

Comments on Elements of the Action Plan

Note: The following include staffs proposed responses to Action Items that are not directly affected by scenario analysis

Two Action Items Received the Most Comments

- The draft plan's regional conservation goal (RES-1)
 - Bonneville, utility trade associations, and individual utilities recommended that the final plan specify the conservation goal as a range
 - Environmental and renewable energy advocates and many individuals, on the other hand, strongly endorsed retaining the draft plan's goal to develop 1,400 average megawatts of energy efficiency by 2021 as a minimum
- The draft plan's call for the development of demand response (RES-4)
 - Bonneville and utilities supported retaining the language in the draft plan's action item, which did not set a regional goal for demand response development
 - Environmental and renewable interest groups stated that the final plan should be specific about the level of Demand Response that should be developed, recommending 700 to 1,100 MW be targeted by 2021

Staff proposes to delay discussion of these items until after the updated RPM scenario analysis results are presented to the Council on Wednesday morning.

Remaining Action Items – Energy Efficiency

- **RES-2** Evaluate cost-effectiveness of measures using methodology outlined
- **BPA-6** Assess Bonneville's current energy efficiency implementation model and compare it to other program implementation approaches
- **MCS-1** Ensure all cost-effective measures are acquired
- **REG-2** NEEA action items
- **ANLYS-6, ANLYS-8** Identify and analyze significant non-energy impacts. Multiple parties commented on the action items to improve the process to quantify non-energy impacts

Action Plan RES-2: EE Cost Effectiveness Methodology

- **RES-2** Evaluate cost-effectiveness of measures using methodology outlined in plan
 - Several utilities commented that the language should assure that this methodology is meant to be applied generically with parameters determined by individual utilities
- Proposed Response by Staff
 - Agree; Clarify text to indicate the methodology applies region-wide, but input assumptions may vary by utility
 - RTF should use 7P values
 - Values will be updated based on comments/staff analysis
 - Methodology will not change
- *Proposed Council Guidance – Direct staff to draft proposed revisions for Chapter 12 and Appendix G*

Action Plan BPA-6

BPA EE Implementation Model Review

- **BPA-6** Assess Bonneville's current energy efficiency implementation model and compares it to other program implementation approaches
 - Three parties (PPC, NRU, ICNU) suggested this item was out of scope of the Power Plan
 - Three other parties (Bonneville, NWECC, Tacoma) indicated support
- Proposed Response by Staff
 - Recommend no change
- *Proposed Council Guidance – Retain Action Item Unchanged*

Action Plan MCS -1

Ensure All Cost-Effective Measures Are Acquired

- **MCS-1** Ensure all-cost effective measures are acquired
 - Multiple parties expressed support for ensuring that hard-to-reach (HTR) populations have access to EE programs
 - One commenter (IPC) expressed concern about the additional reporting requirements of this action item
- Proposed Response by Staff
 - This action item has been extensively discussed by Power Committee members
 - Staff proposes no change to MCS-1
- *Proposed Council Guidance – Retain Action Item Unchanged*

Action Plan REG-2

Scope of NEEA's Business Plan

- NEEA provided comment on **REG-2**, where they highlighted which of the named action items were not in NEEA's current business plan
- Proposed Response by Staff
 - NEEA board will ultimately determine business plan
 - Revise recommendations in REG-2 to be implemented by Bonneville & utilities directly if NEEA board rejects actions
- *Proposed Council Guidance – Retain Action Item. Direct staff to draft propose revisions to Action Plan REG-5, with amended language to indicate utilities and Bonneville should pursue action if NEEA board does not*

Action Plan ANALYS-6 and ANALYS-8

EE Non-Energy Impacts

- **ANALYS-6 and ANALYS-8 Identify & analyze significant non-energy impacts**
 - Multiple parties commented on items related to improving the process to quantify non-energy impacts
 - NWECC called for more comprehensive analysis and better documentation
 - Several parties cautioned that prioritizing water savings is out of scope
 - Others are concerned about spending too much analytical time on non-energy impacts at the expense of other analysis
- Proposed Response by Staff
 - Revise ANALYS-6 to focus on the non-energy impacts of water savings and conducting research to better understand those benefits, rather than to prioritize adoption and track impacts
 - Revise ANALYS-8 to indicate that RTF PAC sets RTF budget allocation priorities
- *Proposed Council Guidance – Retain Action Item. Direct staff to draft propose revisions to Action Items ANALYS-6 and ANALYS-8, with amended language*

Additional Action Item: Regional Forum on Business Models and Rate Design

- Some members of the Northwest Energy Efficiency Leadership group recommend the Council convene a regional forum to explore alternative business models and rate designs
 - Including how fixed and variable charges are allocated under stable or declining load growth
 - Include regulators, IOUs, and POU's
 - Underscore the need to put EE on the same plane as other utility resource investments
- Proposed Response: Council should consider adding the proposed action after discussion of scope, expected role of the Council and participation
 - Recommend focused new action item to work with NEEL subgroup to establish timing, scope and sideboards of a forum
 - Results of NEEL November meeting can form starting point for issues to address
- *Proposed Council Guidance – Direct staff to develop proposed action item language*

Remaining Action Items – Demand Response

- **COUN-1** Establish a Demand Response Advisory Committee
- **RES-4** Expand regional demand response infrastructure
- **RES-5** Support regional market transformation for demand response
- **BPA-3** Continue efforts to establish demand response
- **ANLYS-20** Review analytical methods

Action Item COUN-1

Form Demand Response Advisory Committee

- **COUN-1** - Establish a Demand Response Advisory Committee
- Multiple parties recommended that the scope of the Demand Response Advisory Committee be expanded to include distributed standby generation, distributed energy storage, transactive energy, and other specific “smart grid” or “grid edge” technologies in addition to focusing on the near term barriers to deployment of demand response and estimating its future potential
- Proposed Staff Response: Specific scope of Demand Response Advisory Committee will be established by the Council when the committee charter is drafted. Revised plan language to indicate that Council should consider these technologies when determining committee scope
- *Proposed Council Guidance – Retain Action Item. Direct staff to draft propose revisions to Action Plan COUN-1, with amended language*

Action Item RES-4

Expand Regional Demand Response Infrastructure

- **RES-4** Expand Regional Demand Response Infrastructure
- Bonneville recommended exploring how current EE programs can be leveraged to expand DR infrastructure
- Proposed Staff Response: Revise RES-4 to recognize potential for how leveraging energy efficiency programs could expand capacity to deploy demand response
- *Proposed Council Guidance – Direct staff to add the following sentence to RES-4: “Utilities and Bonneville should explore how current conservation programs can be leveraged to expand demand response infrastructure.”*

Action Plan RES-5 DR Market Transformation

- **RES-5 Support regional market transformation for demand response**
 - NEEA commented that this is not currently covered under their business plan and that adding demand response features to current end-use market transformation activities could likely be incorporated without large resource impacts
 - NWECC and TechNet support
 - ODOE recommends that utilities that do not plan to implement DR initiatives be directed to participate in market transformation efforts
 - Idaho Power does not support any action expanding the responsibilities of NEEA
- **Proposed Response by Staff**
 - Recommend no change to RES-5
 - Revise recommendations in RES-5 to be implemented by Bonneville & utilities directly if NEEA board rejects actions
- *Proposed Council Guidance – Retain Action Item. Direct staff to draft proposed revisions to Action Plan RES-5, with amended language to indicate utilities and Bonneville should pursue action if NEEA board does not*

Action Item BPA-3 Continue Efforts to Establish Demand Response

- **BPA-3** Continue efforts to establish demand response capability
- Bonneville stated that it is premature to develop rules for the acquisition of demand response. The Washington Energy Office commented that this action item should include a timeline
- **Proposed Staff Response:** Retain Action Item since BPA is already engaged in multiple pilot programs that support development of its ability to develop demand response capability
- *Proposed Council Guidance – Retain Action Item*

Remaining Action Items – System Modeling and Data Development

Action Item BPA-7 Operating Reserve Studies

- BPA-7 Bonneville should perform an analysis of its operating reserve requirements
- ICNU stated these studies lie outside the Council's planning responsibility. PPC, PGP and SnoPUD stated these action items should be removed. WUTC supported this action item
- Proposed Response:
 - Deleting this action item may lead to insufficient data for required elements of the 8th plan
 - The Power Act explicitly requires the plan to include analysis of planning and operating reserve requirements for BPA and the region
- *Proposed Council Guidance – Retain existing action item language*

Action Item BPA-8 Oversupply Mitigation

- **BPA-8** Bonneville should continue to evaluate methods for reducing or mitigating regional generation oversupply conditions
- Bonneville commented oversupply protocol has not been used since 2012 and stated this action item is covered by current activities and recommends deleting the action
- Proposed Staff Response: Bonneville comments do not address the objective of this action item which requests that it work with its customers to create incentives to address oversupply
- *Proposed Council Guidance – Retain existing action item language.*

Action Item BPA-5, REG-3 and REG-4 Action Items for Obtaining Information

- Bonneville suggests the Council review action items (**BPA-5, REG-3 and REG-4**) and other recommended actions in the Draft Plan that are purely driven by the need to acquire data. Bonneville feels there are more appropriate opportunities and forums to determine how to acquire such data
- Proposed Staff Response:
 - The data requested in these action items are viewed as necessary for the performance of the Council's functions
 - The data would need to be made public by the Council for its planning purposes
 - Staff recommends these data be made public in existing public processes at Bonneville. If this option is unavailable, the Council could pursue official data requests under the Power Act and facilitate publication of data
- *Proposed Council Guidance – Retain existing action item language*

Action Item ANLYS-20 Review Analytical Methods

- Smart Grid NW, NWECC, WUTC, and PGE commented that Demand Response potential for provision of ancillary services is under-represented and under-valued in the Seventh Plan
- Proposed Staff Response: Chapter 14 acknowledges that the use of demand response to provide ancillary services are not explicitly simulated in the RPM so the potential value of demand response in this area is not captured in the Draft Plan's analysis. Staff recommends revising Action Item ANLYS-20 to recognize the need to address ancillary services in future plans
- *Proposed Council Guidance – Direct staff to revise the last sentence of ANLYS-20 to read: “This review will focus on changing regional power system conditions such as capacity constraints, **balancing and flexibility constraints**, and transmission limitations to better address these issues in future power plans.”*

Additional Action Item Low Carbon Grid Study

- Renewable Northwest, Climate Solutions, NWECC, Sierra Club and several individuals recommend that the Council include an action item to facilitate a low carbon grid study
- Proposed Staff Response:
 - The proposed study would have a different objective than set forth in the Power Act, so it would not be a substitute for Council Plan
 - Scenario analysis conducted for the 7th plan revealed that the NW Power Systems carbon footprint could be reduced from 30 MMTE/yr to 15 MMTE/year by 2035 and that without technological advances further reduction is not technically feasible
 - Council participation in such a study could enhance data available for use in the 8th Plan, but could also require significant staff effort
- *Proposed Council Guidance – Option 1) Direct staff to develop draft action item. Option 2) Do not add action item*

Additional Action Item Impacts of Sub-hourly Markets on Balancing and Flexibility

- ODOE recommends the Plan include an action item for the Council to further develop analysis methodology regarding impacts of sub-hourly markets on balancing and flexibility. Additional comments were received that recommended enhancing the Council modeling capability of variable generation to support integration studies
- Proposed Staff Response:
 - Staff views this issue is adequately covered by ANLYS-20
- *Proposed Council Guidance – Do not include additional action item*

Action Item RES-6 Expand Renewable Generation Options

- **RES-6:** Expand renewable generation technology options considered for Renewable Portfolio Standards compliance
 - Action item specifically identifies utility-scale solar
- Tacoma Power recommended the Council to remove any recommendation regarding the types of resources utilities should consider when developing RPS compliance approach
- Proposed Staff Response:
 - Language in action item already recognizes utilities ability to determine which, if any, renewable resources fit their compliance needs
 - Action item will be revised to reflect updated scenario analysis (add geothermal to list of renewable resources utilities should consider for compliance)
- *Proposed Council Guidance – Make language changes proposed by staff to action item*

Remaining Action Items – Fish and Wildlife

Action Plan F&W-1 Effect of Renewable Resource and Transmission Development on Wildlife

- F&W-1 calls for the Council to investigate further the effects of renewable resource development and associated transmission on wildlife. WDFW enthusiastically supported this action item and seeks further Council commitment. No other agencies or tribes commented. Utility organizations do not support, stating that this is not a role for Council
- Proposed Staff Response:
 - Council should consider three options:
 - (1) Retain Action Plan commitment to investigate this issue further
 - (2) Remove this item, as not a priority action by Council in next few years
 - (3) Modify the Action Plan item to promise less of a commitment to investigate, and yet retain the idea that we will help investigate this to the degree others are interested
 - Staff recommends Option 3, but views Option 2 as equally viable
- *Proposed Council Guidance – Direct staff to implement preferred option. Retain discussion of effects and highlight issues in Chapt 19 and App I. Add language indicating that Council is not in a position to call for or enforced a mitigation program, a version of a protected areas program, or funding for a comprehensive assessment of renewable resource and transmission development*