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## Northwest Power and Conservation Council

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July 6, 2016

### MEMORANDUM

**TO:** Council members

**FROM:** Charlie Grist, Manager, Conservation Resources

**SUBJECT:** Briefing on Bonneville Power Administration Energy Efficiency Plan, Including draft savings and costs

### BACKGROUND:

**Presenter:** Richard G nec , Bonneville Vice President of Energy Efficiency  
Alison Mace, Bonneville Energy Efficiency Planning and Evaluation manager

**Summary** Richard G nec  and Allie Mace will lay out the draft Energy Efficiency Plan that Bonneville uses to guide its approach to achieve its share of near-term Seventh Plan Conservation goals.

Bonneville is committed to achieving its share of the Council's regional conservation goals. To implement these goals, Bonneville has developed, and periodically revised, energy efficiency plans. The transition from Sixth Plan to Seventh Plan will require revisions of Bonneville's implementation strategy and thus the development of a new energy efficiency plan. This plan will cover the next several years and should inform resource requirements in Bonneville's ongoing Integrated Program Review (IPR) for 2018-2019.

Critical elements of the plan include estimating costs and savings contribution from market transformation initiatives, forecasts of momentum savings, and identification of program savings targets for Bonneville and

its customer utilities. Key considerations are the pace of the target ramp up over time, new baselines from which savings are measured, the addition of new measures identified in the Council analysis, and changes to the cost of acquisition. The Bonneville energy efficiency plan should also address how to manage uncertainty in forecasts of program success rates and how Bonneville would adapt its suite of strategies should efforts fall short of goals.

**Relevance** The Council's Seventh Plan conservation goals are a key determinant of the structure of Bonneville's action plan for efficiency and should inform its annual savings goals. Several of the Council's Seventh Plan Action items call for Bonneville to develop strategies, studies, and initiatives to help achieve the Council Plan conservation goals and address hard-to-reach markets. Bonneville's ongoing Integrated Program Review (IPR) will establish budgets for conservation for the agency's next rate period.

**Workplan:** A.1.1. Coordinate with regional entities to ensure the regional goal for cost-effective conservation is achieved.

**Background:** Bonneville has briefed the Council on its 2012 and 2014 Energy Efficiency Action Plans. In July 2015, Bonneville briefed the Council on the process it would use to develop its Energy Efficiency Plan.

# BPA EE Action Plan Update

NW Power &  
Conservation Council  
July 2016



# Welcome and Level Setting

EE is holding proposed IPR spending levels flat compared to the current rate period (FY 2016-17).

EE is conservatively forecasting a total acquisition essentially consistent, but slightly lower, than the Council's 7th plan targets.

EE will continue to work to identify and implement efficiencies that will allow the program to cost effectively deliver value.

Our acquisition forecasts are bottom up and conservative; we see an opportunity to exceed our current forecast.



# Context for the Conversation

Focus 2028  
is Ongoing

- We want your participation in this process to help steer our future efforts.
- This process may change BPA's EE program and necessitate the need for further conversations regarding proposed spending levels and EE targets.
- Our budget represents a status quo approach based on our current operational model.

# From 7<sup>th</sup> Plan to BPA Action Plan



Fall  
2015

Draft 7<sup>th</sup>  
Plan

Winter  
2016

BPA  
savings  
and  
budget  
analysis

Winter  
2016

Final 7<sup>th</sup>  
Plan

Spring-  
Fall  
2016

Develop  
Action  
Plan,  
Public  
Review

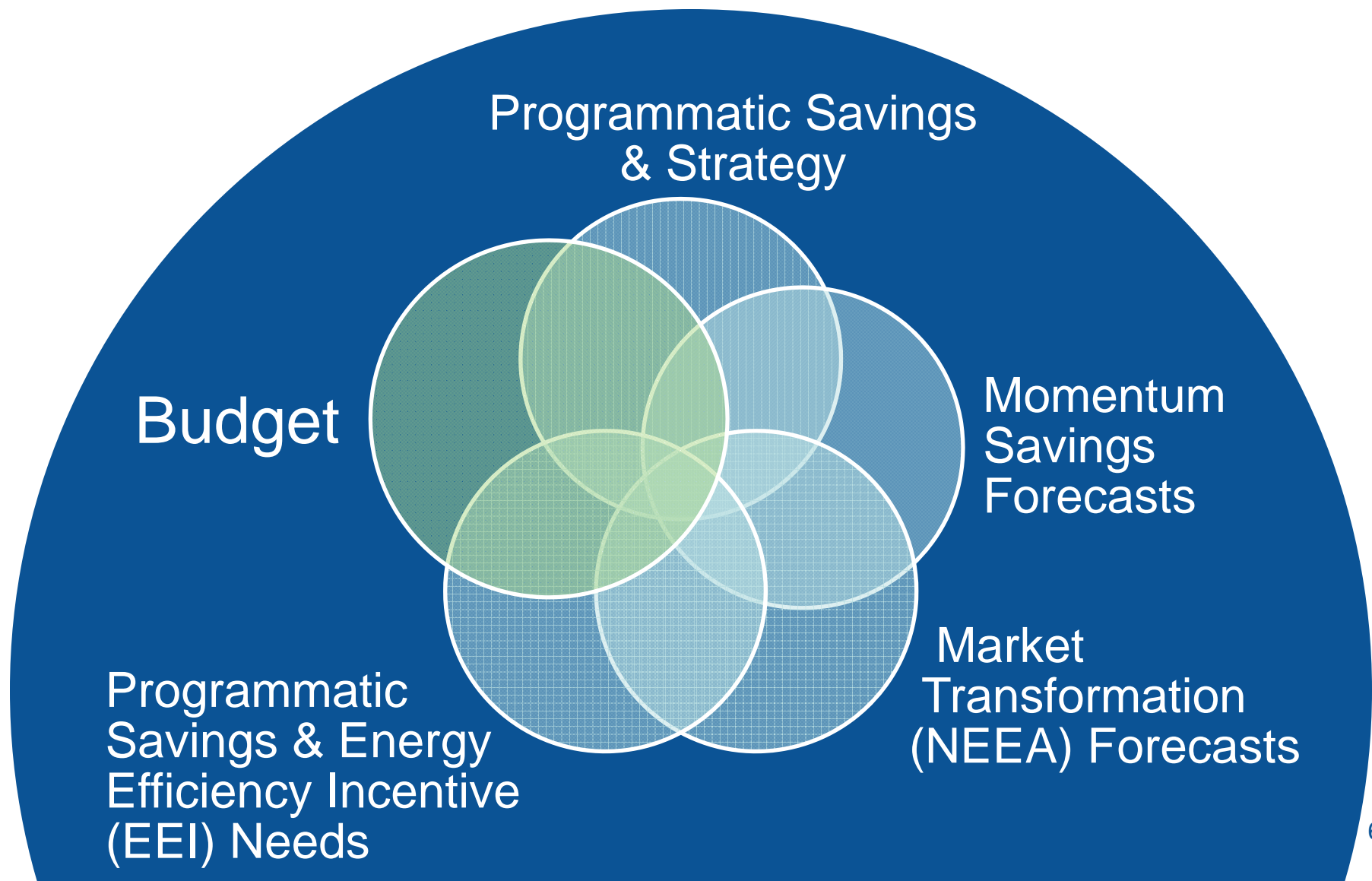
December  
2016

Finalize EE  
Action Plan

# BPA EE Action Plan



# Critical Elements of the EE Plan



# 2016-2021 Draft EE Plan Preview: contents



Savings & Cost forecast
Sector Strategies
Emerging Technology
Momentum Savings
Evaluation
Demand Response

# Key Strategic Themes

1

Identify & prioritize new technologies

2

Focus on delivery and making programs accessible and easy to use for BPA's customers

3

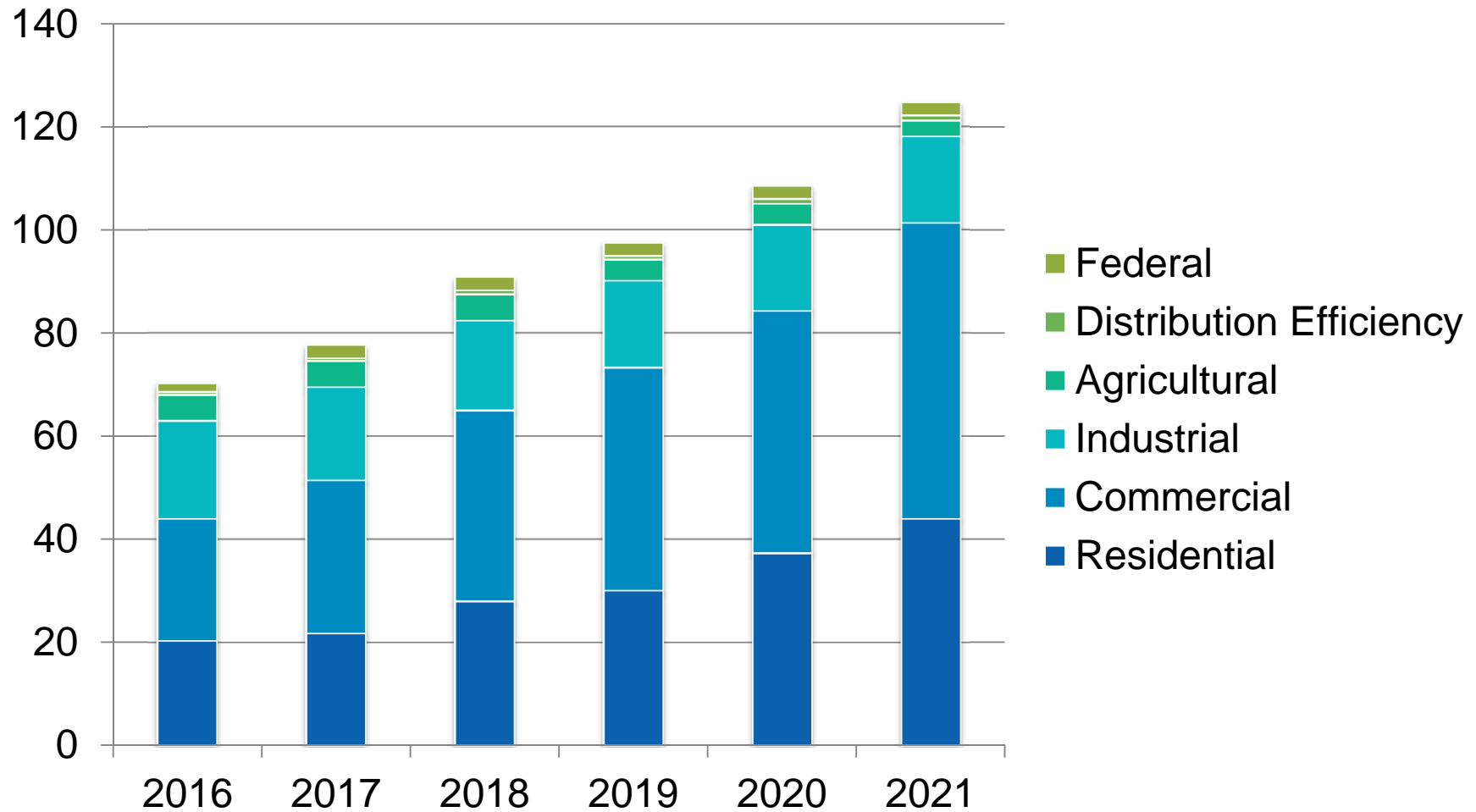
Leverage regional efforts

# Draft Savings Estimates

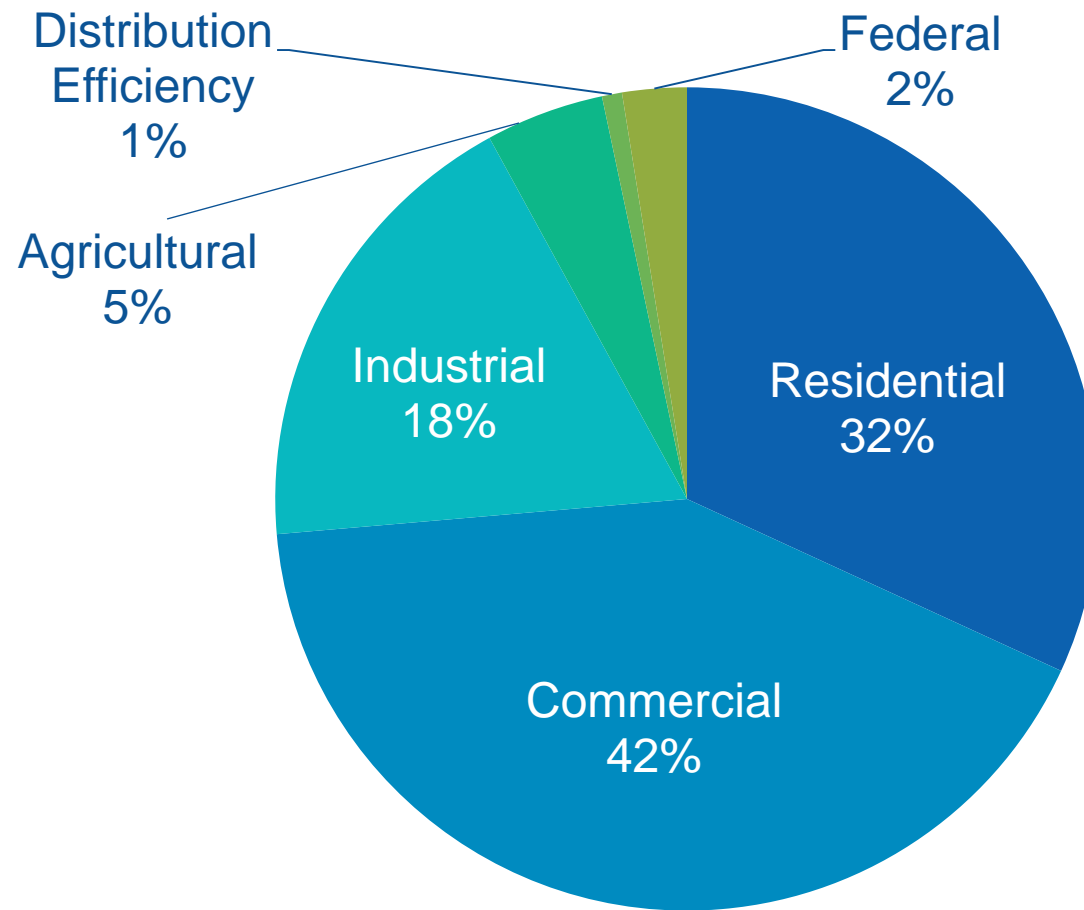
## Draft EE Action Plan Savings Summary (aMW) - 2016-2021

Draft Estimated Savings by Source	2016	2017	2018	2019	2020	2021	Total Savings
BPA & EEI-Funded Programmatic Savings	44	45	45	44	44	43	264
Utility Self-Funded Programmatic Savings	14	14	14	14	14	14	83
Market Transformation	2	3	5	6	9	3	27
Momentum Savings	10	16	27	34	42	65	194
<b>Total Forecast Public Power Savings</b>	<b>70</b>	<b>78</b>	<b>91</b>	<b>97</b>	<b>109</b>	<b>125</b>	<b>569</b>

# Draft Savings by Sector (All savings types)



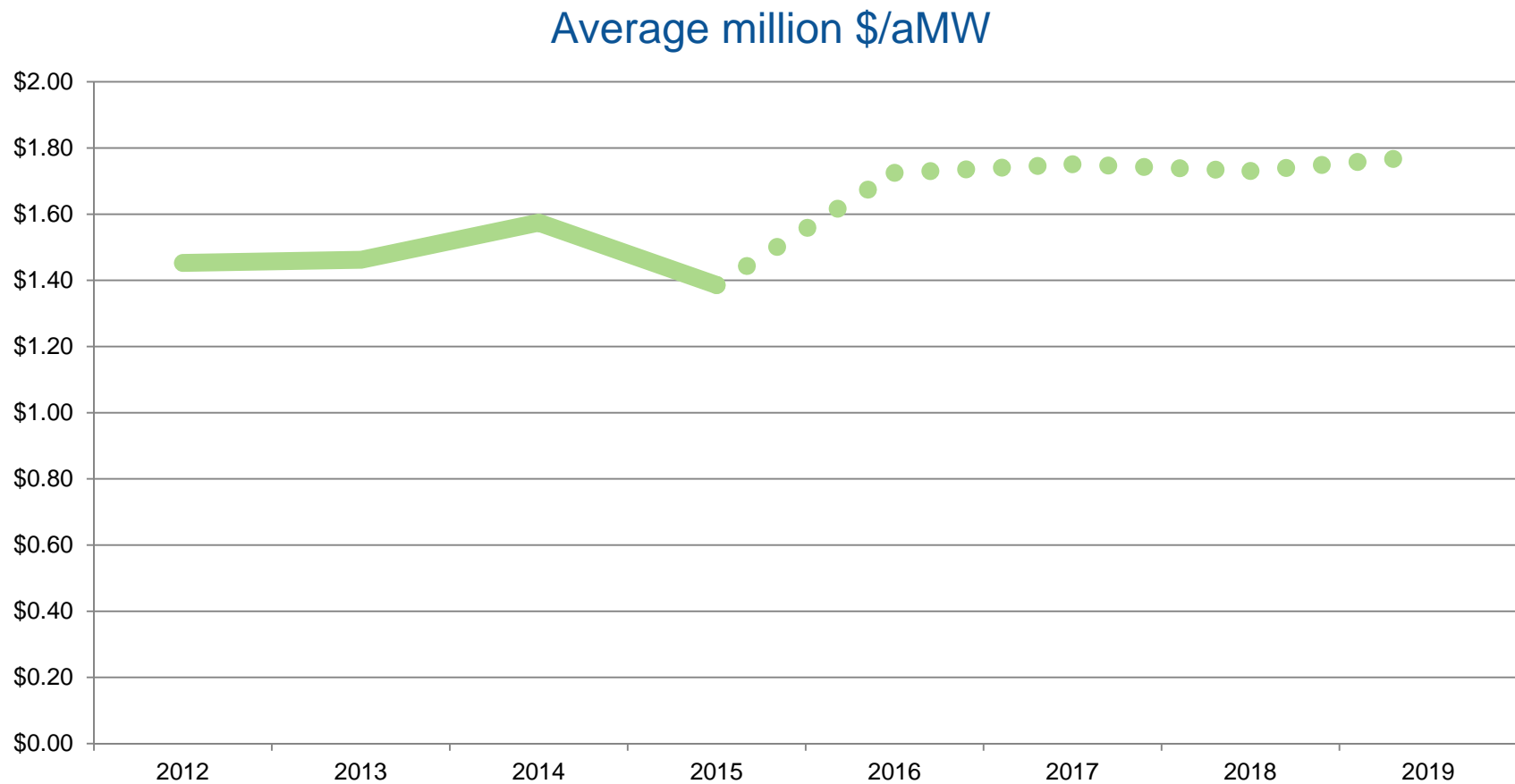
# Total 6 Year Savings By Sector



# EE IPR Budgets

In \$1,000s	Rate Case		Proposed IPR		
	2016	2017	2017	2018	2019
Conservation Infrastructure	\$101,932	\$104,702	\$27,534	\$27,149	\$27,283
Conservation Purchases	\$0	\$0	\$77,360	\$76,700	\$76,700
Demand Response and Smart Grid	\$1,245	\$1,245	\$893	\$856	\$854
Low Income EE (Grants)	\$5,336	\$5,422	\$5,422	\$5,523	\$5,627
Market Transformation (NEEA)	\$12,531	\$12,691	\$12,851	\$12,364	\$12,049
<b>Grand Total</b>	<b>\$121,044</b>	<b>\$124,060</b>	<b>\$124,060</b>	<b>\$122,592</b>	<b>\$122,512</b>

# Programmatic Average Cost



# What's next? EE Plan Timeline



2015 Q3

Review  
draft  
targets,  
begin  
strategic  
planning

2016 Q2

Analyze  
savings  
and  
costs,  
draft Plan

2016 Q3

Write EE  
Plan,  
Public  
review  
and  
comment

2016 Q4

Release  
Final  
2016-  
2021  
EE Action  
Plan



Thank you