

Model Conservation Standards and Surcharge Recommendations

CRAC Meeting

May 1, 2015

What is the MCS?



- **Section 839b(f)1 of the Power Act:**

“Model conservation standards to be included in the plan shall include, but not be limited to, standards applicable to (A) new and existing structures, (B) utility, customer, and governmental conservation programs, and (c) other consumer actions for achieving conservation.”

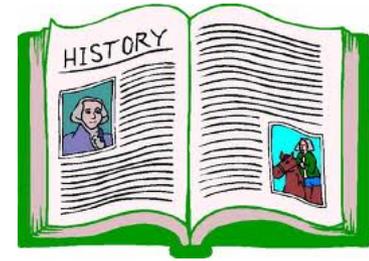
What is the “Surcharge Policy”?

- **The Council’s Plan must contain a recommendation to the Administrator regarding whether a utility’s failure to achieve MCS savings should be subject to a surcharge on all of its power purchases from Bonneville**
- **Surcharges may not be less than 10%, nor greater than 50% of Bonneville’s rate**

Model Conservation Standards – Decision Criteria

- The Act requires that the MCS be set at levels that:
 - achieve *all regionally cost-effective power savings*; and,
 - that are *economically feasible for consumers*, taking into account financial assistance that may be made available through Bonneville

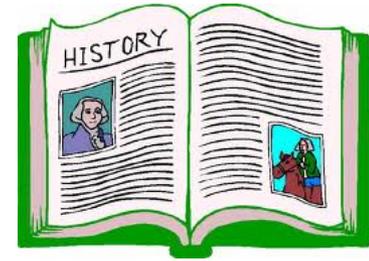
The MCS - A Short History: Chapter 1



- **Council adopted first MCS April 27, 1983**
 - Established space heating performance targets for new electrically heated residences for three Northwest Climate Zones
 - Less than 6,000 Heating Degree Day (HDD)
 - 6000 – 8000 HDD*
 - More than 8000 HDD*
 - MCS requirements were 40% better than toughest existing energy codes in region
 - Recommended that MCS be adopted by January 1, 1986 or BPA impose 10% surcharge on utilities serving non-complying areas

*Now Zone 2 = 6000 – 7499 HDD, Zone 3 = 7500 HDD and greater

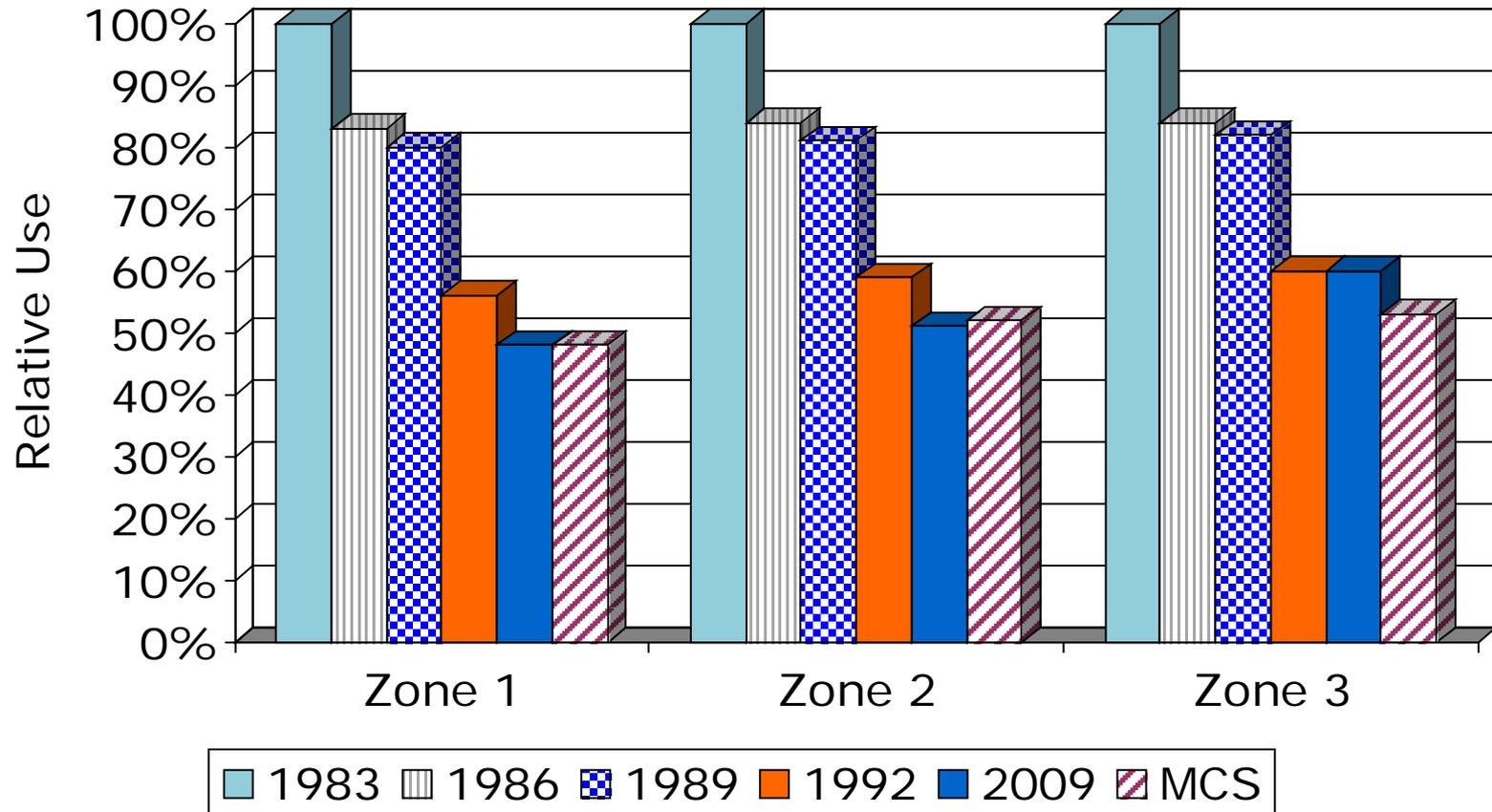
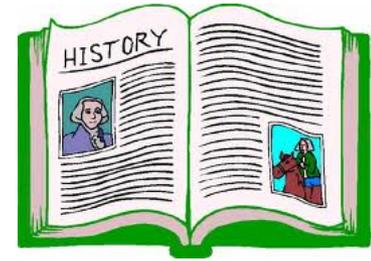
The MCS – A Short History: Chapter 2



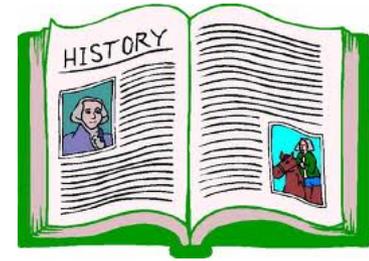
■ 1983 – 1991

- Council sued by Seattle Master Builders contesting legality and level of the MCS
 - ***Conclusion – Ninth Circuit Rules for Council***
- Utilities demand that Bonneville sponsor “R&D” project (RSDP) to test “cost-effectiveness” of MCS
 - ***Conclusion – Bonneville finds MCS cost-effective***
- Bonneville, following Council’s Plan, sponsors “early code” adoption and “energy efficient” new homes marketing program (Super Good Cents)
 - ***Conclusion – Tacoma adopts MCS, the Region follows . . .***

The MCS – A Short History: Chapter 3



The MCS – A Short History: Chapter 4



- **Sixth Plan MCS included:**
 - Recommendations for residential building codes with suggested minimum R-values
 - Minimum requirements for new commercial buildings, at least equivalent to current ASHRAE Standard 90.1
 - Objectives for all other conservation programs

MCS – Next Steps

- **What should the MCS be for the Seventh Plan?**
 - Not needed now for building codes
 - Act provides for broad application



Our Ideas

- **Expand upon 6P Objectives for conservation programs (see attachment)**
- **For example:**
 - **How to better reach underserved customers**
 - **What role does market transformation serve**
 - **How to capture, enhance & quantify momentum savings**
 - **Support the continued enforcement of energy codes**

What are YOUR ideas?

