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August 2, 2016

MEMORANDUM

TO: Power Committee members

FROM: Charlie Grist, Manager, Conservation Resources

SUBJECT: Momentum Savings Context

BACKGROUND:

Presenter: Charlie Grist

Summary: The Seventh Power Plan (and prior plans) include energy efficiency targets, but are agnostic as to how the savings are achieved. Most of the regional focus is on savings achieved through and funded by utility programs and NEEA initiatives. However, there can be significant energy efficiency that is achieved in the region that are in addition to the utility-funded programs, but still included in our plan targets. For example, any codes and standards not accounted for in the Plan's load forecast help achieve regional energy efficiency goals. The associated savings not counted by the programs are collectively called "momentum" savings. This presentation will provide the definition of and context for of momentum savings.

Relevance: A significant portion of the Sixth Plan energy efficiency targets were achieved through momentum savings. Early forecasts from BPA indicate that momentum savings are anticipated to comprise a significant portion of the Seventh Plan achievements as well. It is important to understand how these savings are calculated and to verify these savings are a real part of the energy efficiency resource.

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

Background: The most recent Regional Conservation Report was presented to the Council in [November 2015](#). This report included savings from all sources including momentum savings. Also, at the [July 2016](#) Council meeting, Bonneville showed significant expected achievements from momentum savings, especially in the later years of the action plan period.

More Info: Bonneville has a web site that includes presentations and information regarding momentum savings. The first item on the web page is a five-minute summary video that provides a good overview.

<https://www.bpa.gov/EE/Utility/research-archive/Pages/Momentum%20Savings.aspx>

Attachments: See Council Packet for the associated presentation by Carrie Cobb of Bonneville.

Momentum Savings and their Relationship to the Plan

**Power Committee
August 9, 2016**

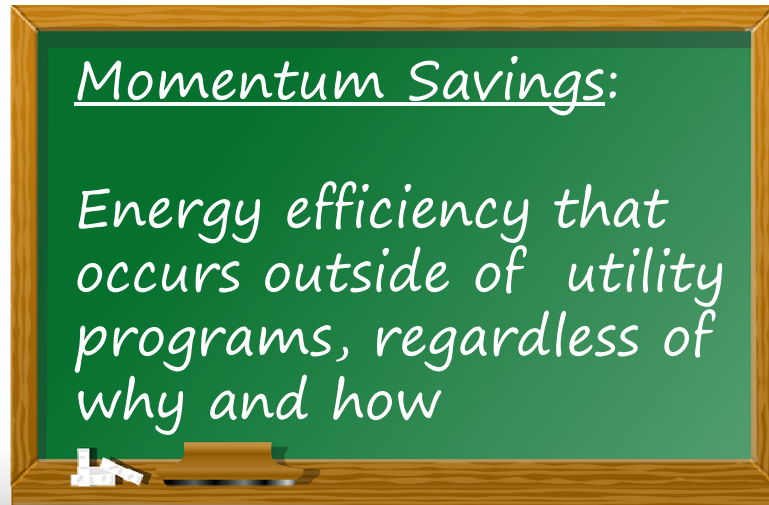


Today

- What are momentum savings about?
- Why should they count towards EE goals?
- What are the concerns?
- What are the benefits for the associated research?



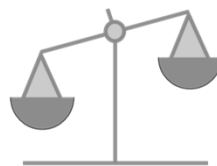
What Are Momentum Savings?



MOMENTUM SAVINGS DEFINED



Not directly paid for by programs and not claimed in NEEA's net market effects



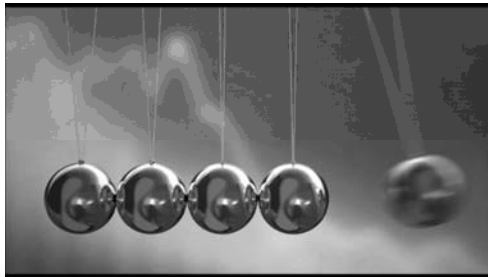
Cost effective



Measured relative to frozen baseline

Why Called Momentum?

- Partly a result of earlier program activity
- Formerly known as “non-programmatic savings”



What is Included in EE Goals?

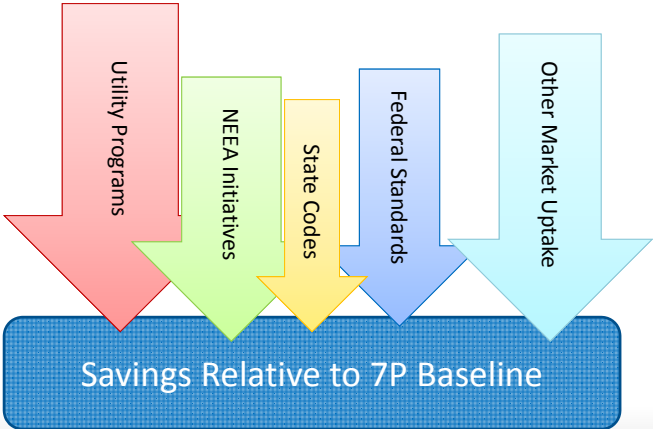
- EE goal is relative to frozen efficiency forecast
- This forecast assumes no efficiency gain in market, though
 - Stock does improve as old equipment burns out and is replaced with newer models (natural turnover)
 - Incorporates codes & standards (enacted through Dec 2014 for 7th Plan)
- Efficiency comes from further improvements in stock beyond naturally occurring turnover

Council Has Been Agnostic About What Causes Savings

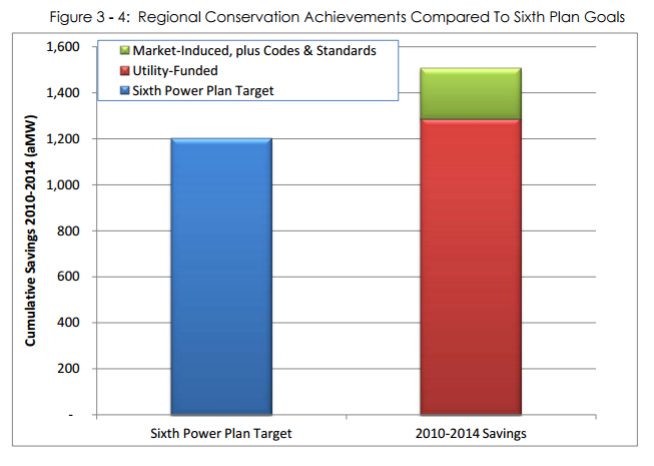
It's more important
that the efficiency
happens – less
important how



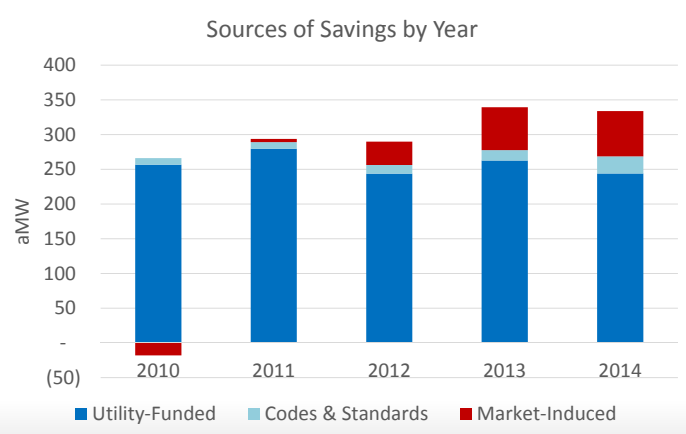
All Mechanisms Contribute to Plan Savings



How Do Momentum Savings Measure Up?



Momentum Savings Reset to Near-Zero Every Plan Cycle



What are the Concerns?



We hear Momentum Savings are:...

- An excuse to not invest in programs
 - Can help focus program resources
- Unreliable
 - RTF now engaged in reviewing analysis
- Double counting of program savings
 - RTF asking for baseline info in regional conservation progress report
- Obfuscation of Plan targets

Why Valuable Activity?

1. Provides data on current market practice
 - Impact on load forecast
 - Develop Plan & RTF baselines
 - Complements periodic stock assessments
2. Helps identify where to focus program resources
 - Identify markets & niches that need (more) program activity
 - Intelligence about when to quit programs
3. Have become significant share of load reduction
 - Fast-changing markets TVs and SSL Lighting

End