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July 7, 2015

MEMORANDUM

TO: Power Committee

FROM: Charlie Grist

SUBJECT: Bonneville Energy Efficiency Action Plan

BACKGROUND:

Presenter: Richard Génécé, Bonneville Vice President of Energy Efficiency

Summary: Richard Génécé will describe the process that Bonneville will use to develop plans to achieve its share of Seventh Plan Conservation goals.

Bonneville is committed to achieving its share of the Council's regional conservation goals. To implement these goals, Bonneville develops and periodically revises its energy efficiency action plan. The transition from Sixth Plan to Seventh Plan will require revisions of Bonneville's implementation strategy. Mr. Génécé will review the process and the considerations the agency uses to develop its energy efficiency action plan.

Planning begins this year as the Council develops conservation goals for draft Seventh Power Plan. By early 2016, Bonneville's savings goals, resource requirements, and budget analysis will be substantially complete for 2017-2021 (subject to periodic review). Bonneville starts its planning process by developing a forecast of savings from NEEA's market transformation initiatives and momentum savings. Once savings from those mechanisms are estimated, Bonneville establishes the conservation program savings goals for itself and its customer utilities.

Key considerations in the development of Bonneville's energy efficiency plan for the transition from Sixth to Seventh Plan conservation goals include not only the level of program savings, but also the pace of acquisition over time, the use of new baselines from which savings will be measured, the addition of new measures identified in the Council's analysis, changes to the cost of acquisition, and uncertainty in forecasts of market transformation, momentum savings, and program success rates. After analyzing these factors, Bonneville will determine resource requirements, identify potential risks and opportunities, and develop adaptive management strategies to achieve targets.

Relevance: Bonneville planning for the implementation of the Seventh Plan begins this year. The Council's development of Seventh Plan conservation goals over the next few months will be a key determinant of the structure of Bonneville's action plan for efficiency and inform its annual savings goals. Bonneville's 2016 Integrated Program Review (IPR) will establish budgets for conservation for the agency's next rate period which covers FY18-FY19. The agency's conservation budgets for FY16 and FY17, which cover the first two years of the Seventh Plan's action plan, have already been established.

Workplan: 1D. Prepare for Seventh Power Plan and maintain analytical capability

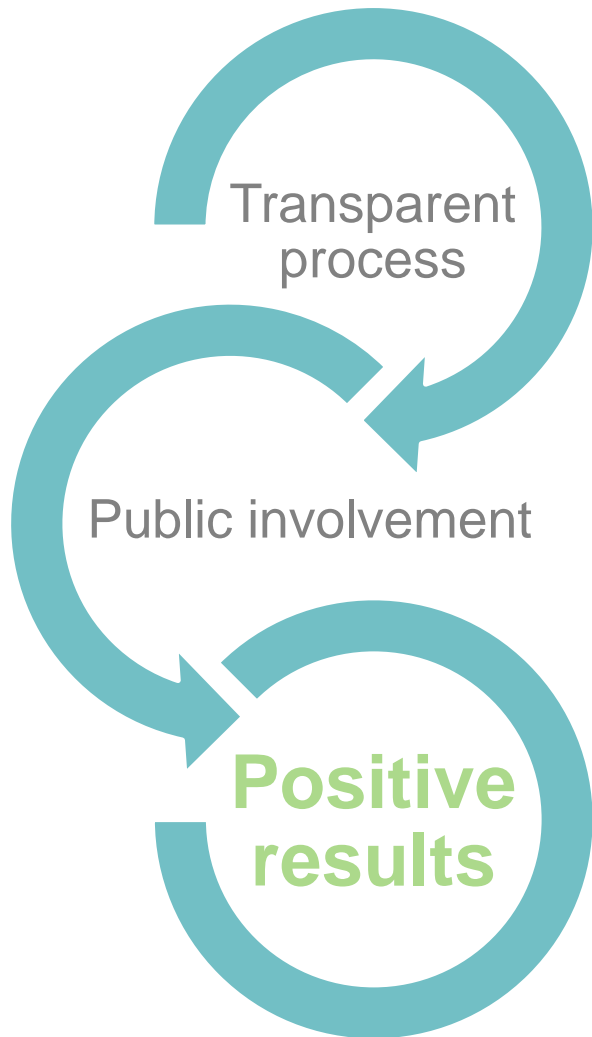
Background: Bonneville has briefed the Council on its 2012 and 2014 Energy Efficiency Action Plans. Last month, Bonneville described the important contribution that momentum savings are making to achieve the Sixth Plan's conservation goals.

EE Action Plan Update

Power Committee
July 14, 2015



Seventh Plan Process



- Transparency in the process and development of the RPM
- Engaging advisory committees to encourage public involvement
- Resulting in shared understanding

BPA and the Seventh Power Plan

BPA and public power have been engaged in the 7th Plan process

Advisory
Committees

EE
Supply
Curve
Review

Customer &
Stakeholder
Engagement

From 7th Plan to BPA Action Plan



Fall
2015

Draft
targets

Winter
2016

BPA
savings
and
budget
analysis

Winter
2016

Final
target

Spring
2016

Develop
Action
Plan,
Notify
Utilities

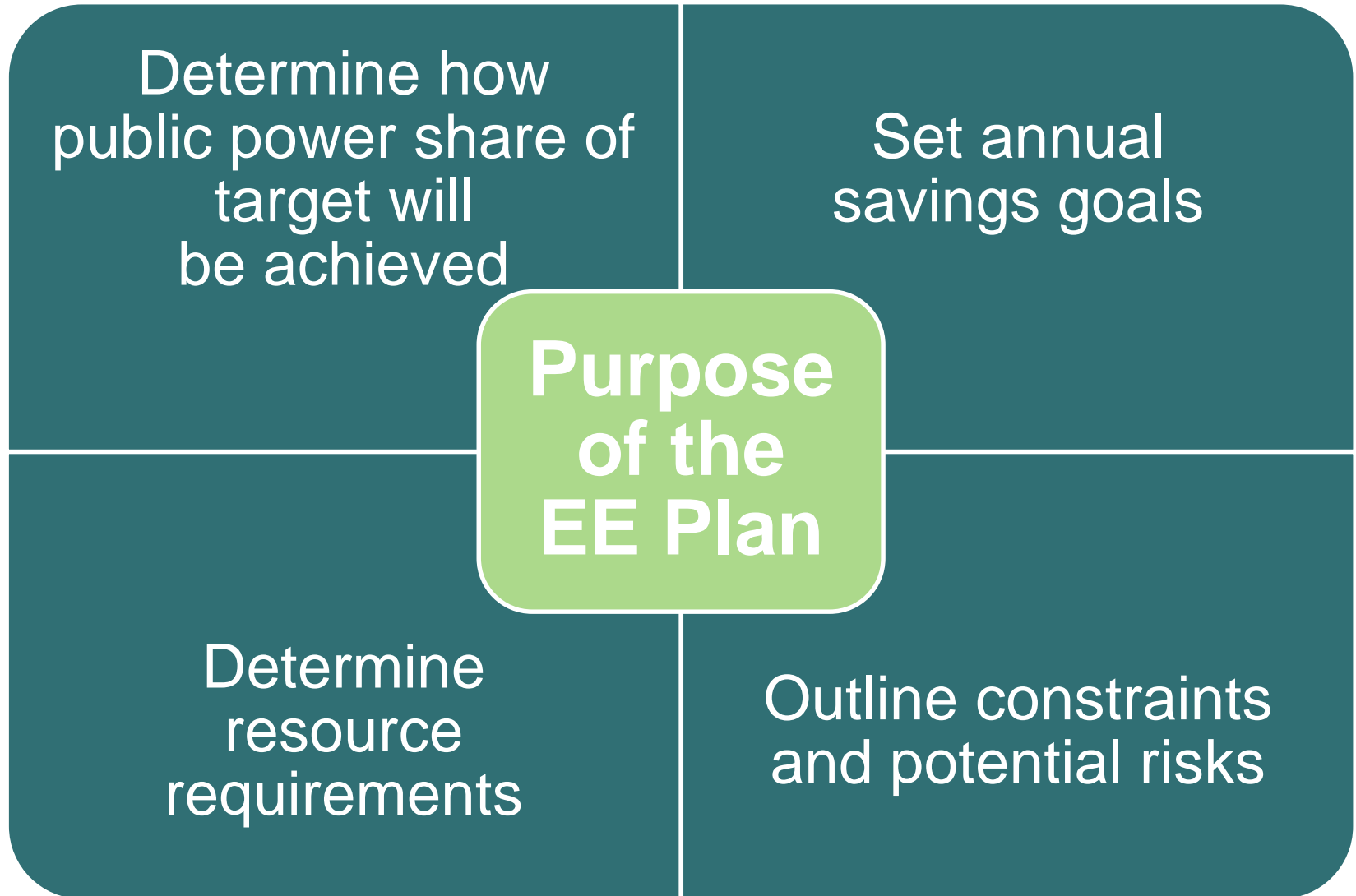
Fall
2016

Implement
7th Plan

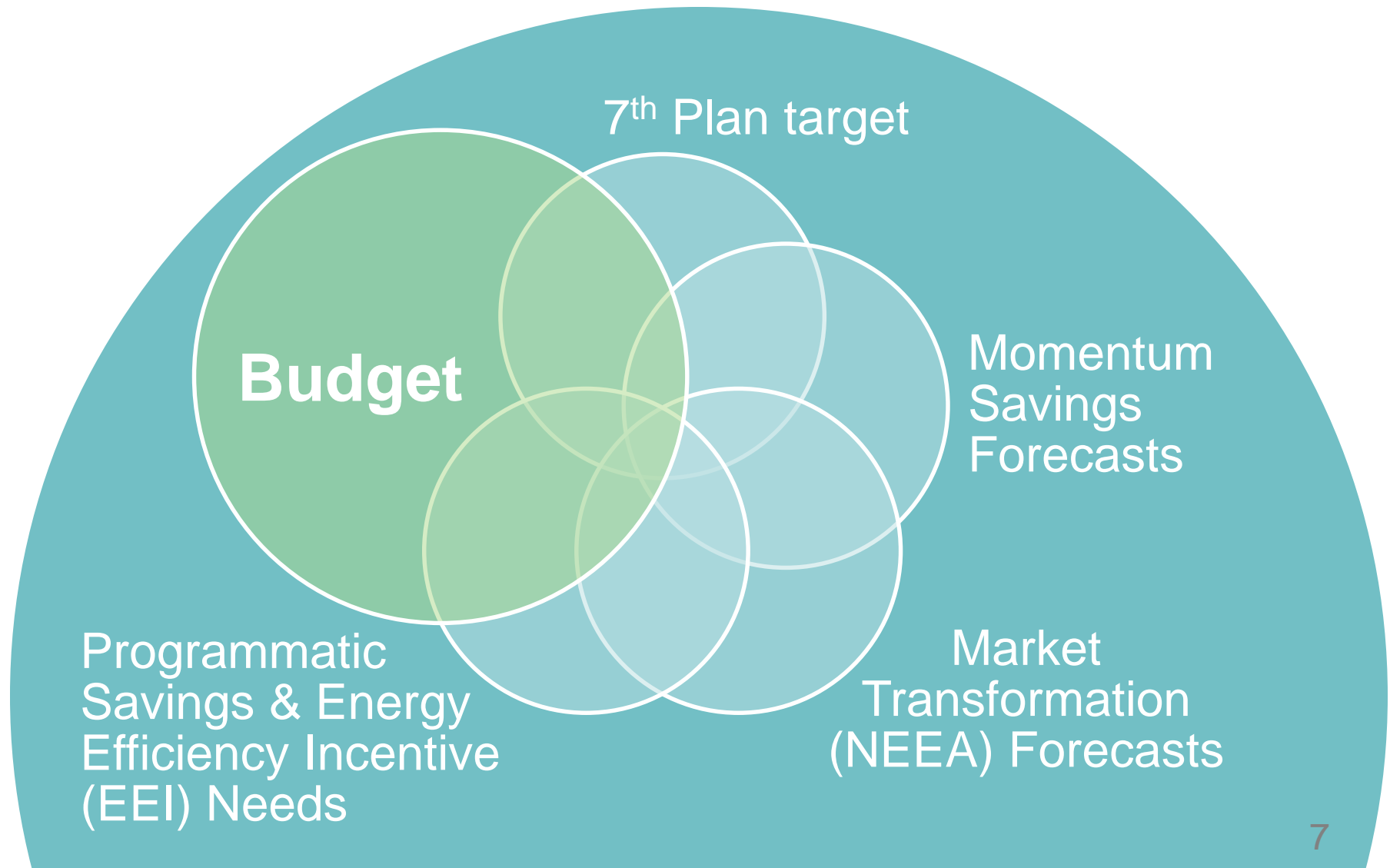
BPA EE Action Plan



BPA EE Action Plan

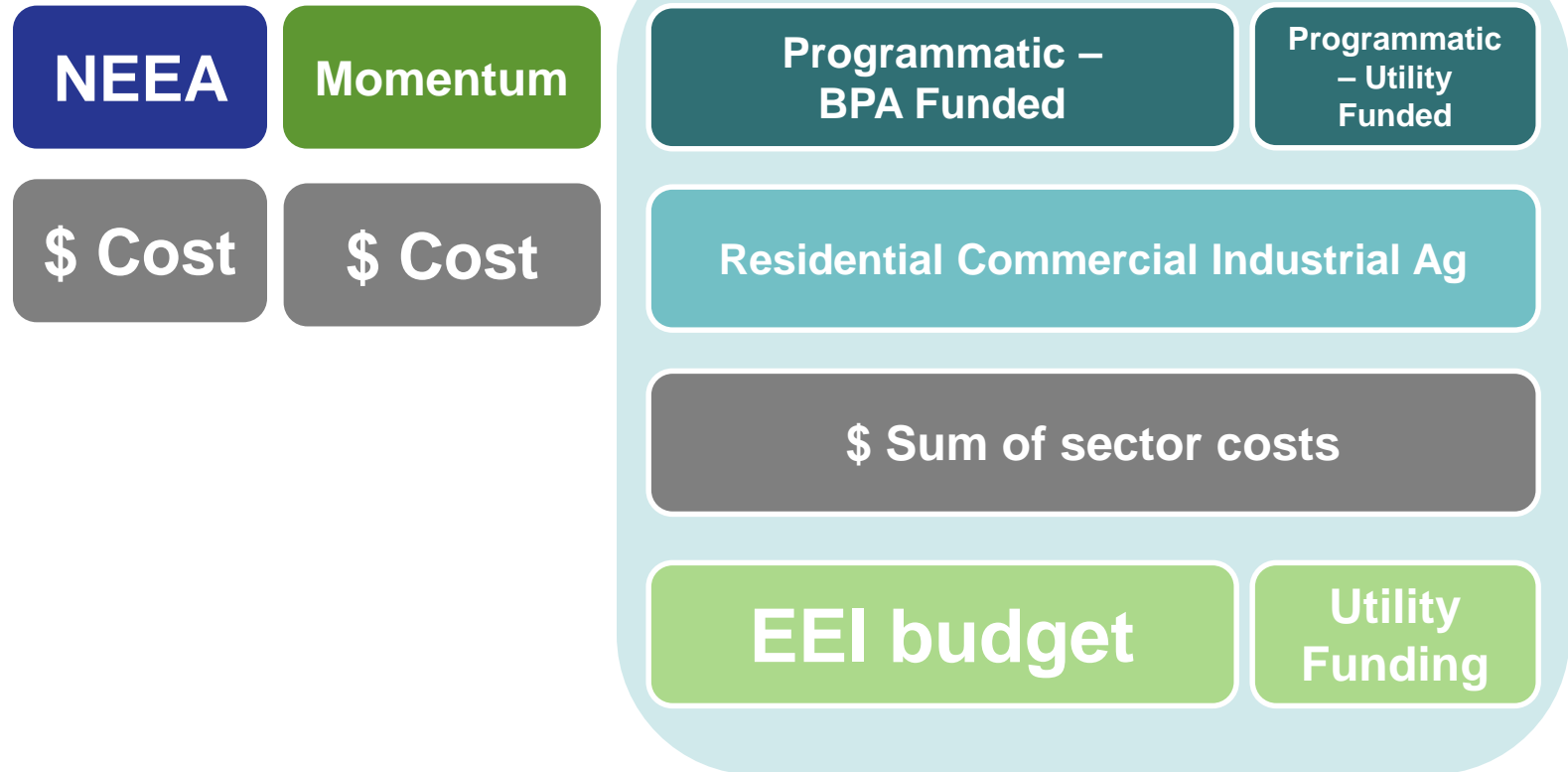


Critical Elements of the EE Plan



EE Plan Process

Public Power Share of Council Target



EE Plan Timeline



2015 Q3

Review
draft
targets,
begin
strategic
planning



2016 Q1

Begin
analysis
on
savings
and costs



2016 Q2

Write EE
Plan,
Public
review
and
comment



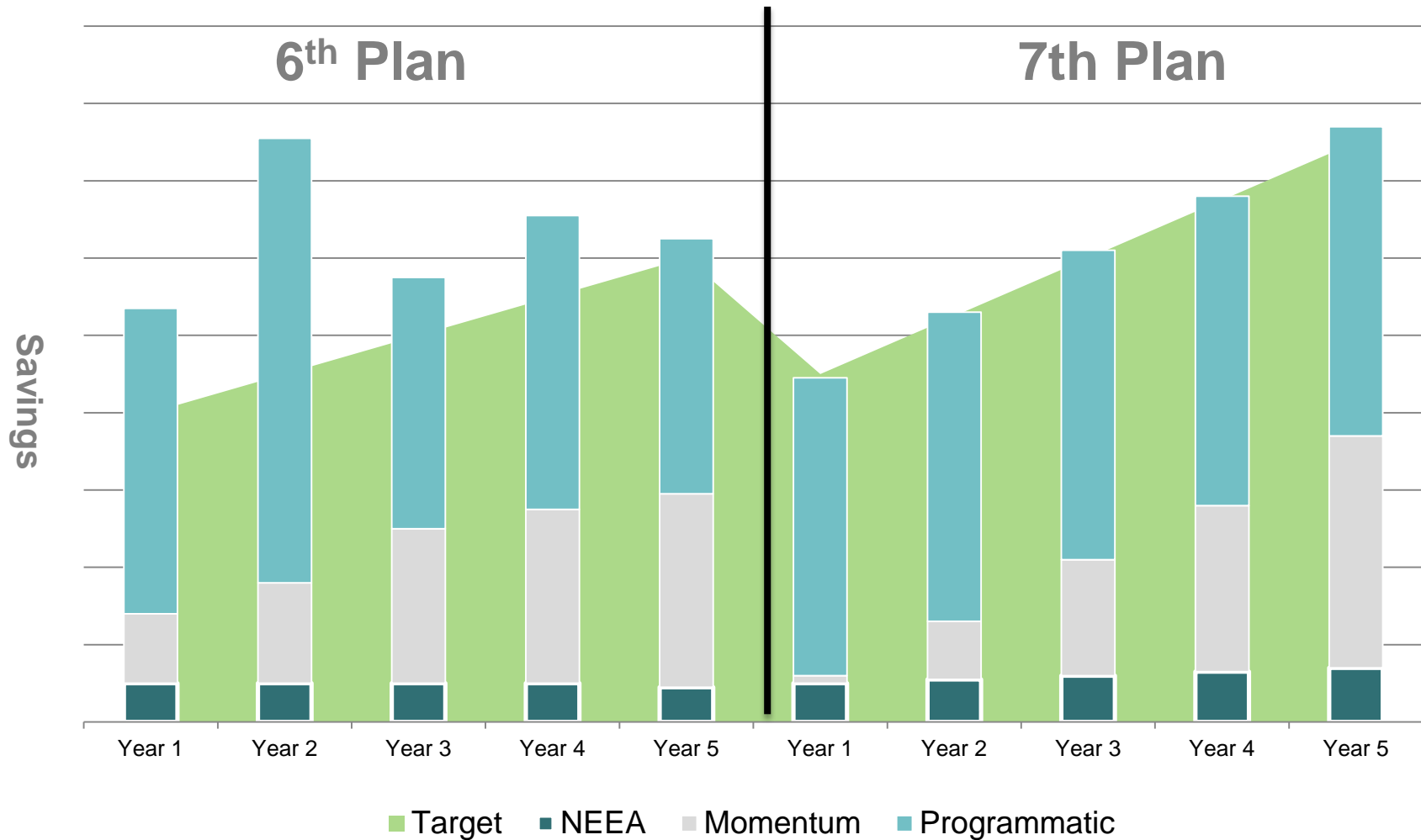
2016 Q3

Release
Final
2017-
2021
EE Action
Plan

Planning for the Targets



Adaptive Management Through Reality



Planning Considerations

Updated Baseline

Measures going away

Uncertainty in momentum savings forecasts

New measures and new markets

The new stuff is harder

Emerging technologies

Cost of acquisition

Are the new measures more expensive for utilities?

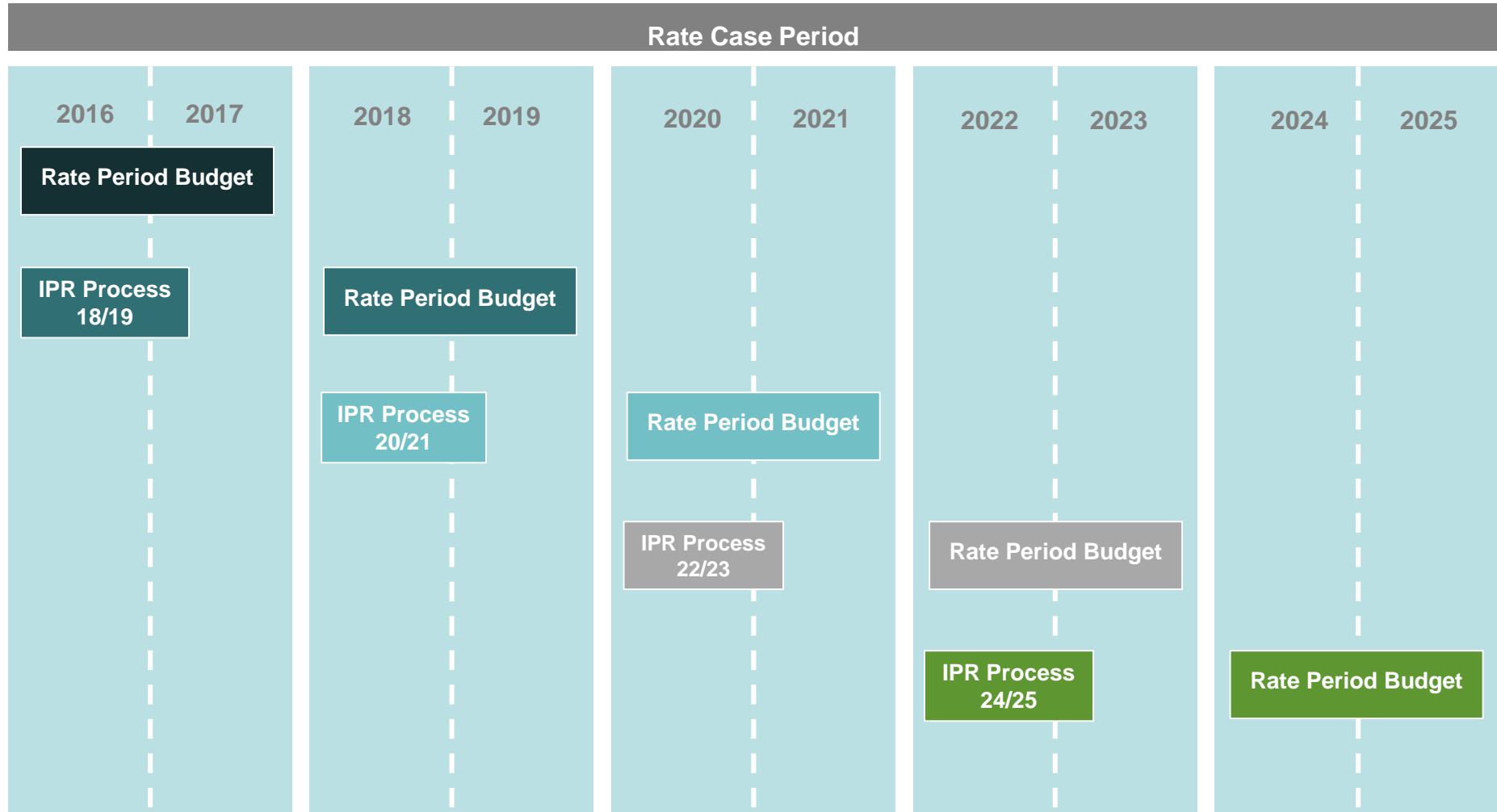
16/17 rate period budget are already set

Competing Regional Perspectives

Evolving Utility Needs and Relationships

Stakeholder Interests

Timing Considerations



Additional Topics on My Mind

Exploring new ways to unleash the value of energy efficiency

Recognizing public power overachievement of the 6th Plan target

Evolving world of demand response

Thank You