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December 4, 2018

MEMORANDUM

TO: Power Committee

FROM: Charlie Grist, Kevin Smit, Jennifer Light, and Tina Jayaweera

SUBJECT: Draft Value of Conservation White Paper

BACKGROUND:

Presenter: Ben Kujala

Summary: Staff have completed drafts of Sections 2, 3, 4, and 5 of the Value of Conservation White Paper. These sections have been revised since the August meeting, based on feedback received. Staff plan to complete the final sections (executive summary and conclusions) for the January Council meeting, with hopeful release for public comment. The sections of the paper are as follows:¹

Section 1: Executive Summary (*not completed*)
Section 2: Value Streams of Energy Efficiency
Section 3: Context of the Bonneville System
Section 4: Utility-Specific Value of Energy Efficiency
Section 5: Barriers to Energy Efficiency
Section 6: Conclusions (*not completed*)

Relevance: Throughout the development of the Seventh Plan, utility general managers presented to the Council on the challenges they face in implementing energy efficiency. In part a response to this, the Seventh Plan identified three action items for Bonneville to quantify the value of conservation,

¹ Note: to improve flow, staff switched the order of the Value Streams of EE and Context of the Bonneville Systems from the original outline and removed the Background section (original Section 2).

explore different efficiency implementation approaches, and identify barriers to conservation acquisition (BPA-5, BPA-6, and BPA-7). While not directly tied to these Action Items, Council staff have been working on a white paper outlining the value of conservation, with a focus on how those benefits flow back differentially to utilities.

Workplan: A.1.2. Engage with Bonneville to ensure the value of conservation is included in budgeting discussions.

Background: The Seventh Plan highlights the value of conservation to the region. This includes direct value to the utility system, as well as to end use customers and the society at large. It is clear, however, that energy efficiency does not provide equal value to all utilities. The purpose of this paper is to explore the broad value of energy efficiency, as well as how that value flows back differentially to utilities. The paper focuses on the Bonneville utilities.

At the August Power Committee meeting, staff shared an earlier draft of the paper. Since then, staff have expanded the Context of the Bonneville section (Sec 3) to address Council member questions and provide greater context on how the money flows through the system. Staff also did additional outreach for the Utility-Specific Value section (Sec 4) and added in feedback from two utilities. In addition, at the time of the August meeting, the Barriers section (Sec 5) had not yet been written.

More Info: Draft Value of Conservation White Paper: Sections 2-5