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July 2, 2013

## MEMORANDUM

**TO:** Council Members

**FROM:** Charlie Grist and Howard Schwartz

**SUBJECT:** Panel on Implementation of Conservation

This briefing is part of a series of presentations on how energy efficiency is implemented by various entities around the Northwest. In July the presentations will feature four Puget Sound area utilities; Puget Sound Energy, Seattle City Light, Snohomish PUD and Tacoma Power.

We have invited area utilities to weigh in on a series of specific questions about the implementation of energy efficiency in their realms. The panelists are Bob Stolarski - Director of Customer Energy Management at Puget Sound Energy, Chris Robinson - Power Manger at Tacoma Power, Jim West - Manager of Customer and Energy Services at Snohomish PUD and a representative from Seattle City Light.

Panelists have been asked to address the following questions:

1. Identify the biggest conservation implementation challenges faced by your utility
2. Identify notable successes and promising new approaches to conservation implementation that you are testing or deploying
3. Identify important energy efficiency issues for the Council to analyze or address in the Seventh Power Plan
4. Identify any other key policy or program issues that need to be addressed such as BPA EE program issues or national policies

Together the four utilities represent almost half of Washington retail electric sales and about one quarter of regional electric sales. In the Council's 2011 regional conservation progress report the

four utilities reported annual first-year energy efficiency savings of over 70 average megawatts thru local programs, about 25 percent of total reported regional savings.

Reported Utility Sales and Local Program Savings & Expenditures for 2011				
Utility	Sales (MWa)	First-Year EE Savings (MWa)	First-Year EE Savings as Fraction of Load	EE Expenditures (\$Million)
Puget Sound Energy	2,454	39.8	1.6%	\$78
Seattle City Light	1,096	14.4	1.3%	\$33
Snohomish PUD	786	9.7	1.2%	\$20
Tacoma Power	551	6.3	1.1%	\$15
<b>Subtotal</b>	<b>4,887</b>	<b>70.2</b>	<b>1.4%</b>	<b>\$145</b>
PNW Region	20,032	277	1.4%	\$449

# Northwest Power & Conservation Council Conservation Panel

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July 10, 2013

Jim West :: AGM, Customer & Energy Services  
Snohomish County PUD



# Implementation

- Split incentives – tenant/landlord
- Less lighting savings changes the business model for utility and customer
- Extending reach through third parties
  - Necessary
  - Lessens direct customer touch



# Notable Successes/New Approaches

- Multi-family deep retrofit measures by brokering “shovel ready” bids
- Community/neighborhood door-to-door small business assessments & simple measure direct installs
- Expansion of ductless heat pumps to manufactured homes

# Important EE Issues for 7<sup>th</sup> Plan

- Identification/quantification of “non-measure” savings such as Strategic Energy Management and behavior-based energy efficiency
- Connect with shorter local/state planning cycle, e.g., WA biennial periods

# Policy/Program Issues

- Recognize self-sufficiency of large public utilities
- Reconcile the bookkeeping with the real world



 *Your Seattle City Light*

# Utility implementation of Conservation Programs

Lori K. Moen, Manager of Field Operations

Conservation Resources Division

[www.seattle.gov/light/conserve](http://www.seattle.gov/light/conserve)



# Biggest conservation implementation challenges

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- Erosion of savings in retail and commercial lighting due to federal efficiency standards and need to replace them at higher cost to the utility
- Future approaches for new construction and retail, given increased stringency of energy codes and equipment/appliance standards
- Agility to assess market conditions and penetration
- Staying current in areas of rapid technological and analytical change
- Pursuing innovation under regulatory mandate of achieving I-937 targets
- Lost revenue - on our radar

# Notable successes and promising new approaches

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- **Data center and IT energy efficiency**
- **"Pay for performance" approach in commercial sector: pilot for existing buildings and work with Bullitt Center**

# EE issues for the Council to analyze or address

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- **Affect of lower avoided costs and load forecasts on regional potential**
- **Load reduction: value of capacity to region, EE's contribution to peak-load reduction; potential tradeoffs between EE and DR**
- **Type and amount of potential that can be acquired by utility programs, given connection of I-937 target setting to Power Council methodology**

# Key policy or program that need to be addressed

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- Updated assumptions re timing and magnitude of carbon regulation



## OUR MISSION

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Building on a legacy of clean hydro power, Seattle City Light partners with customers to secure a green energy future. We are leaders in providing innovative ways to conserve electricity and invest in renewable resources.