

**Northwest Power and Conservation Council  
Conservation Resources Advisory Committee  
September 30, 2020**

Kevin Smit, Chair, NWPCC, began the meeting at 9:30. Chad Madron, NWPCC, explained how to best engage with the Go-to-Webinar platform. Smit called for attendance, thanked new and returning members and asked that interested parties read the minutes from the April 2020 meeting.

Smit then announced that Charlie Grist has retired from NWPCC and is no longer Chair of the CRAC but still contributes as a consultant. Smit then announced that Bill Edmonds is the new NWPCC Executive Director.

Smit stated that the 2021 Power Plan will be delayed due to modeling challenges around renewable development, retiring coal plants and negative price forecasts.

**Power Plan Content Outline**

**Tina Jayaweera, NWPCC**

*Jayaweera outlined the updates to the presentation and structure for the 2021 Power Plan, noting it will look differently than the 7<sup>th</sup> Plan. Jayaweera explained that the Plan document will be concise addressing the statutorily required elements, with the supporting technical materials that feed into the plan presented using the web as the native format.*

**Model Conservation Standards and Surcharge Methodology**

**John Shurts, NWPCC Kevin Smit, NWPCC**

*Shurts presented the legislative history of the MCS, the MCS and surcharge provisions in the Power Act, how the MCS and surcharge have been addressed in previous power plans, and the MCS requirements and surcharge considerations for the Council in developing the 2021 Power Plan. Smit presented preliminary ideas for the MCS and surcharge for continued discussion and consideration at future CRAC meetings.*

Amy Wheelless, NW Energy Coalition, asked if there is an evaluation of how well the region did in meeting the Seventh Plan's MCS goals [Slide 19.] Smit pointed to the mid-term assessment but didn't think there would be any further look-back analysis. Smit admitted that the MCS was pretty broad and scattered and was hoping they would be more tightly focused on the 2021 Plan.

Jennifer Light, NWPCC, pointed to the Regional Conservation Progress report as a source for more information on voltage optimization progress. Mohit Chhabra, NRDC, hoped to put more thought into CVR as it doesn't fall into traditional buckets but would be a good policy recommendation. He added that this is a national, and not just NW, concern.

Michael Dean, PPC, asked about the process for developing ideas on [Slide 20] into a more cohesive proposal and the best opportunities for comment. Smit said there's more time for this as the Plan has been delayed. He said today and beyond is a good time to present more ideas or endorse one of the presented ideas with a full meeting dedicated to input in November or December.

J. Light said this is one piece of the conservation program and modeling results that inform the EE framework will help further guide the discussion. Dean called for a tighter definition of the process so he could comment in the most effective way. He also asked for a link back to the statutory definition of MCS and the Council's role. Wheelless agreed with Dean.

Gary Wiens, Montana Electric Co-Op Association, asked for a definition of DEI [Slide 21.] Smit pointed to the Seventh Plan's effort to explore if or how EE programs are reaching low income customers, different building and housing types and breaking past language barriers, ethnic barriers and other blocks.

Wiens asked that someone contact him offline to explain how the MCS are implemented once approved in the Plan. Smit offered to follow up.

Chhabra suggested, via chat, that the Council set demand savings targets if the power planning analysis indicates increasing importance of capacity to the system. He noted that requiring EE be cost-effective doesn't mean the result will be the right amount of demand savings (or capacity benefit) from energy efficiency that the Power Plan relies on.

Chhabra then asked, via chat, how to better understand how the Plan will forecast momentum savings. He didn't think the 2021 Plan should rely on an expectation of momentum savings as they are a consequence of other program activity (utility programs, NEEA, etc.) Jayaweera answered, via chat, that Chhabra's comments were noted and offered to follow up off line if they are not addressed later. She also suggested presenting them at the Oct 13 Power Committee as well.

## **BREAK**

### **Framework for the 2021 Efficiency Target**

#### **Jennifer Light, NWPC**

*Light presented staff's draft framework of options and considerations to inform the conservation program and efficiency targets for the 2021 Power Plan. Light walked through the relevant Power Act requirements, the proposed objectives for conservation program development, and staff's considerations and proposed approach and structure for a regional target and a Bonneville specific target. Light noted continued opportunities for the CRAC and others to provide feedback and next steps.*

Dean called [Slide 10] helpful, noting that it's the first time he's heard the phrase, "Consistency does not necessarily mean the target is hit exactly." He pointed to Council staff's concern that the target is a floor, but no similar concern about overachievement and asked if staff considers BPA consistent with the Seventh Plan or not.

J. Light said the point was added to reflect the reality of what is being seen. She stated that numbers in Conservation and RCP shows BPA is shy of 42% of the target but would not make a

determination around consistency. Smit added that staff presents data on how utilities and Bonneville are achieving targets and it's up to Council members to determine consistency.

Wheless stated that NW Energy Coalition does not think BPA is being consistent with the Seventh Power Plan. She then voiced approval of using a point estimate, saying that a range introduces an unnecessary level of confusion into the process.

Danielle Walker, BPA, wondered if there was a blended option that focuses on the mid-point of a range.

Quentin Nesbitt, Idaho Power, asked for further explanation of the bullet point, "Provides clear guidance on cost-effectiveness formulation" under the Point Estimate column. J. Light explained the challenge of formulating a cost-effectiveness equation across all targets and solving for that number. She said solving for a range is more complicated and might encourage leaving some cost-effective conservation on the table. Nesbitt agreed with the concept.

Smit reiterated that cost effectiveness is not an input but comes out of Plan modeling work.

Walker called milestones a fine way to track progress but explained the difficulty of using an annual schedule as the timeline doesn't work well with BPA's budget schedule [Slide 11.] Wheless understood Walker's point but worried that a bi-annual schedule doesn't leave time to make adjustments if needed. Because of this, Wheless suggested an annual check-in.

Ted Light, Lighthouse Energy, addressed including a MW goal to highlight the capacity benefit, noting that EE is bundled by cost and not season [Slide 12.] He wondered if the Council will have better resolution on capacity over what programs typically provide. J. Light answered that the RPM is quarterly but still shows when and why it's purchasing EE. She noted that there are other, more granular models, like the redeveloped GENESYS that also help identify seasonality.

Jayaweera added that AURORA is an hourly model that clearly signals capacity needs. She stated that the Robustness of EE Scenario and analysis around the value of capacity will also help send strong seasonal signals.

Nicholas Garcia, WPUA, asked if there will be two capacity goals: one for summer and another for winter. He then asked how well factors that effect capacity, like human behavior, are known. J. Light said the results will guide and inform the decision around seasonal capacity goals. She then said there may be room in the Plan for guidance around more research and development.

Jayaweera added that the Regional End-Use Load Research project came out of the Seventh Plan as a way to look at the value of capacity for EE. She lamented that the results are not yet ready but was hopeful they would be informative.

Jessica Aiona, BPA, moved back to MW goal, noting that the Power Plan is using climate change impacts in their modeling but the RTF is not and is therefore lagging. She wondered if there were any plans to reconcile the MW savings programs are currently getting with a MW goal that uses future climate change data. J. Light said staff is still thinking through this and it could be put in the Action Plan if a MW goal is included.

Dean called the odds of a fundamentally different, non-tiered rate, contract structure post 2028, essentially zero [Slide 17.] He added that no utility wants a melded rate structure but approved of conducting the analysis as it could be informative.

Jayaweera said this is less about the framework of the contract structure and more about the volume of contracts and load put on Bonneville post 2028. Dean restated his comment, stating that no one has an interest in Bonneville developing resources beyond the federal base system, post 2028. He said this is reflected in the rate structure and would be interested in studying it.

Walker commented on funding, [Slide 21] saying any prescriptive funding will be difficult to estimate and implement. Because of this she suggested leaving out a specific, prescriptive funding target for more flexibility.

Walker then said she didn't see momentum savings captured in the presentation, adding that they are included in the potential, are real savings and come with valuable research and information. She wondered if "high-value market research" was code for momentum savings and said Bonneville considers momentum savings part of the package and should be included.

Light clarified that "high-value market research" is not code for momentum savings but the research that leads to them. She agreed that momentum savings are real.

Dean asked what staff will bring to the October Power Committee. Light said this presentation was it unless there are missing options, adding that staff is not refining anything and the Committee is open to direct stakeholder comment. Dean called that helpful and praised the refinements laid out in this presentation.

Dean offered to send more comments and then explained that the Public Power Council is a trade association that represents all of Bonneville's preference customers. He said his membership represents 90% of the tier-one load and provides funding for programs. Dean emphasized that Public Power is committed to cost effective efficiency, as reflected by historical savings and the \$100 million per year paid into the BPA rates.

Dean referenced Shurts' earlier presentation that described the role of the Power Council, BPA and Public Power. He emphasized that the Council is a planning entity while BPA and Public Power pay the cost as implementors.

He then said it is up to the Administrator to make the final resource acquisition decisions. Dean appreciated the refinement and conversation around using a point target versus a range but

pointed to inherent uncertainty in the power planning process. He said this uncertainty comes from a number of sources including: cost of alternative resources, demand and uncertainty in the supply curve.

Dean thought that deciding a target point or target range was less important than discussing how that output is used and retrospectively considered. He said this was an issue with the Seventh Power Plan and Public Power utilities would like to see it corrected or improved going forward. He called for more thoughtful analysis and learnings, noting that there are many drivers that lead to missing a point target.

Dean concluded by saying he was concerned with a backstop recommendation in the Power Plan. He said the backstop already exists in the Public Power customers who bear all of the risks and benefits of resource acquisitions. Dean added that the customers are governed locally by democratically elected commissions and the Council acts as an advisor. Because of this, Dean felt a backstop was not appropriate.

Jeff Harris, NEEA, asked if savings from market transformation, codes and standards are part of BPA's programmatic target or part of the other regional savings. Light said there are options in how that's defined, adding that "programmatic" is not how she thinks about market transformation, codes and standards.

Harris appreciated the acknowledgment that savings derived from market transformation, codes and standards are fundamentally different in how they are acquired.

Wheless addressed funding, saying it is not necessarily a prescriptive dollar amount but could include more general ideas around capital versus expenses. She approved of the backstop provision, noting that it was present in the Seventh Plan and could be used for an assessment but was not. Wheless thought it would be useful to try to understand what happened but if those steps are not taken it might signal the need for a stronger Power Plan.

Garcia asked if BPA is obligated to follow Council guidance. Light moved to [Slide 4] to discuss Power Act Requirements and talked about the aMW recommendation providing the amount of resources to acquire, noting that this is if the Administrator determines consistency. She added that the MCS is a deeper requirement but did not know the answer beyond that.

Garcia said his question is around the other guidance and what that means for BPA. Light said this is what the Act requires. Smit added that it comes down to Council members' judgement and this process is designed to provide clarity and target tracking.

Dean stated that legislative history makes it clear that the Administrator and the Council should work together in a collaborative way, but there is no ambiguity that the Bonneville Administrator has the final determination.

Smit thanked the CRAC for their engagement and pointed to other advisory committees and extra Power Committee meeting for future engagement. He noted that supply curves have been updated since May and there is a new version available. Smit noted that emailed comments or phone conversations have been informally folded into the presentation but he can pull them out if there is a desire for more formal comments.

Dean thanked the EE team for the presentation saying he appreciated the seeing the evolution of the process in clear, concise slides. He also thanked Madron for his work.

Jayaweera said results will be brought to the CRAC as they roll out and ended the meeting at 12:30.

#### **Attendees via Go-to-Webinar**

Kevin Smit	NWPCC
Tina Jayaweera	NWPCC
Jennifer Light	NWPCC
Jessica Aiona	BPA
Chrissi Anthonopoulos	PNNL
Leann Bleakney	NWPCC
Michael Breish	WA Dept of Commerce
Aaron Bush	PPC
Mohit Chhabra	NRDC
Michael Coe	Snohomish PUD
Warren Cook	State of Oregon
Jack Cullen	Applied Energy Group
Debbie DePetris	Clark PUD
Michael Dean	PBC
Bo Downen	NWPCC
Jennifer Finnigan	Seattle City Light
Lakin Garth	Cadmus Group
Nicholas Garcia	WPUDA
Andrea Goodwin	NWPCC
Amber Gschwend	GD Associates
Sarah Hall	State of Oregon
Jeff Harris	NEEA
Susan Hermenet	NEEA
Chris Johnson	Benton PUD
Aaron Leatherwood	Evergreen Efficiency
Ted Light	Lighthouse Energy
Kerry Meade	NEEC
David Moody	BPA
Eli Morris	Applied Energy Group
John Morris	Drinti

Brandy Neff	PNGC Power
Quentin Nesbitt	Idaho Power
Elizabeth Osborne	NWPCC
Deborah Reynolds	WA UTC
Megan Stratman	NRU NW
Shani Taha	UCONS
Zeecha Van Hoose	Clark PUD
Aquila Velonis	Cadmus Group
Danielle Walker	BPA
Joan Wang	BPA
Amy Wheelless	NW Energy
Gary Wiens	Montana
Cindy Wright	Seattle City Light
Deb Young	Northwestern
Brian Dekiep	NWPCC
Chuck Murray	WA Dept of Commerce
Gurvinder Singh	PSE
Dhruv Bhatnagar	PNNL
Andy Eiden	PGE
Elaine Prause	PacifiCorp
Poppy Storm	2050 Institute
Randy Thorn	Idaho Power