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November 8, 2016

DECISION MEMORANDUM

TO: Council members

FROM: Tina Jayaweera and Charlie Grist

SUBJECT: Authorization to issue Request For Proposals to scope the development of an end-use conservation model.

PROPOSED ACTION: Council staff recommends issuing a RFP to select a contractor to scope the development of an end-use conservation model. The Council's Seventh Power plan calls for a scoping study on developing an end-use conservation model to be completed by 2017 (Action Plan item ANLYS-3). The RFP would seek a contractor to identify the resources and elements necessary to develop and use such a model and provide sufficient information for the Council to make a go/no-go decision on developing a model of its own.

SIGNIFICANCE: An end-use conservation model is common practice in the industry, where the conservation potential is built up based on end-use consumption. An end-use conservation model would dynamically account for interactive effects between measures and may be more directly aligned with the load forecast. These measure interactions and forecast alignment are now done in more static manual steps in Council conservation modeling. However, such a model would require a significant investment of time and resources by the Council to develop. This project will better inform Council staff on the costs and benefits of developing such a model.

BUDGETARY/ECONOMIC IMPACTS

Not to Exceed \$40,000.

BACKGROUND AND ANALYSIS

Action plan item ANALYS-3 is as follows: Explore development of an end-use conservation model. [Council] Many conservation planners in the industry utilize an integrated end-use based conservation assessment model to closely tie savings to load forecasts. In addition, models may also be improved by including performance-based efficiency approaches. The Council will scope the development of a working model. Depending on findings/budget, the Council may contract out model development. Report on scope will be completed by 2017.

ALTERNATIVES

The alternative is to have Council staff make the decision on whether to develop an end-use conservation model internally. The disadvantage would be that staff may not understand the breadth of requirements and resources necessary to develop an end-use model which could lead to negative budgetary impacts down the road.