

**Northwest Power & Conservation Council
Resource Cost Framework Advisory Committee
November 21, 2024**

Annika Roberts, NPWCC, began the meeting at 1:00. Joe Walderman, NWPCC, called roll.

**Quantifiable Resource Cost Framework
GRAC, CRAC, DRAC
Annika Roberts, NWPCC**

Fred Heutte, NW Energy Coalition, noted that the RTF looks at a variety of energy efficiency aspects that includes public health, noting past work on converting from wood heat to electric [Slide 11]. He asked why public health a hard no. Jennifer Light, NWPCC and RTF Chair, noted the work and analysis on woodsmoke came down to particulates. She agreed that is about public health but get handled in the environmental costs. Light said the “no” on the slide is about indoor impacts on public health. She agreed it’s a fine line but pointed to nuances found in the workbook.

Heutte encouraged the Council to keep looking at the broad range of direct benefits that efficiency has on people and health. He said his organization feels that energy efficiency is being broadly undervalued in the utility planning context. Heutte wondered how these real benefits could be incorporated more effectively. He said the purpose of power planning is to provide value to the customer and he felt these benefits should at least be acknowledged even if they can’t directly be folded into the cost effectiveness.

Light said the “nos” are not there because they can’t be quantified, but more because of the Power Act perspective for planning new resources. She moved to [Slide 8] to show what can be accounted for. Light agreed that other benefits could be spoken about, but staff need to focus on things tied directly to the Power Act.

Heutte touched on reliability, discussing recent power outages due to extreme weather, calling it an issue of system reliability. He said this has health and safety impacts, pointing to direct losses due to loss of power that can be quantified but wondered about how to value impacts to the vulnerable who rely on electricity for their health. He asked that this be relayed to the Council, saying the value of resiliency goes directly back to the value of public health.

Light said this has many pieces that could fit into other parts of the existing framework, but some around system reliability can’t be modeled. She assured him that resilience will be discussed in a few slides.

Nicolas Garcia, WPUDA, said that permitting can be expensive. He wanted to make sure those costs were accounted for in either the administrative or capital cost category. Roberts said they are in capital costs for a utility scale resource.

Angus Duncan, independent, voiced appreciation for including negative costs for T&D deferrals, calling it an improvement [Slide 12]. He was curious about other cost considerations associated with load center resources, pointing to things like transmission operating costs, negative line losses, the load following characteristics of energy efficiency, etc. He said they can be incorporated into the cost analysis to make sure load center resources are properly valued.

Light said line losses and other benefits like shape and timing of efficiency are accounted for. She said the Advisory Committees will have months to walk through and apply these costs and benefits in appropriate ways. Light said if the benefits can be captured symmetrically, they will be.

Tom Eckhard, UCONS, pointed to transmission and distribution costs, saying he's seen these costs jump in CA and TX. He wondered how these issues have affected NW costs. Roberts said to check with Tomás Morrissey, NWPPC, for those updates. Light noted that this was discussed in a recent meeting.

Jonathan Belais, NEEA, voiced curiosity in seeing the parallel between energy efficiency and the generation side for tax credits [Slide 13]. He asked why it was decided to include them all instead of having them all count as a transfer payment.

Roberts answered that as IRA funding straddled federal and state money, staff found a misalignment between the tax base and power system/rate payers.

Shannon Souza, Solcoast, asked about Solar for All. Roberts said staff are considering it, as non-EE applications.

Heutte thought it would be a good time to look at heater level/microgrid assessments as well [Slide 15]. He predicted that will evolve quickly before moving to wildfire resilience. Heutte said that the ability to ride through a grid outage would be hard to quantify but could be done. Roberts thanked him, saying staff are still trying to capture wildfire resilience calling it an ongoing conversation, along with community solar.

Souza followed up saying FEMA is building resilient infrastructure and communities, which is seeing the early adoption of campus-wide micro grids. She called this uncertain in light of future federal funding but thought it should be considered for those streams.

Light addressed Heutte, saying the group needs to keep model limitations in mind. She said costs must be captured in a way that is reliable, meaningful, and symmetrical to avoid putting a thumb on the scale for a particular resource. Light hoped the building resource and operation risk from wildfires would be a good steps forward, but cautioned that much must be balanced.

Light then said the Council's ultimate resource strategy will not be based on a single model run and on only what can be quantified. She said other considerations that can't be quantified but can be qualified will be taken into account when putting a strategy forward.

Duncan asked if there will be stakeholder input on the social cost of carbon value and discount rate. Light said the discount rate approach was presented to the Council in September, along with some Advisory Committees. She said there will be some sensitivity tests and asked that further questions be sent her way.

Light said there are plans to account for the social cost of carbon in a way that is consistent with WA state and federal policy. She said the change in the federal administrations means there will be a need to think through the approach. Light said staff wants to do some testing to see how sensitive results are to that change given that policy drives a lot of the work. She thought there will be some results to discuss more in late January/early February.

Ted Light, Lighthouse Energy, asked where to learn more about the building resilience valuation work [Slide 27]. J. Light answered that was presented to the RTF and the GRAC a year ago with more work since then. She said she can point interested parties to the recordings and Laura Thomas, RTF Manager, can let people know if/when it will be discussed again. Roberts pointed to a link on the RTF homepage.

Roberts ended the meeting at 2:00.

Attendees via Zoom Webinar

Annika Roberts	NWPCC	Lisa Stites	GC PUD
Joe Walderman	NWPCC	Rich Arneson	Tacoma Power
Christian Douglass	NWPCC	Quinn Weber	WA UTC
Jennifer Light	NWPCC	Landon Snyder	Snohomish PUD
Laura Thomas	NWPCC	Nick Sayen	OR PUC
Michael Brutocao	Avista	Emily Gilroy	WA UTC
Peter Kernan	OR PUC	Michael Coe	Snohomish PUD
Lori Hermanson	Avista	Alex Osteen	PacifiCorp
Poppy Storm	2050 Institute	Jeff Harris	NEEA
Brian Dombeck	BPA	Frank Brown	BPA
Josh Mitchell	Chellan PUD	Lisa Rennie	Tacoma Power
Kitty Wang	Energy Solution	Jonathan Belais	NEEA
Mary Kulas	consultant	Brian Dekiep	NWPCC
Tom Eckhart	UCONS	Bryan Neff	CEC
Brien Sipe	PGE	Nicolas Garcia	WPUDA
Jake Wise	PGE	Jaclynn Simmons	WA UTC
Craig Patterson	independent	Jason Talford	ID PUC
Malcolm Ainspan	NRG	Leona Haley	Avista
Eli Morris	Applied Energy Group	Sophia Spencer	Nauvoo Solutions
Blake Scherer	Benton PUD	Joni Sliger	ODOE
Sadie Bender	PNNL	William Gehrke	NW Energy Coalition
Kyle Billeci	PGE	Mark Jerome	CLEAResult
Ahlmahz Negash	Tacoma Power	Aaron James	NEEA
Joel Nightingale	WA UTC	Debbie DePetrus	Clark PUD
Shannon Souza	Solcoast	Aquila Velonis	Cadmus Group
		Kasey Curtis	PSE

Jeremy Stewart	Tacoma Power
Paul Koenig	WA UTC
Laura James	PacifiCorp
Nolan Kelly	BPA
John Ollis	NWPCC
Suzanne Frew	Snohomish PUD
Bonnie Watson	BPA
Peter Jensen	NWPCC
Fred Heutte	NW Energy Coalition
Jennifer Snyder	WA UTC
Ted Light	Lighthouse Energy
David Clement	NEEA
Wesley Franks	WA UTC
Leann Bleakney	NWPCC
Angus Duncan	independent
Terry Toland	Clark PUD
Elizabeth Osborne	NWPCC
John Goroski	Flathead Electric