 - Pin Lamps
- ▣ **Other**
 - Air cleaners
 - Well Pump
- ▣ **Refrigeration**
 - Freezer
 - Refrigerator
- ▣ **Water Heating**
 - Aerator
 - Circulator Controls
 - Circulators
 - Clothes Washer
 - Dishwasher
 - HPWH
 - Showerheads
 - TSRV
 - WasteWater Heat Recovery
 - WH Pipe insulation
- ▣ **Whole Bldg/Meter Level**
 - Behavior
 - EV Supply Equip

2021 Plan EE Measure List: Ag, Ind, & Utility

▣ Agriculture

- ▣ HVAC
 - Dairy
- ▣ Irrigation
 - Irrigation Hardware
- ▣ Lighting
 - Dairy
 - Lighting
- ▣ Motors/Drives
 - Dairy
 - Irrigation Motor
- ▣ Process Loads
 - Stationary Engine Block Heater
 - Stock Tanks
- ▣ Refrigeration
 - Dairy

▣ Utility

- ▣ Utility Distribution System
 - Utility Distribution System

CVR

▣ Industrial

- ▣ All Electric
 - All Electric
- ▣ Compressed Air
 - Compressed Air
 - Compressors
- ▣ Fans and Blowers
 - Efficient_Fan
 - Fans and Blowers
- ▣ HVAC
 - HVAC
- ▣ Lighting
 - Lighting
- ▣ Low Temp Refer
 - Advanced_Motors
 - Low Temp Refer
- ▣ Material Handling
 - Advanced_Motors
 - Material Handling
- ▣ Material Processing
 - Advanced_Motors
 - Material Processing
- ▣ Med Temp Refer
 - Advanced_Motors
 - Med Temp Refer
- ▣ Melting and Casting
 - Melting and Casting
- ▣ Other
 - Other
- ▣ Other Motors
 - Advanced_Motors
- ▣ Pollution Control
 - Advanced_Motors
- ▣ Pumps
 - Clean Water Pumps
 - Pumps

2. Develop Measure Data (Cost & Savings)



Energy Savings (kWh)

- Annual kWh per unit at the site
- Line losses from source to site
- Seasonal & daily shape of savings
- Measure interactions



Capacity Benefits (kW)

- Deferring a capacity resource (\$/kW-yr)*
- Deferred distribution and transmission line expansion cost (\$/kW-yr)
- Measure shape defines the kW impact



Non-Electric Impacts

- Water use changes
- Gas use changes
- Lamp replacements
- Quantifiable environmental impacts



Costs

- Capital & financing
- Labor
- Program administration
- Operations & maintenance
- Reinstallation cost



Measure Life

- Expected time until failure (“burn out”) or replacement

*The capacity resource deferral is usually defined after the portfolio optimization

Weatherization Savings Values Example:

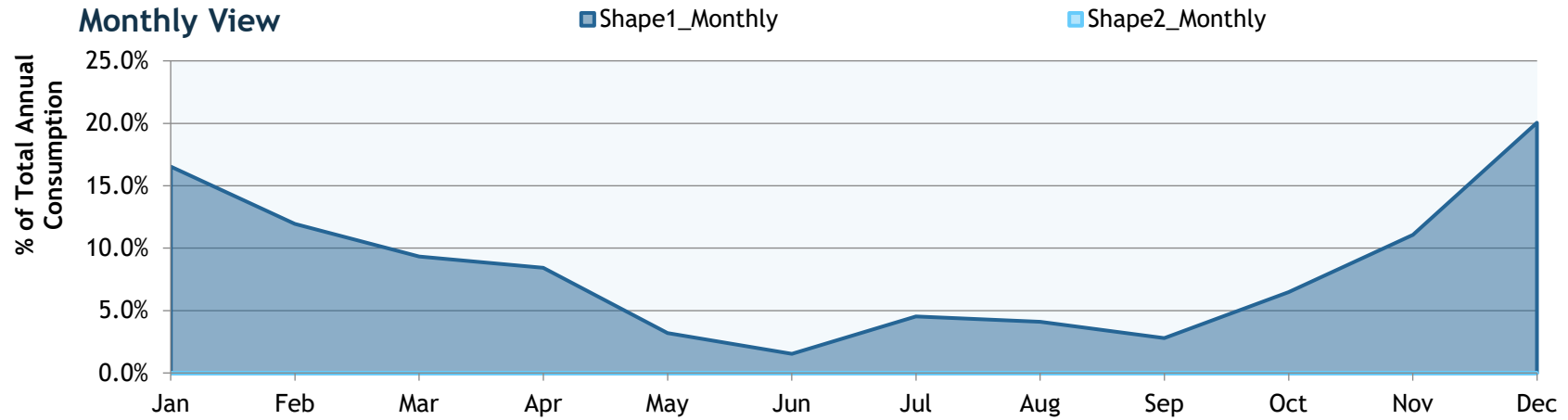
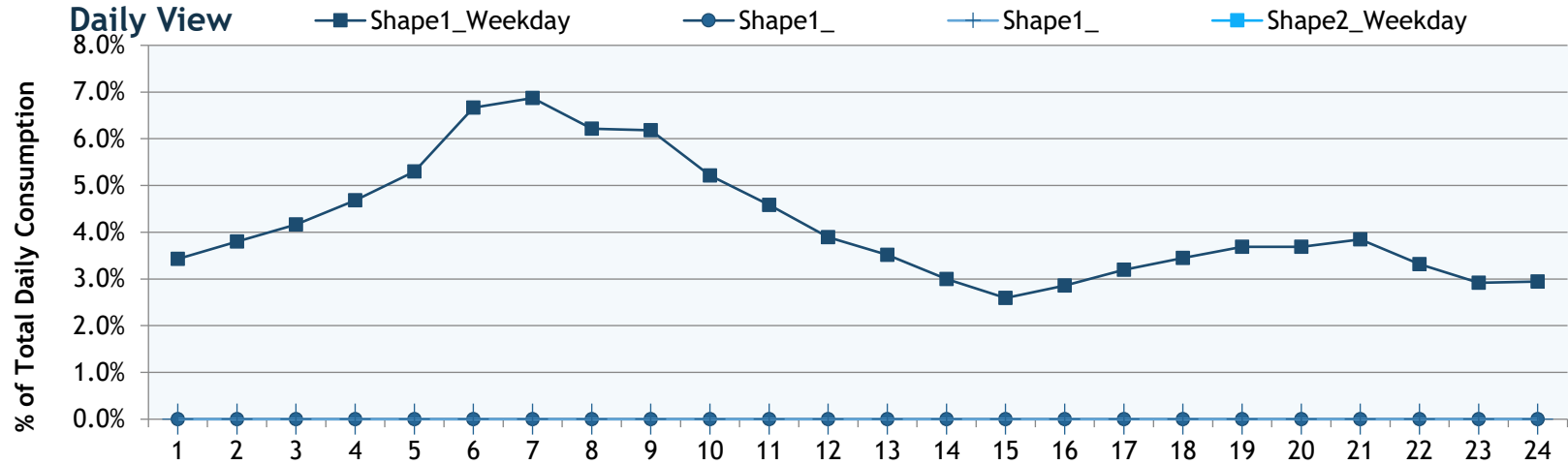
| Measure | Measure Savings per House | | | | | |
|------------------------------|---------------------------|----------------|----------------|--------------------|--------------------|--------------------|
| | Heating Zone 1 | Heating Zone 1 | Heating Zone 1 | Heating Zone 2 & 3 | Heating Zone 2 & 3 | Heating Zone 2 & 3 |
| | Electric FAF | Zonal or DHP | Heat Pump | Electric FAF | Zonal or DHP | Heat Pump |
| Attic:R0-R38 | 1,386 | 837 | 796 | 2,001 | 984 | 748 |
| Attic:R0-R49 | 1,404 | 849 | 806 | 2,030 | 998 | 760 |
| Attic:R11-R38 | 367 | 340 | 159 | 541 | 525 | 315 |
| Attic:R11-R49 | 388 | 356 | 168 | 574 | 548 | 331 |
| Attic:R19-R38 | 193 | 134 | 82 | 295 | 193 | 140 |
| Attic:R19-R49 | 216 | 152 | 90 | 335 | 221 | 156 |
| Attic:R30-R38 | 65 | 57 | 27 | 97 | 30 | 67 |
| Attic:R30-R49 | 91 | 78 | 37 | 134 | 45 | 87 |
| Wall:R0-R11 | 803 | 660 | 451 | 1,684 | 1,099 | 562 |
| Floor:R0-R19 | 243 | 408 | 210 | 593 | 514 | 147 |
| Floor:R0-R25 | 260 | 443 | 228 | 639 | 558 | 159 |
| Floor:R0-R30 | 270 | 465 | 239 | 667 | 586 | 168 |
| Floor:R19-30 | 74 | 144 | 57 | 150 | 294 | 72 |
| Window:Single-u30 | 560 | 492 | 238 | 864 | 440 | 235 |
| Window:Double-u30 | 352 | 356 | 179 | 471 | 561 | 236 |
| Window:u30-u22 | 63 | 68 | 43 | 114 | 116 | 47 |
| Window:Single-u22 | 628 | 550 | 270 | 997 | 483 | 268 |
| Window:Double-u22 | 415 | 424 | 222 | 585 | 677 | 282 |
| Window: Single-Storm | 639 | 498 | 254 | 986 | 469 | 265 |
| Window: Double-Storm | 482 | 534 | 196 | 705 | 1,049 | 279 |
| Infiltration:cfm50 reduction | 83 | 183 | 69 | 141 | 185 | 76 |
| DuctInsulation:R0-R11 | 1,107 | NA | 170 | 786 | NA | 356 |

Weatherization Cost Values Example

| Measure Name | Subcategory | Technology, Measure or Practice | Cost | Units |
|---|----------------------------------|---------------------------------|----------|--------|
| Single Family Weatherization - Insulate Attic - R0 to R38 | Insulation | Attic:R0-R38 | \$ 1.33 | \$/ sf |
| Single Family Weatherization - Insulate Attic - R0 to R49 | Insulation | Attic:R0-R49 | \$ 1.60 | \$/ sf |
| Single Family Weatherization - Insulate Attic - R11 to R38 | Insulation | Attic:R11-R38 | \$ 1.06 | \$/ sf |
| Single Family Weatherization - Insulate Attic - R11 to R49 | Insulation | Attic:R11-R49 | \$ 1.33 | \$/ sf |
| Single Family Weatherization - Insulate Attic - R19 to R38 | Insulation | Attic:R19-R38 | \$ 1.06 | \$/ sf |
| Single Family Weatherization - Insulate Attic - R19 to R49 | Insulation | Attic:R19-R49 | \$ 1.13 | \$/ sf |
| Single Family Weatherization - Insulate Attic - R30 to R38 | Insulation | Attic:R30-R38 | \$ 0.61 | \$/ sf |
| Single Family Weatherization - Insulate Attic - R30 to R49 | Insulation | Attic:R30-R49 | \$ 0.89 | \$/ sf |
| Single Family Weatherization - Insulate Wall - R0 to R11 | Insulation | Wall:R0-R11 | \$ 1.68 | \$/ sf |
| Single Family Weatherization - Insulate Floor - R0 to R19 | Insulation | Floor:R0-R19 | \$ 1.09 | \$/ sf |
| Single Family Weatherization - Insulate Floor - R0 to R25 | Insulation | Floor:R0-R25 | \$ 1.28 | \$/ sf |
| Single Family Weatherization - Insulate Floor - R0 to R30 | Insulation | Floor:R0-R30 | \$ 1.51 | \$/ sf |
| Single Family Weatherization - Insulate Floor - R19 to R30 | Insulation | Floor:R19-30 | \$ 1.09 | \$/ sf |
| Single Family Weatherization - Insulate Ducts - R0 to R11 | Insulation | DuctInsulation:R0-R11 | \$ 2.37 | \$/ sf |
| Infiltration Reduction - CFM50 reduction | Infiltration Control | Infiltration:cfm50 reduction | \$ 0.680 | \$/ sf |
| Windows - Single Pane to Class 30 | Window or Patio Door Replacement | Window:Single-u30 | \$ 24.09 | \$/ sf |
| Windows - Double Pane to Class 30 | Window or Patio Door Replacement | Window:Double-u30 | \$ 24.09 | \$/ sf |
| Windows - Single Pane to Class 22 | Window or Patio Door Replacement | Window:Single-u22 | \$ 27.98 | \$/ sf |
| Windows - Double Pane to Class 22 | Window or Patio Door Replacement | Window:Double-u22 | \$ 27.98 | \$/ sf |
| Windows - Class 30 to Class 22 | Window or Patio Door Replacement | Window:u30-u22 | \$ 3.89 | \$/ sf |
| Windows - Add a Low-e Storm Window to an existing Single Paned Window | Low-e Storm Window | Window: Single-Storm | \$ 10.46 | \$/ sf |
| Windows - Add a Low-e Storm Window to an existing Double Paned Window | Low-e Storm Window | Window: Double-Storm | \$ 10.46 | \$/ sf |

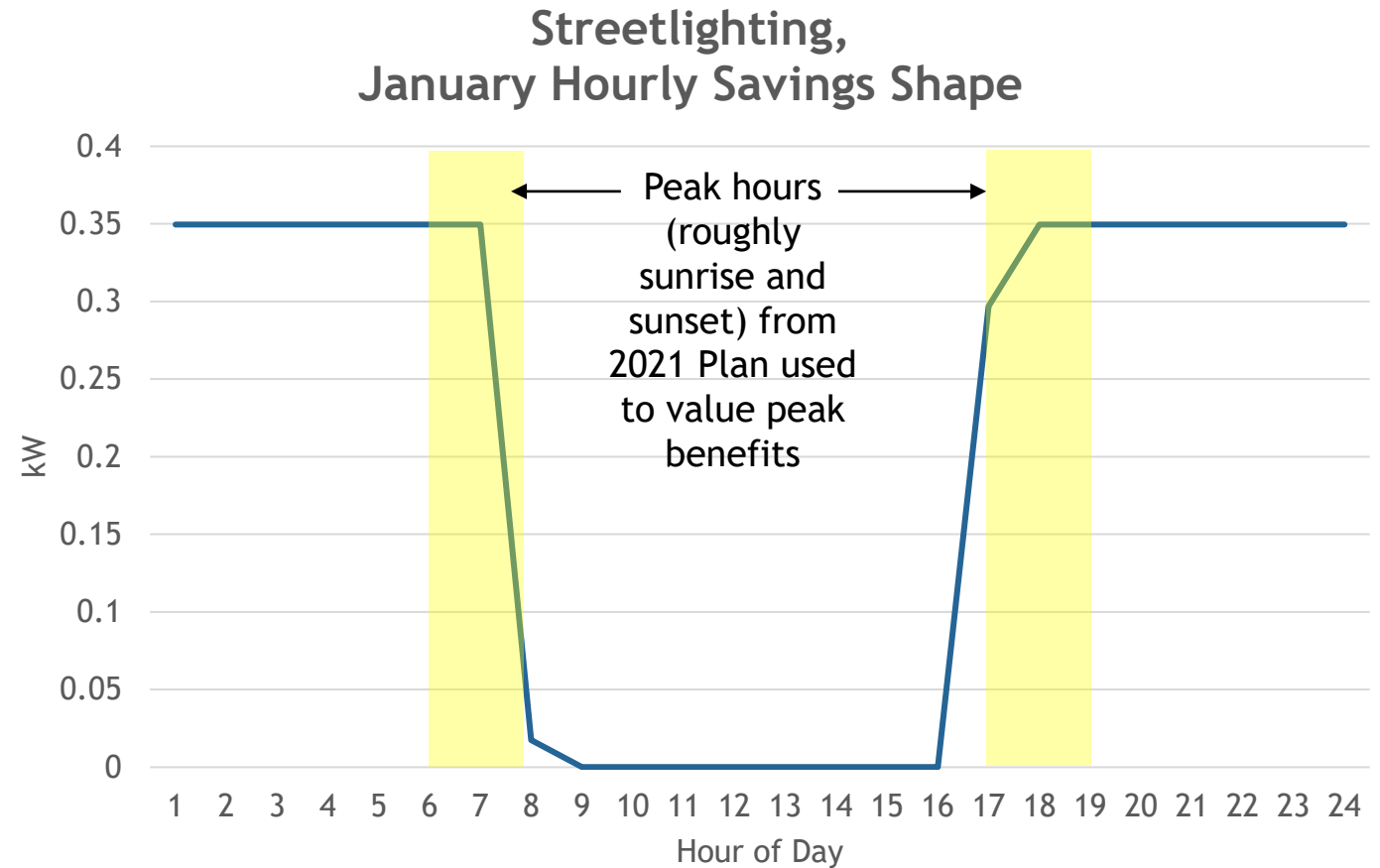
Measure Savings Shapes

Example: Air Source Heat Pump: Heating zone 1



How are the EE Measure Shapes Used?

- System load shape is used for calculating the marginal line losses (site to busbar)
- Measure shapes are used to define the amount of electricity being saved (kW) at the defined peak hour(s), or hour of greatest need
 - Avoided transmission value
 - Avoided distribution value



Calculate Levelized Cost

- The cost and benefit streams are levelized over the lifetime of the measure
- The final measure is defined by its:
 - Electricity savings (kWh)
 - Levelized cost (\$/kWh)
 - Capacity impact (kW)
- Formula:

| Costs Included | Benefits Netted Out |
|------------------------|------------------------------|
| Capital & Labor | Deferred T & D Expansion |
| Annual O&M | Regional Act Credit |
| Program Administration | Avoided Periodic Replacement |
| Periodic Replacement | Other Fuel Benefits |
| Other Fuel Costs | Non-Energy Impacts |
| Non-Energy Impacts | |

NRC Net Levelized Cost

$$= \frac{NPV(\text{cap cost} * (1 + \text{admin}) + \text{ann O\&M} + \text{other fuel} + NEI - \text{Def T\&D} - RAC - OFB)}{\text{Measure kWh Savings}}$$

3. Estimate Technical Potential

- The technical EE potential is essentially multiplying the measure savings by the number of units for each measure.
- The technical potential is the theoretical maximum EE that could be achieved/acquired for a given measure

Data Sources:

- Stock assessments (RBSA, CBSA, IFSA)
- Council forecast models
- EIA - RBECS, CBECS, MECS
- DOE Rule making data sets (TSDs)
- Product sales data

Annual Estimates

- Year-by-year for 20-year forecast period
- Existing stock minus demolition
- New stock added
- New appliances added
- Appliance & equipment turnover

Technical Potential Data Examples: Residential Housing and Commercial Building SF Forecasts

| Sector | Building/Industry Type | Vintage / Subcategory | Forecast Units | 2022 | 2023 | 2024 |
|--------|-------------------------|-----------------------|----------------|-----------|-----------|-----------|
| Res | Single Family | New | Buildings | 51,978 | 50,642 | 49,646 |
| Res | Multifamily - Low Rise | New | Buildings | 21,353 | 21,123 | 21,016 |
| Res | Multifamily - High Rise | New | Buildings | 6,219 | 6,115 | 6,097 |
| Res | Manufactured | New | Buildings | 4,099 | 4,171 | 4,265 |
| Res | Single Family | Existing | Buildings | 4,418,134 | 4,408,102 | 4,398,092 |
| Res | Multifamily - Low Rise | Existing | Buildings | 997,938 | 995,672 | 993,411 |
| Res | Multifamily - High Rise | Existing | Buildings | 295,302 | 294,632 | 293,962 |
| Res | Manufactured | Existing | Buildings | 586,202 | 579,937 | 573,740 |
| Com | Large Off | Existing | Millions SqFt | 396 | 395 | 394 |
| Com | Medium Off | Existing | Millions SqFt | 203 | 202 | 202 |
| Com | Small Off | Existing | Millions SqFt | 187 | 187 | 186 |
| Com | XLarge Ret | Existing | Millions SqFt | 142 | 141 | 140 |
| Com | Large Ret | Existing | Millions SqFt | 213 | 212 | 211 |
| Com | Medium Ret | Existing | Millions SqFt | 100 | 100 | 99 |
| Com | Small Ret | Existing | Millions SqFt | 112 | 111 | 111 |
| Com | School K-12 | Existing | Millions SqFt | 272 | 272 | 271 |
| Com | University | Existing | Millions SqFt | 133 | 133 | 133 |
| Com | Warehouse | Existing | Millions SqFt | 490 | 488 | 485 |
| Com | Supermarket | Existing | Millions SqFt | 52 | 52 | 52 |
| Com | MiniMart | Existing | Millions SqFt | 24 | 24 | 23 |
| Com | Restaurant | Existing | Millions SqFt | 52 | 51 | 51 |
| Com | Lodging | Existing | Millions SqFt | 185 | 184 | 183 |
| Com | Hospital | Existing | Millions SqFt | 114 | 113 | 113 |
| Com | Residential Care | Existing | Millions SqFt | 139 | 139 | 138 |
| Com | Assembly | Existing | Millions SqFt | 374 | 372 | 371 |
| Com | Other | Existing | Millions SqFt | 369 | 365 | 362 |

To 2041...

RBSA and CBSA Data Examples

Single-Family Primary Heating Systems by State

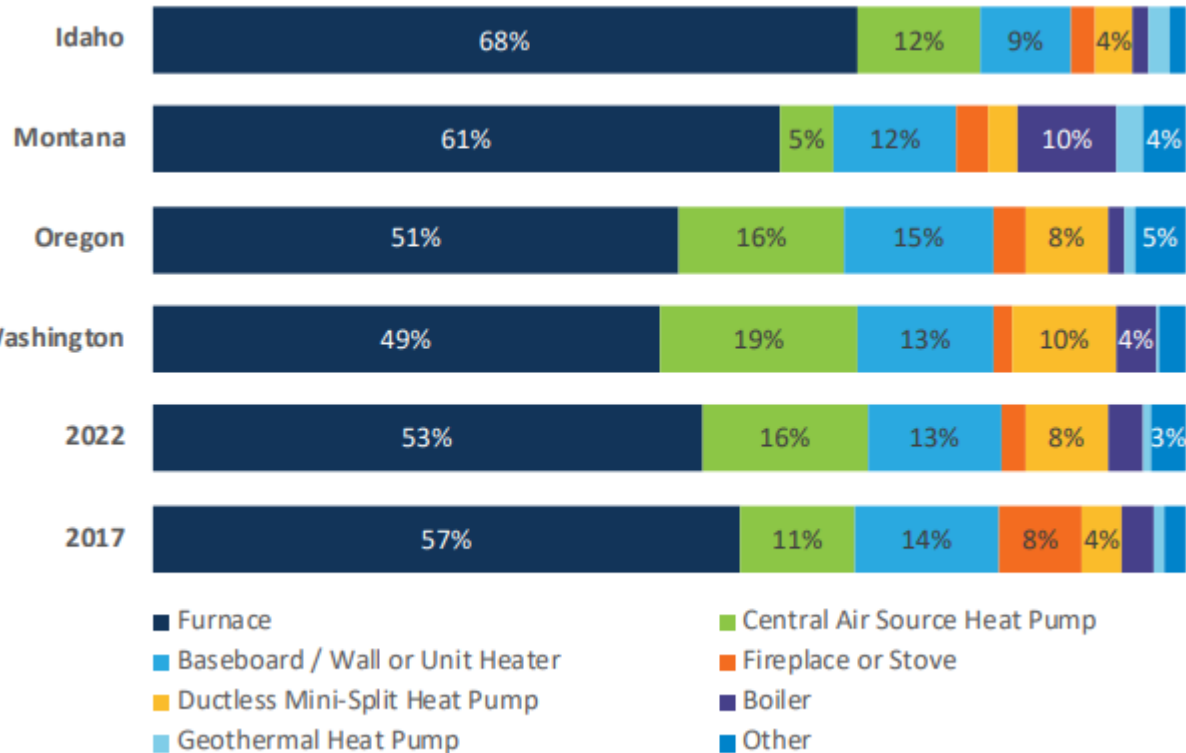
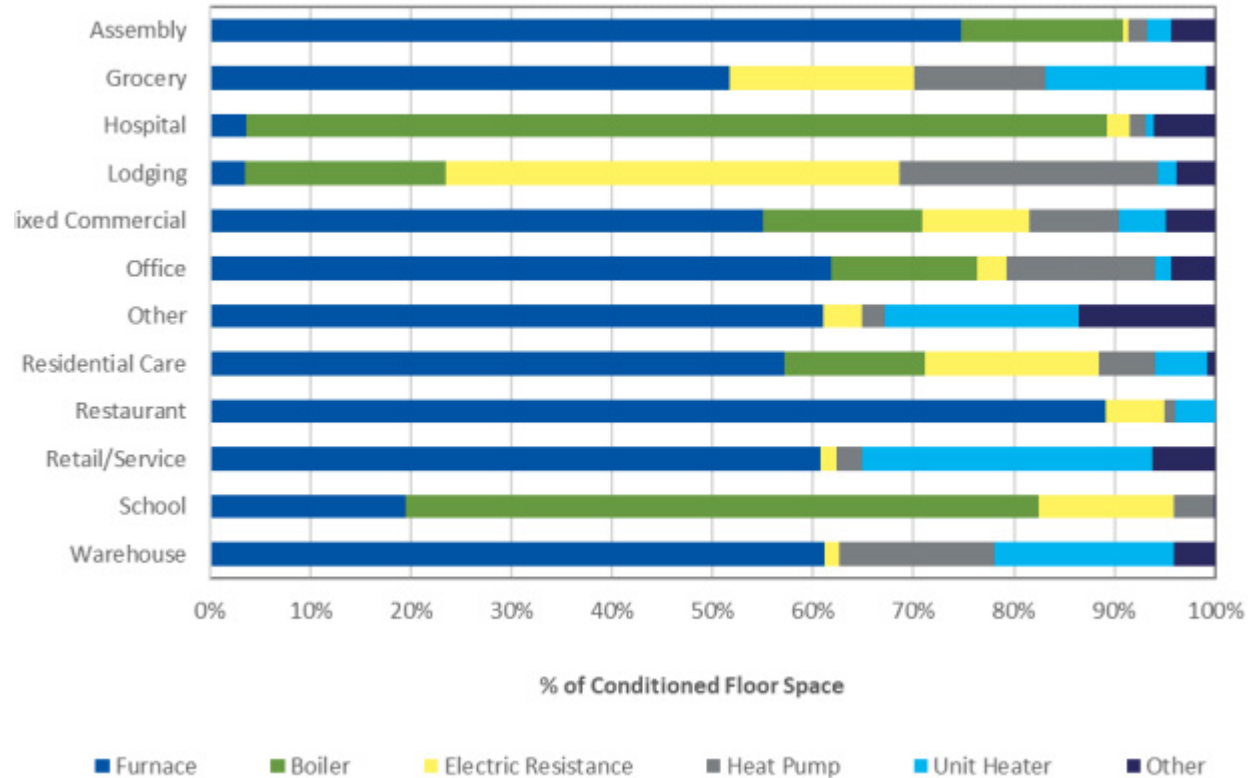


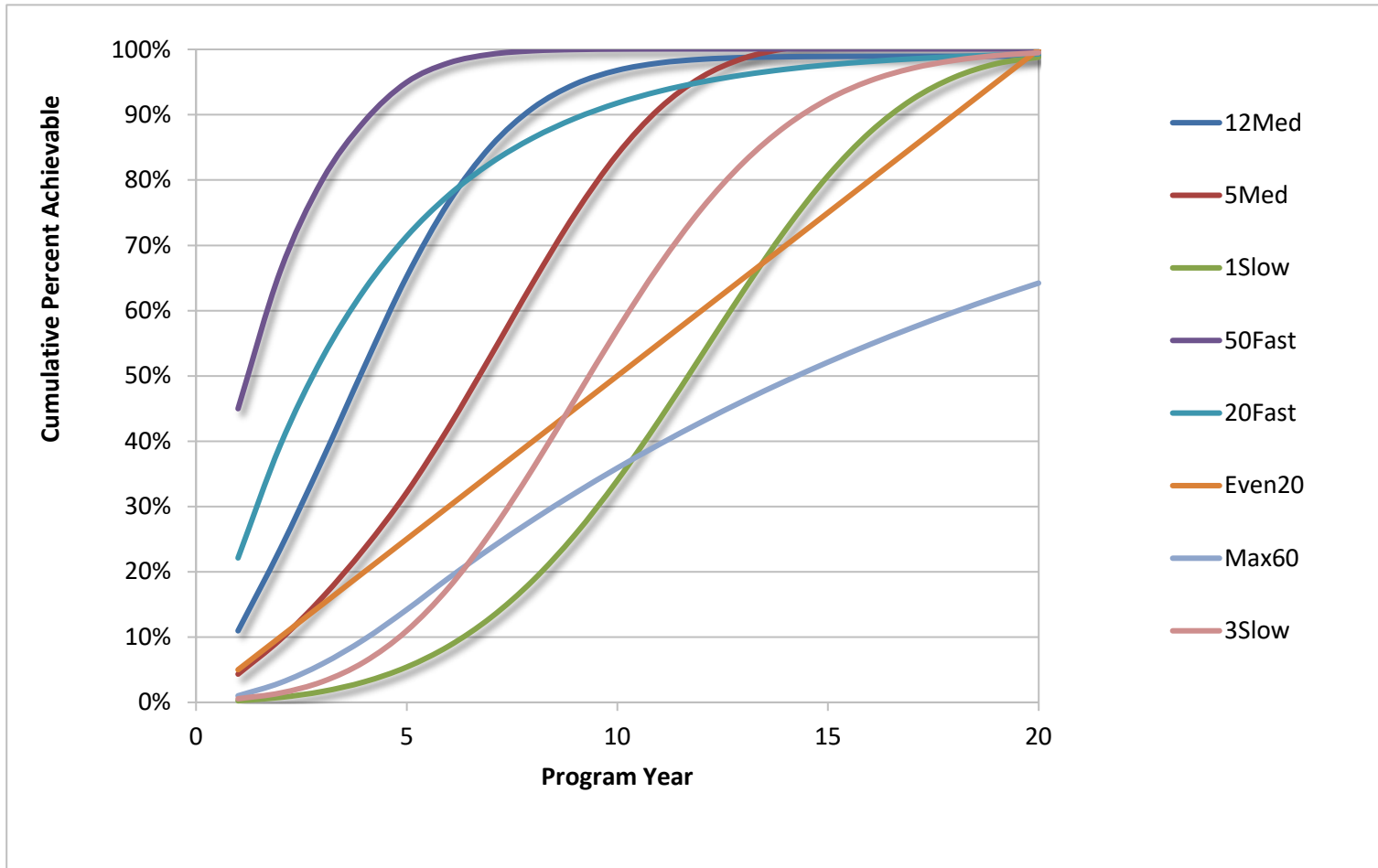
Figure 19. Primary Heating System by Building Type



4. Achievable Potential

- *Achievable Potential is Always Less Than Technical Potential*
 - Less than 100% adoption assumed (we use 85% to 95%)
 - Assumes not all customers will accept the efficient unit, even if offered at no cost to the consumer
 - Reference: Hood River Project in the 80's
- **Achievability Assumes:**
 - Utility system can pay all cost (if measure is cost-effective based on power system benefits)
 - Many efficiency requirements can be embedded in codes/standards
 - 20-year time frame
- **Annual Achievability is limited by “Ramp Rates”**
 - Not all energy efficiency can be acquired immediately
 - Identifies the pace of EE adoption over time
 - Developed through advisory committee input

Ramp Rates – Annual Achievability Limits

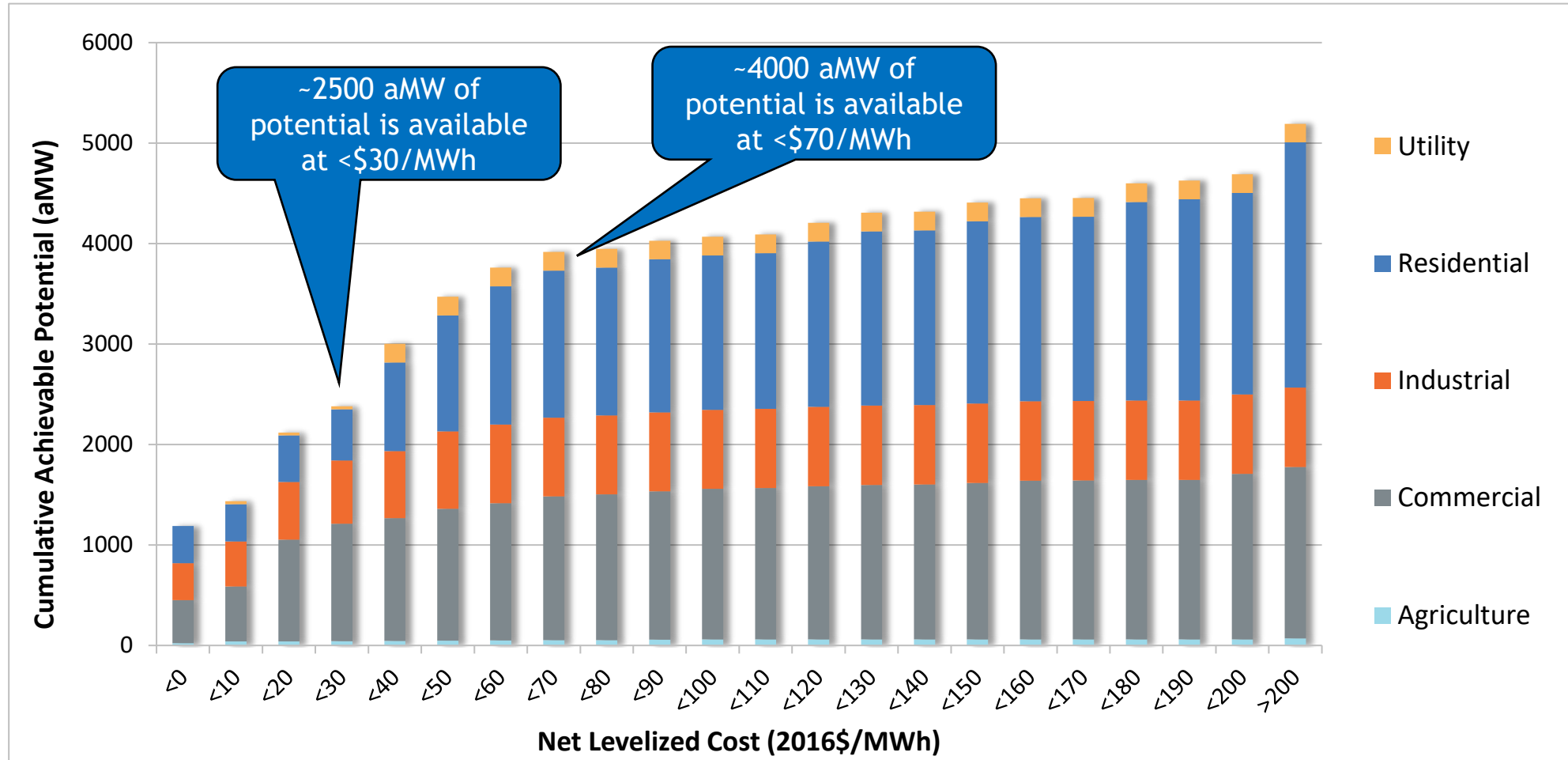


Achievability is first capped at 85% to 95% of total technical potential, and then ramp rates are applied

Data Sources that inform Ramp Rates:

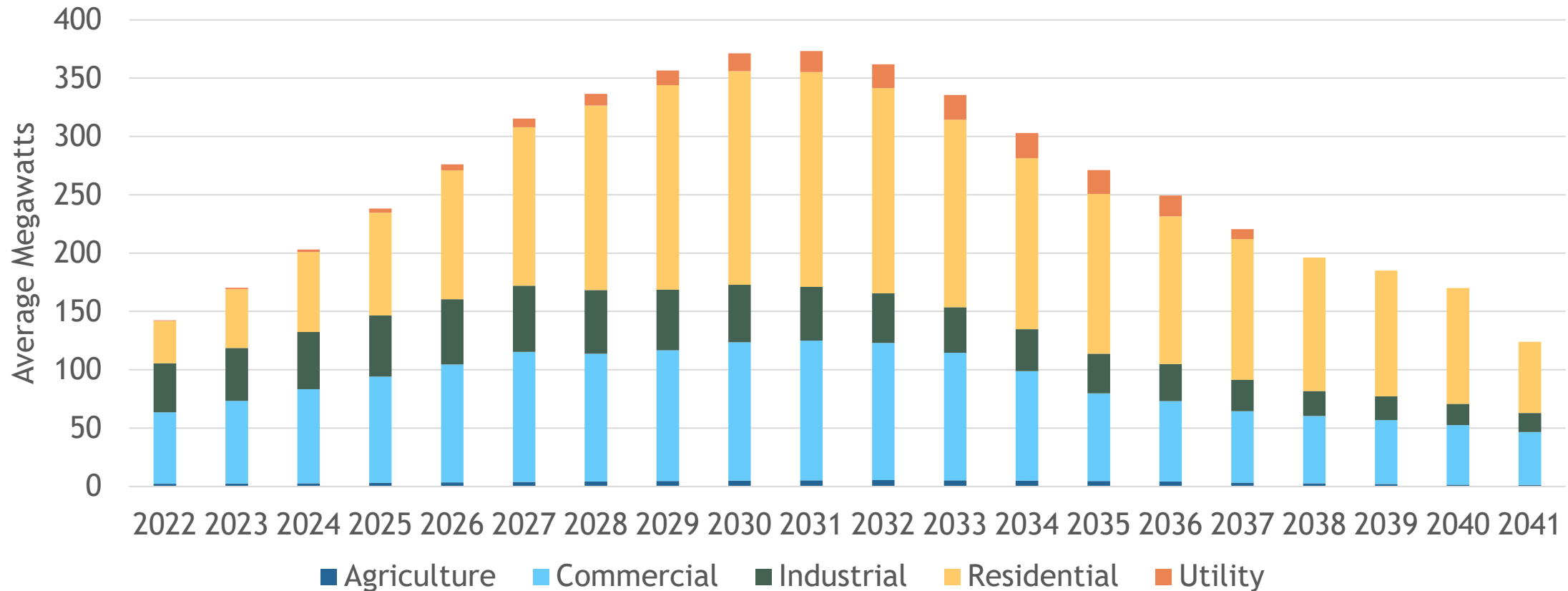
- Past program performance
- Cost of measure
- Consumer acceptance
- Non-energy impacts
- Physical availability of equipment
- Training & education requirements
- Advisory committee discussions

Achievable Potential Supply Curve: Add Up Each Measure Cost and Savings



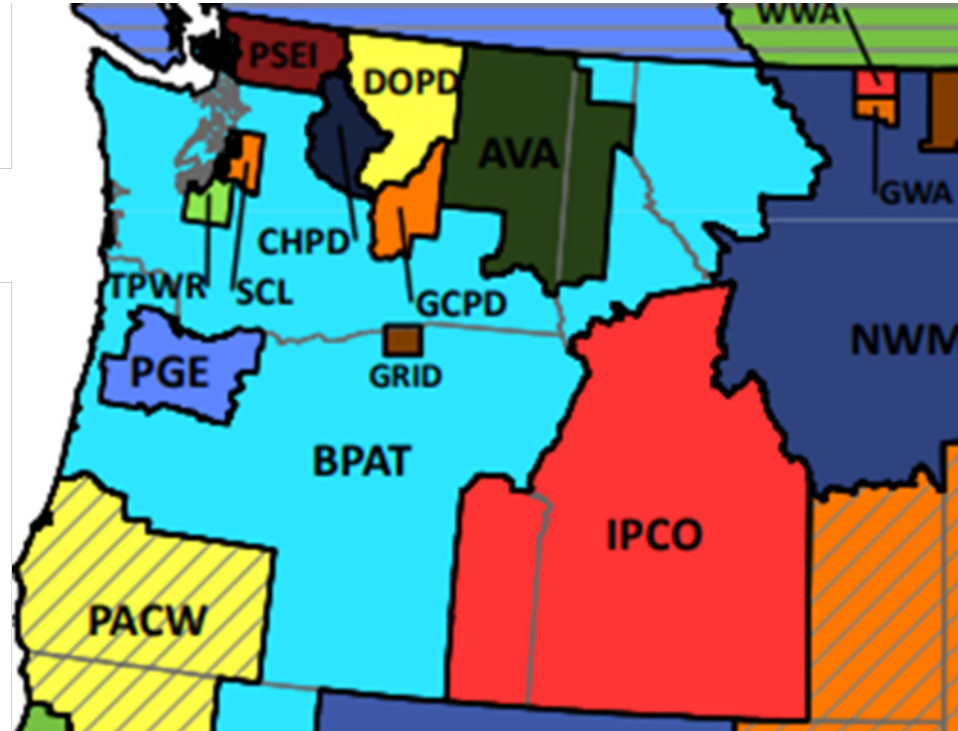
Annual Conservation Resource Availability

(Includes the impact of ramp rates and achievability limits)



Units by Regional Zone/BA

- For the Ninth Plan, we will need to disaggregate the units by BA
 - Instead of one supply curve for the region, we will develop 17 different supply curves
- Locational differences, e.g., weather, T&D deferral



| BA # | Draft 9th Plan BA List |
|------|------------------------|
| 1 | BPA OR |
| 2 | BPA WA |
| 3 | BPA IDMT |
| 4 | PSE North |
| 5 | PSE Central |
| 6 | PSE Olympia |
| 7 | PGE |
| 8 | AVA |
| 9 | PACW |
| 10 | PACE |
| 11 | IPCO |
| 12 | NWMT |
| 13 | SCL |
| 14 | TPWER |
| 15 | DCPUD |
| 16 | CCPUD |
| 17 | GCPUD |

Hand-off to OptGen - Resource Strategy

- Supply curve: amount (aMW) by levelized cost bin (\$/MWh)
- Peak impacts: hourly energy shape

Modeling and resource strategy development take place after the handoff to OptGen



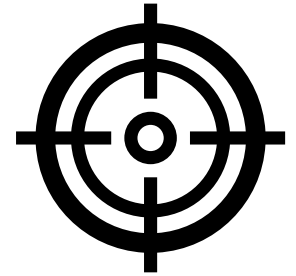
5. Economic Achievable Potential

The Economic Potential is determined by the resource strategy analysis

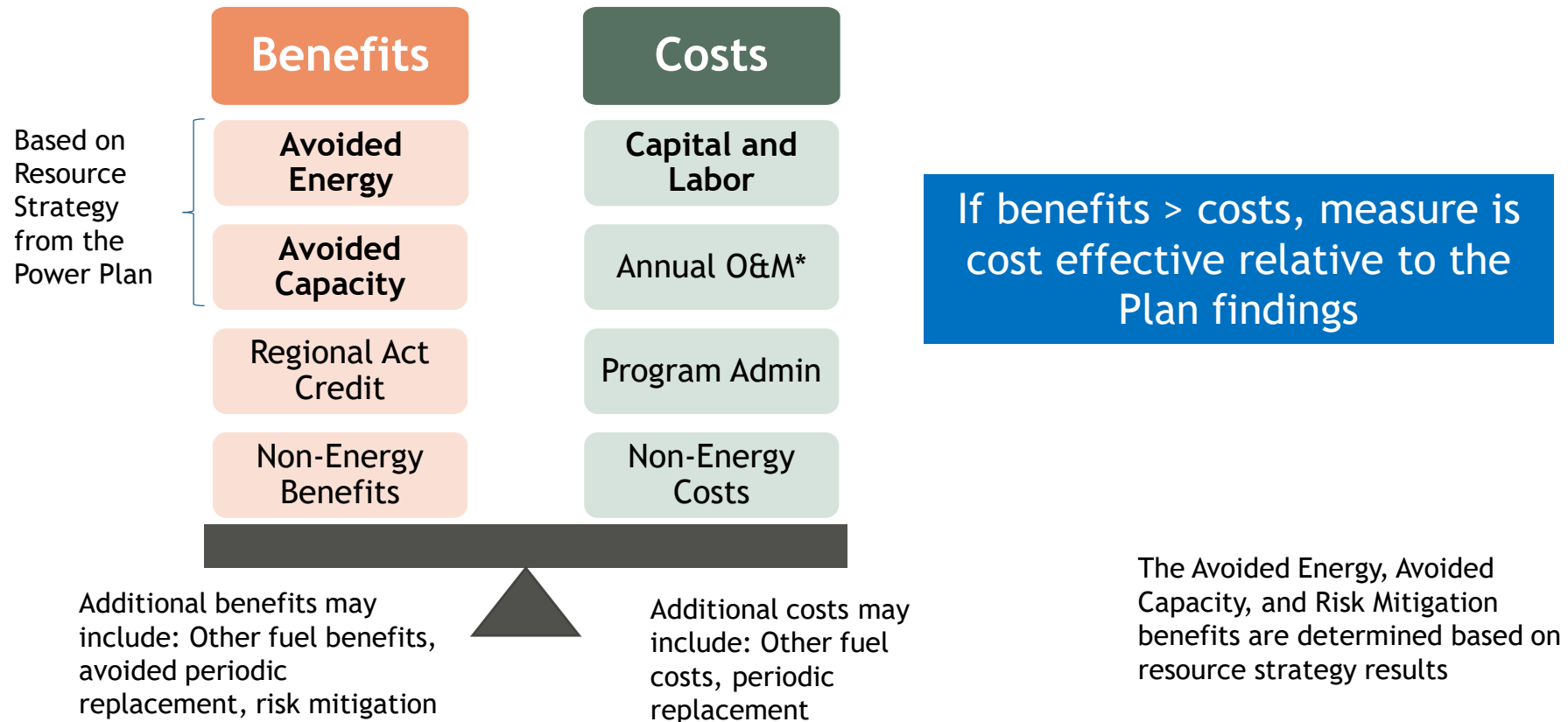
- Council determines this potential based on analytical results and judgment
- Results in the regional EE targets/goals

After the regional EE target is established, we need a method for determining if new measures are cost-effective relative to the Plan results

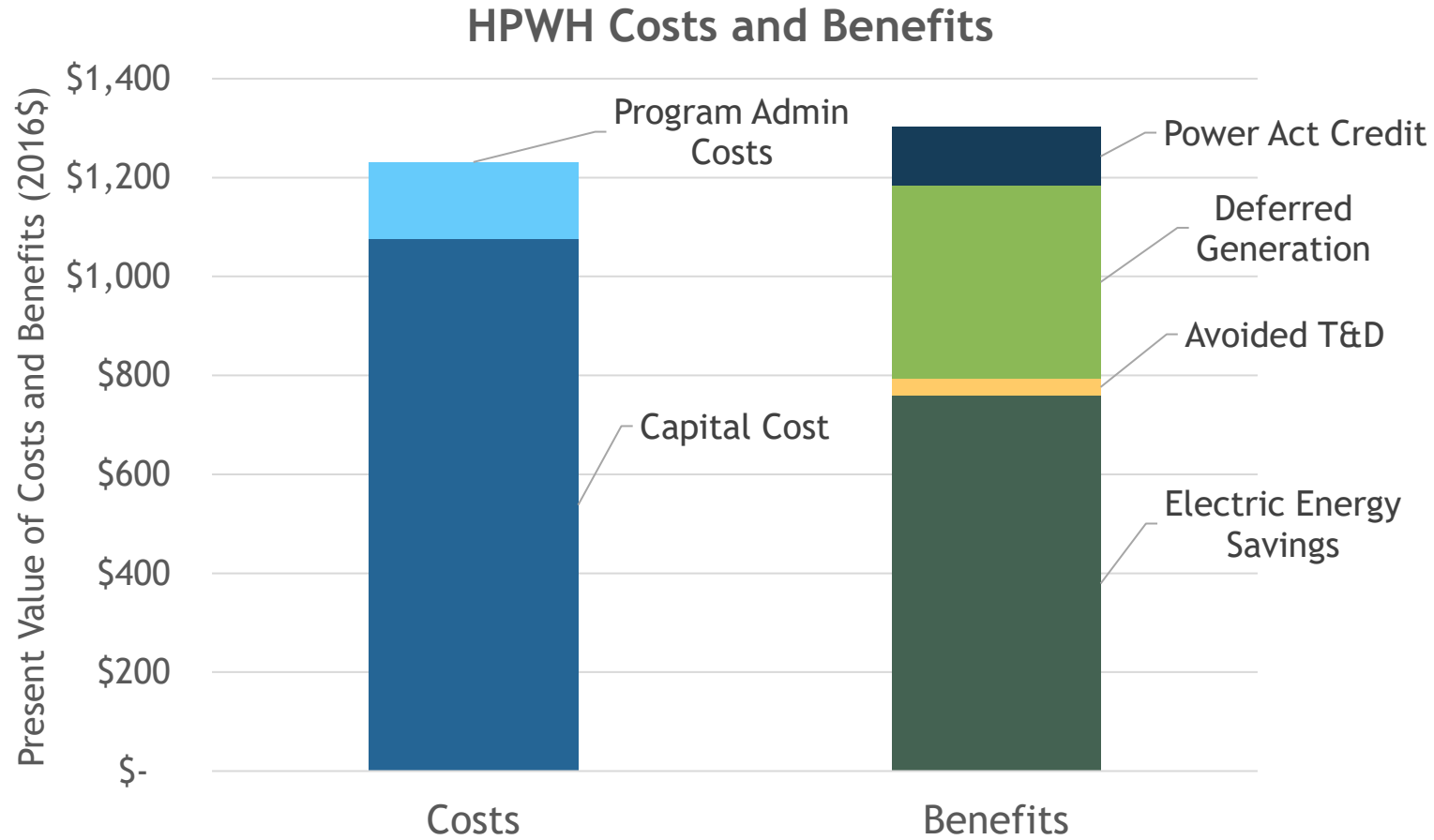
- RTF continues to develop measures
- BPA and utility EE programs



EE Cost-Effectiveness – Always Relative to Alternative Resources From the Plan



An Example: Res Heat Pump Water Heater (HPWH)



Note: Tier 4 efficiency HPWH in a garage, heating zone 1, using 2021 Plan inputs.

What is new for the upcoming Ninth Plan?

- Expanding our work to 17 zones/BAs
- Research is underway for:
 - Data centers
 - Strategic energy management
 - Ag sector EE
 - Distribution efficiency, including reconductoring
 - Administrative/overhead costs of EE
 - Water Supply and Wastewater Treatment EE
 - Motor measures
 - HVAC and Heat pumps
- Seeking new emerging technologies that are “reliable and available”
 - Ozone laundry
 - UV and Ultrasonic dryers
 - Micro heat pumps (VS window heat pump)
 - Industrial High Temperature Heat pumps
 - Etc.





Questions/Comments