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April 7, 2020

### **MEMORANDUM**

**TO: Council Members**

**FROM: Ben Kujala**

**SUBJECT: Update on BPA's Energy Efficiency Action Plan**

### **BACKGROUND:**

**Presenter:** Joel Cook, Senior Vice President of Power Services, Jamae Hilliard Creecy, Acting Vice President of Energy Efficiency, Danielle Walker, Energy Efficiency and Evaluation Manager, Jessica Aiona, Industry Economist

**Summary:** Bonneville will present an update on their Energy Efficiency Action Plan. The Energy Efficiency Action Plan forecast how public power can achieve a share of the regional energy efficiency target through a variety of programs, market transformation, and momentum savings. The current action plan was issued March 2017 and forecast savings from 2016 to 2021.

**Relevance:** The Seventh Power Plan set a regional goal of 1400 average Megawatts of savings from 2016 to 2021 and recommended that Bonneville achieve its share of the regional goal. The Energy Efficiency Action Plan is Bonneville's plan and forecast on how to accomplish achieving its share of the regional goal.

**Background:**

**BPA's EE Action Plan:** <https://www.bpa.gov/EE/Policy/EEPlan/Pages/BPA-Energy-Efficiency-Plan.aspx>



# EE Action Plan Update

April 14, 2020



# INTRODUCTIONS

- Joel Cook – Senior Vice President of Power Services
  - Generation Asset Management
  - Northwest Requirements Marketing
  - Bulk Marketing
  - Energy Efficiency
- Jamae Hilliard Creecy – Acting Vice President of Energy Efficiency

# AGENDA

Purpose of the EE Action Plan Update

Changes Since 2016

Expected Accomplishments and Expenditures

Focusing on the Future

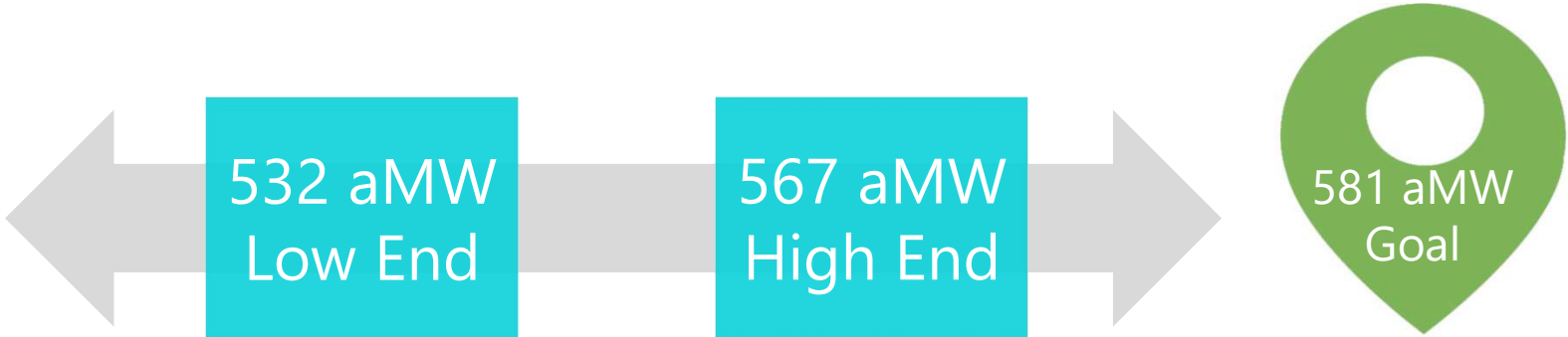
Questions

# BPA's ENERGY EFFICIENCY ACTION PLAN

- BPA's roadmap for achieving savings goals over the Seventh Power Plan Action Plan period (2016-2021)
- First published in March 2017
- 2020 update includes actual costs and savings for 2016-2019 and updated forecasts for 2020-2021

# UPDATED EE PLAN GOALS

\$634 Million Investment



- BPA is reducing forecasted savings goals from original 2016 Action Plan
- Savings range represents uncertainty in market adoption rates, consumer behavior and utility activity

# WHAT'S CHANGED SINCE 2016

- BPA's strategic plan adopted in 2018
- BPA embarked on agency wide cost competitiveness initiative
- BPA completed the 2018 Resource Program, setting direction of EE acquisition to higher cost and harder to reach savings, as discussed with Council
- Significant slow down in development and adoption of federal standards

# PROGRAMMATIC SAVINGS



- Direct implementation efforts and conservation purchases made by BPA and customer utilities
- 33% of savings funded directly by customer utilities
- Expected to achieve 96%-102% of original EE Action Plan goals, with the Residential and Commercial sectors exceeding expectations
- Represent RTF approved savings estimates, where available
- Shifting away from low cost and abundant lighting savings, to more costly and difficult to acquire HVAC and weatherization savings

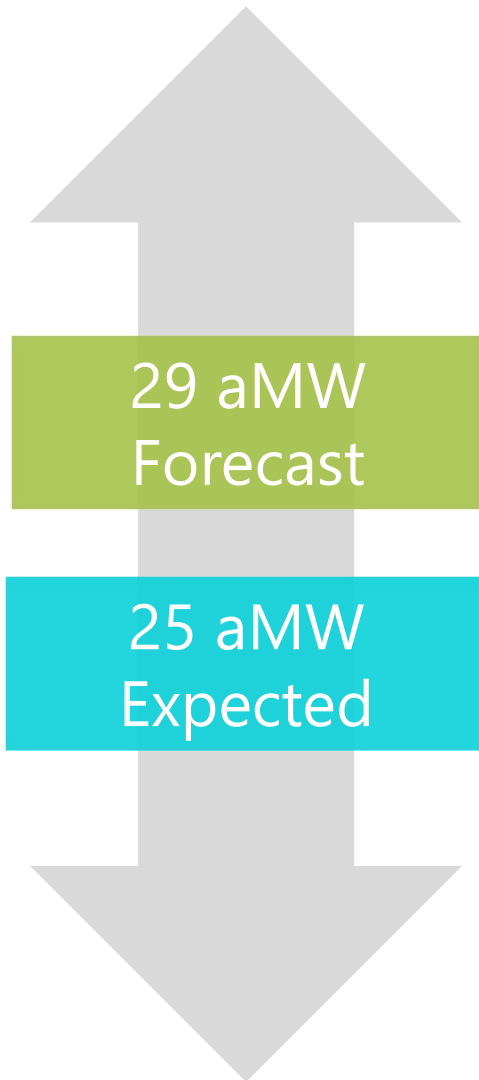


# MOMENTUM SAVINGS



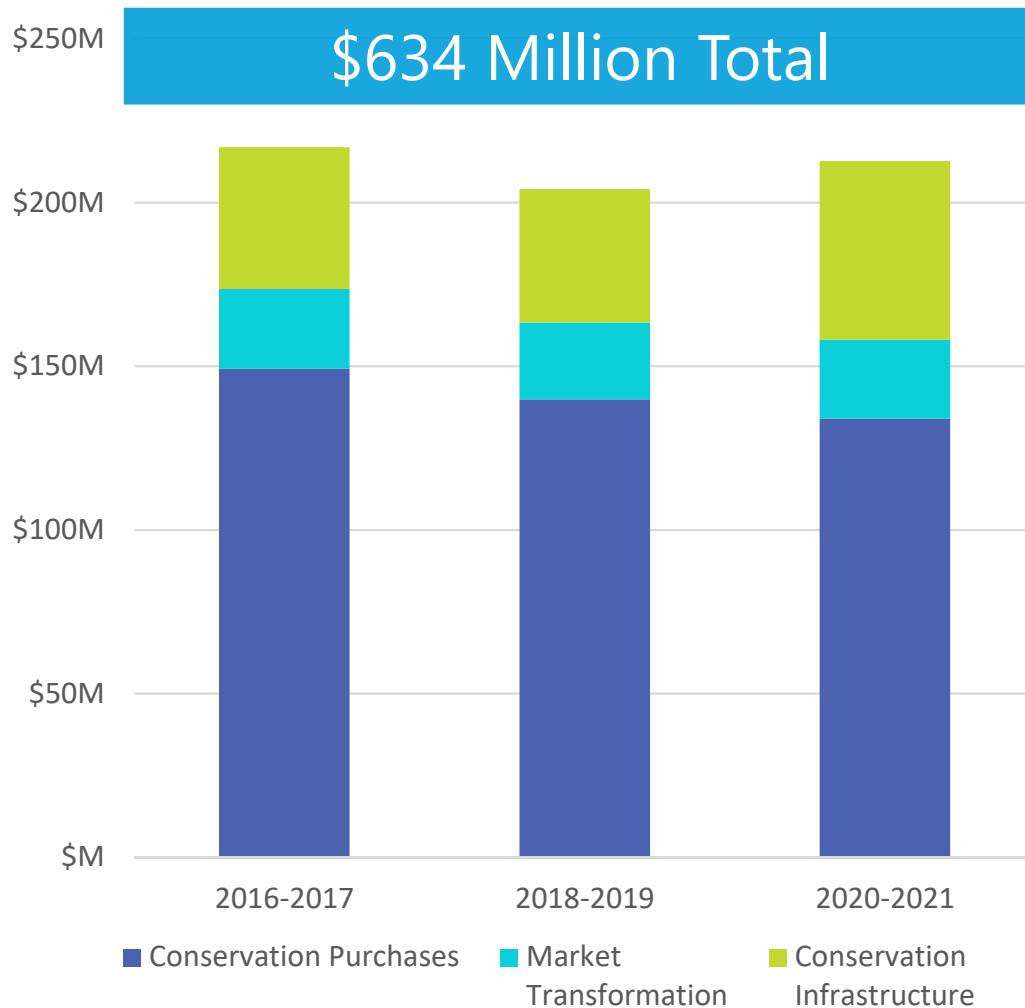
- Quantification of energy efficiency in the region not captured by programs. Includes BPA and NEEA Momentum Savings.
- Expected to achieve 84-92% of original EE Action Plan goal. Approximately 50/50 split between BPA's Momentum models and NEEA Momentum.
- Significantly less savings from federal efficiency standards are being quantified due to inactivity on rulemaking.
- Momentum Savings research provides the NW with invaluable market insights and regional data

# MARKET TRANSFORMATION



- As a direct funder, NEEA's market transformation efforts are reportable to BPA
- Initiatives span retail products, codes and standards and residential and commercial HVAC
- Anticipating to hit 86% of original EE Action Plan forecast
- Savings are based off of NEEA's baseline and as new data is collected and new initiatives are added, savings are subject to change

# INVESTING IN ENERGY EFFICIENCY



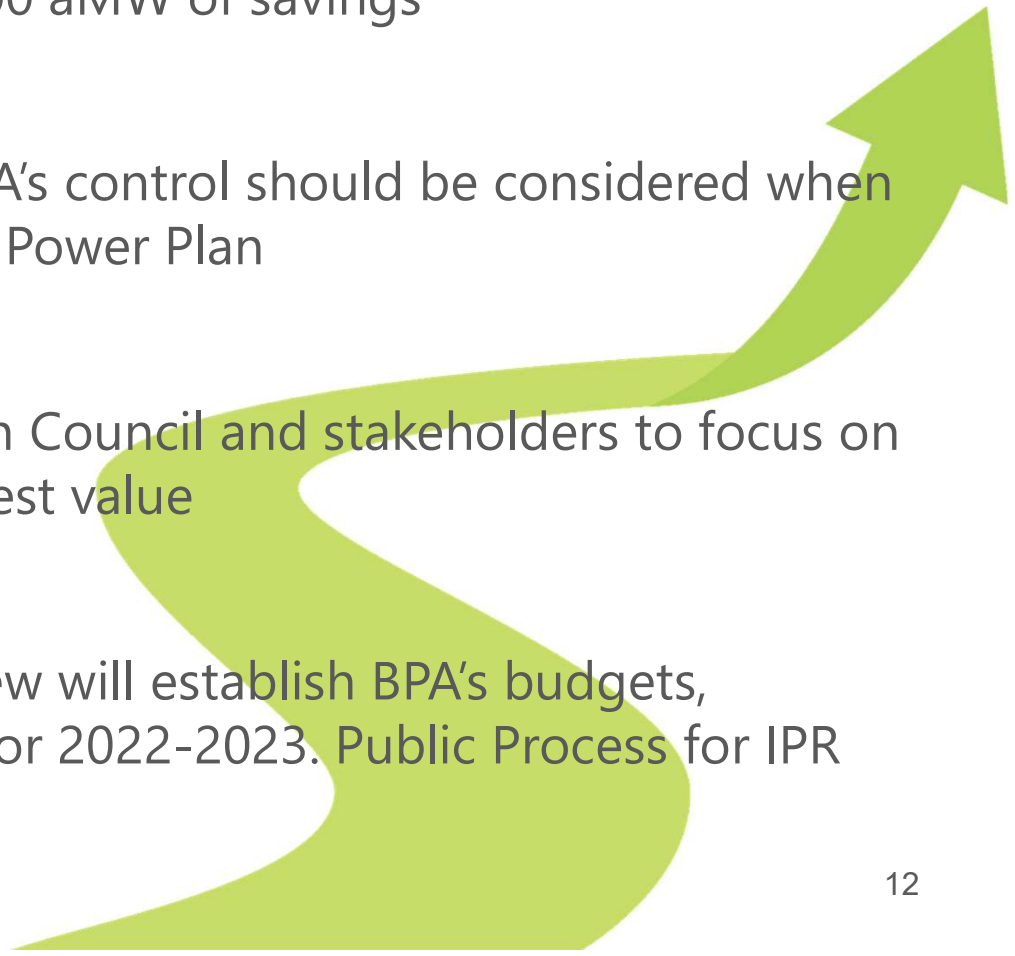
- Large scale investments from BPA over the course of the 7PP
- \$423M to direct conservation purchases and \$72M to NEEA
- Spending does not reflect additional funds customer utilities spend on conservation purchases (self-funding)
- 2016-2019 are actual expenditures, 2020-2021 is a budgeted amount.

# REPORTING SAVINGS ACHIEVEMENTS

- Acknowledge BPA savings look different from the Council's RCP
- Momentum and NEEA savings are likely to change
- Differences between the Plan baseline, what BPA funds, and what end-user customers are seeing come off their bills
- Savings will be trued up to account for differences in baselines at the end of the Action Plan period
- Technical and policy discussions between Council and BPA staff on how to report savings achievements will continue

# LOOKING TO THE FUTURE

- BPA, customer utilities, and the region have much to be proud of and expect to achieve over 500 aMW of savings
- Reliance on savings out of BPA's control should be considered when developing goals out of 2021 Power Plan
- BPA will continue to work with Council and stakeholders to focus on savings that provide the highest value
- The Integrated Program Review will establish BPA's budgets, including Energy Efficiency's for 2022-2023. Public Process for IPR begins in June.





# Questions?

