



# Northwest Power and Conservation Council

## Minutes for Conservation Resources Committee May 29, 2025

Kevin Smit, NWPCC, began the meeting at 9:00. Christian Douglass, NWPCC, took roll call. Emily Gilroy, WA UTC, said she is using Jennifer Snyder's, WA UTC, invite to attend the meeting.

Chad Madron, NWPCC, explained how to best interact with the Zoom Webinar platform.

### **Residential HVAC and Weatherization**

Bonnie Watson, BPA, approved of including Ductless Heat Pumps [Slide 8] but was surprised at the proportion of ducted upgrade savings for Single Family. She called them big compared to conversions and asked if anyone else thought that was odd.

Douglass pointed to the latest RBSA that shows only 4-5% of the region has electric furnaces while 15-20% have heat pumps. He said there are four to five times more existing heat pumps out there compared to existing electric furnaces.

Watson asked for clarity around what is being upgraded and what it's being upgraded to. Douglass explained that an upgrade means you already have a heat pump, so it's the difference between the current market practice heat pump and the efficient case.

Watson, after confirming that the model takes per unit savings and multiplies it by estimated regional potential, she said that small per unit upgrade savings are offset by the large opportunity to do the work.

Douglass agreed that there is a lot more opportunity but added that the upgrades have more savings this time as the measure includes commissioning, controls, and sizing. Watson thanked Douglass for the explanation.

Nicolas Garcia, WPUDA, asked if the second and third column on [Slide 11] means that you get 1% more potential by spending \$50 per MWh. Douglass said yes, it is cumulative.

Kim Boynton, Avista Corp, spoke anecdotally about a bigger Multifamily building push to help offset the housing shortage [Slide 15]. He asked if staff looked at ratios of Single Family versus Multifamily units in the region. Douglass said this weatherization measure is for retrofitting existing buildings and there is no new above code construction measure as code is pretty robust right now.

Jennifer Finnigan, Seattle City Light, asked how the next Power Plan will address homes with no wall insulation [Slide 17]. Douglass thought that was hard to answer but reminded the room that weatherization got a special call out in the last Plan, and if the region is still seeing homes with no insulation Douglass hoped that weatherization would get another call out. He concluded by saying it is up to Council members.

Smit agreed, saying the CRAC will talk about conservation programs and recommendations soon.

Garcia asked more about the 2021 Plan's call for more weatherization wondering if it was a general recommendation or if it was included in the potential. Smit said it was more of the former, a strong recommendation but not included in the target. Garcia noted that uninsulated homes often have a host of other problems like rotting floors. He said this makes it challenging to decide where to put limited resources.

Douglass agreed and offered to send Garcia information from King County Housing Authority low-income weatherization program that proves his point.

Garcia recommended staff provide a second set of bars that shows the cost curve from the 2021 Plan [Slide 18]. Douglass agreed, saying he would like to see that too.

### **Commercial HVAC**

Boynton asked about the use for HRV equipment in lodging and residential care facilities [Slide 8], wondering if this is something the customer asks for or if an EE consultant would tell them they could benefit from it. Smit said more of the later, adding that all commercial buildings require a set amount of fresh air and this technology would save energy so it would make a great program and education opportunity.

Garcia moved back to [Slide 7] saying the chart shows Tier 2 is average levelized cost and not marginal levelized cost. He thought that would bring the incremental cost higher than \$22-\$26 per MWh. Garcia thought it would probably still be cost effective, but stressed that it is not in an economist-approved format. Smit said okay adding that the presented levelized costs include all costs and benefits.

### **Updates on Non-Residential Lighting**

Kasey Curtis, PSE, asked if staff looked at WA's mercury standard [Slide 5]. Douglass answered yes, the standard is embedded, and explained the potential difference between states with mercury bans (OR and WA) and those without (ID and MT).

### **BREAK**

### **Residential and Commercial Water Heating**

Boynton liked the strategy presented on [Slide 8] provided it is clear at the point of the decision. Boynton noted that the Plan will be published in late 2026 and the region may not know the actual adoption rate for 2029 rule. Boynton asked if staff are going to reserve the right to change their minds after 2026.

Douglass said staff don't know, adding that Council members have a lot of flexibility in the resource strategy. He said that, given how dynamic everything is, there has been talk about creating a more dynamic resource strategy and Power Plan. Douglass admitted that it's still too early to know.

Smit said there will be a clear decision by the end of 2026 about the target. Beyond that, he said that if it turns out the amount included in any target is included by the standard it would have to be deducted.

Boynton called this a fairly important assumption as utilities perform their future IRPs and CPAs. He said it would be nice to know what assumptions don't hold when working on their 2027 IRP. Douglass assured Boynton that staff will be specific about this issue.

Danielle Walker, Bright Line, wrote: quick question - this shows 383 res potential - an early chart showed 515. what is the difference? Sorry if I missed the explanation, in the question pane [Slide 13]. Smit wrote that he thought the 515 was from the last Plan.

Garcia recalled that when his own water heater failed, he looked into a heat pump water heater and could not find one. He asked if the potential is colored by availability. Douglass said this is where the ramp rates come into play. Douglass said the rate is not super slow as the equipment is out there, including at the Oregon City Home Depot.

Smit said there is an upper limit of 85% as well. Douglass said that NEEA has helped make sure there is stock of this equipment on trucks for emergency installs.

### **Residential Behavior EE Potential**

Curtis said his utility is having the same issues with the double counting and the Home Energy Reports as Council staff [Slide 8]. He said after 10-12 years of evaluations, PSE ended up adopting a one-year measure life assuming there would be some backsliding without intervention.

Curtis said the CPA looks at load impacts, so PSE deducts the first year of load impacts and only counts incremental additions. He said for conservation achievement reports PSE counts all savings accomplished by interventions, including the HER. Curtis said this leads to two sets of books and offered to share years of evaluations.

Smit thanked him, asking if this program is cost effective with a one-year measure life. Curtis answered yes, saying they get lots of savings for the amount they spend. Smit asked if it shows what customers are doing. Curtis offered to send him the surveys.

Walker said this reminded her of conversations around SIS in the 6<sup>th</sup> and 7<sup>th</sup> Plan. She couldn't remember where SIS landed in the supply curves but suggested looking at that approach and seeing if it could apply here.

Smit agreed that these are similar concepts, and staff had to adjust as it doesn't count as a resource if you are claiming the same savings every year.

Finnigan said SCL has not offered HER in years due to procurement and technology hurdles. She said they were curious enough to hire a consultant to do some studies. Finnigan reported that the consultants found that savings lasted longer than a one-to-two-year measure life and offered to send the report. Smit asked if SCL paid for the program once and it lasted longer. Finnigan was not sure.

Garcia thought that PSE's approach made sense. He imagined that there would be some persistence that would tail off without the reminder. Garcia thought that PSE may not be representative of PUDs in WA that have a very different type of residential customer and lower rates. Garcia said this means not all residential customers would react the same.

Boynton reported that Avista is getting ready to launch a HER in June with a one-year measure life. He said persistence is an issue as is getting control groups. Boynton agreed that first year cost effectiveness is a challenge, while the second and third year look better. He said they are dealing with this by saying the first year is "education only" and plan to claim savings in year two/three and beyond.

Boynton recognized that individual savings will be small but could be substantial if a large population participates. He thought it was worth counting but didn't know how.

Debbie DePetrus, Clark PUD, said her utility has had HER for many years, starting as a custom project. She reported that it is now a deemed measure. DePetrus called it very successful and stressed that having a control group is important. She added that it is a one-year measure but for their CPA they only show potential for the first two years. DePetrus assumed it would be the same for their next CPA.

Bonnie Watson, BPA, said she will follow up via email after taking some time to think about it. She wondered what you lose if HER is not included in the Plan because of worries about double counting. Smit said that is the question staff is wrestling with. He said some is being double counted, some may be found after looking at the evaluations, and some are from changes homeowners are making (water heating, lighting controls, and what else?).

Watson thought that multiple studies that prove HER saves energy and a vague concern about double counting should not mean the measure should be pulled. Smit thought there may be cause for more meetings about this topic.

Curtis said he is seeing a lot more claimed savings than projected, asking where staff got the numbers. Smit moved back to the reports on [Slide 6]. Curtis said there is a difference in how PSE claims conservation achievement due to program efforts versus how they look at conservation impacts on load. He called the double counting issue very real, saying this is a tough one.

Smit said the regional assessment has to look at the former where it's a resource, calling it a struggle that must be resolved.

Finnigan said the report she just sent showed that evaluators estimated downstream double counted savings so therefore the evaluators did not find any HERs participants that also participated in another residential SCL program. Finnigan said SCL doesn't offer many residential programs anymore. Curtis did not think that was the issue for double counting.

### **Emerging Tech**

There were no comments or questions.

### **Draft Conservation Supply**

Watson asked about the commercial HVAC potential in the Eighth Plan (2021 Plan) [Slide 10]. Douglass was not sure. Smit offered to look it up. Watson said she was a little afraid, saying the lighting cliff is here. Douglass said a lot of the numbers are big but may or may not be picked up.

Smit said commercial HVAC was 580 aMW in the last plan. He added that the industrial load forecast is higher for this plan so there will be an overall increase of 10-20%.

Smit ended the meeting at 12:00.

### **Attendees via Zoom Webinar**

Kevin Smit	NWPCC	Fred Heutte	NW Energy Coalition
Christian Douglass	NWPCC	Nolan Kelly	BPA
Laura Thomas	NWPCC	Nicolas Garcia	WPUDA
Chad Madron	NWPCC	Debie DePetrus	Clark PUD
Jennifer Snyder	WA UTC	Kasey Curtis	PSE
Emily Gilroy	WA UTC	Kim Boynton	Avista Corp
Jilluan Greene	Resource Innovations	Jennifer Finnigan	Seattle City Light
Danielle Walker	Bright Line Group	Billie McWinn	Idaho Power
Marcus Dimeo	Resource Innovations	Kyle Morrill	Energy Trust of Oregon
Jeff Harris	NEEA	Leann Bleakney	NWPCC
Sophia Spencer	Nauvoo Solutions	Amanda Welch	ODOE
Mary Kulas	consultant PPC	Aquila Velonis	Cadmus Group
Masumi Izawa	BPA	Bonnie Watson	BPA
John Purvis	Clallam PUD	Eli Morris	ICF
Isaac Schultz	Resource Innovations	Elizabeth Daykin	Resource Innovations
Michael Coe	Snohomish PUD	Landon Snyder	Snohomish PUD
Brian Dekiep	NWPCC	Craig Patterson	Independent
Ryan Bottem	PGP	Heather Nicholson	Orcas Power & Light
Chris Johnson	Benton PUD		