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August 7, 2018

DECISION MEMORANDUM

TO: Council members

FROM: Jennifer Light
Reginal Technical Forum Manager

SUBJECT: Decision to release "Methodology for Estimating Energy Efficiency Savings in the Northwest" white paper for public comment.

PROPOSED ACTION: Staff recommends authorization to release the Subject report for a 60-day public comment period, beginning after Council approval and ending on October 13, 2018.

SIGNIFICANCE: Energy efficiency savings estimates developed by the Council and Regional Technical Forum (RTF) are used broadly throughout the region for efficiency program planning, implementation, and evaluation. Some stakeholders have expressed concerns about how these estimates are development, and how the resulting estimates ultimately relate to the Council target. This white paper is intended to provide greater clarity on the methodology and rationale.

BUDGETARY/ECONOMIC IMPACTS

None.

BACKGROUND

The RTF aligns its methodology for developing energy efficiency savings estimates with the Council. Of particular note is the use of a current practice baseline for lost opportunity measures. These are measures for which there is a limited window during

which the efficiency opportunity can occur. This is typically when a new building is built (an opportunity to be more efficient than code) or when a piece of equipment dies and needs to be replaced. For these measures, the Council and RTF use a baseline that represents the current code or standard, or the average efficiency of buildings or equipment at the point of purchase, whichever is more efficient. This ensures alignment with the Council's assumptions for its demand forecast, the point from which conservation potential is estimated.

Over the last several years, some stakeholders have questioned the methodology for current practice baselines. Of particular note are questions around the inclusion of efficiency in the market average that may have been the direct result of program activity, the impact on cost-effectiveness as market efficiency improves, and the use of these estimates to claim against the Power Plan goals. Staff drafted this paper with a goal of addressing these questions.

All of the concepts in this paper have been vetted with the RTF and the RTF Policy Advisory Committee, which helped with refinement of the concepts. Given the importance of these concepts, and the direct connection the RTF savings estimates have to many programs in the region, staff believes it is important to release this paper for public comment to ensure full discussion of the topic. Members on the RTF Policy Advisory Committee also support releasing the paper for public comment.

ALTERNATIVES

The alternatives to releasing the paper for public comment would be to not release the report, release without public comment, or change the duration of the comment period.

ATTACHMENTS

Draft "Methodology for Estimating Energy Efficiency Savings in the Northwest" white paper