



# Energy Efficiency

April 19, 2012



# Outline

- Background
  - Energy Efficiency Policy Basis
  - Council Savings Target
  - Post-2011 Energy Efficiency Framework
  - Action Plan
- Questions

# Regional Dialogue

“BPA will pursue conservation equivalent to **all cost-effective conservation** in the service territories of those public utilities served by BPA and will accomplish this in partnership with public utilities at the lowest cost to BPA ... BPA expects to continue to **use the Northwest Power and Conservation Council’s power plans as the basis for its targets** for cost effective conservation.”

– *Regional Dialogue Final Policy*

# Council Savings Target

- 6<sup>th</sup> Power Plan
- Aggressive targets relative to 5<sup>th</sup> Power Plan
  - 1200 aMW = Regional 5-year target
  - 504 aMW = Public Power Share of target (42%)

# Post-2011 Overview

- Policy Framework created the outline of EE's Post-2011 program:
  - Program and business rules should maximize flexibility and local control.
  - To allow more local control, BPA will budget for acquiring 75% of public power's programmatic savings target and plan on customers (on average) self-funding the remaining 25%.
  - There is no specific mandate for any customer to self-fund savings.
  - BPA will not establish individual customer savings targets.

# Post-2011 Overview (cont.)

- Policy Framework cont.:
  - The Energy Efficiency Incentive (EEI) will replace the Conservation Rate Credit (CRC) and be allocated to customers on a Tier One Cost Allocator (TOCA) basis.
    - The Energy Conservation Agreement (ECA) will continue to be the contractual mechanism.
  - Policy framework will be revisited prior to FY14.

# Action Plan

- 2012 Action Plan focuses on best-available information to achieve the 5-year target.
  - 2012 Update adjusts for higher-than-expected savings achievements in 2010-2011.
  - Action plan assumes 25% self funding for 2012-14
  - If utilities self-fund at 25% in 2012-2014, then overall 5 year percentage is 19%
  - Overall conclusions:
    - BPA and public power can achieve 504 aMW target with the remaining capital budget, given the above assumptions.
    - Acquisition costs are lower than forecasted in 2010 EE Action Plan.

# Major Changes from Original EE Plan

- Total and average costs are **reduced**.
  - Savings projected to be achieved cheaper than expected in last Plan.
- Programmatic savings **were slightly reduced** based on updated information and achievements.
- Carryover savings **are included** (34 aMW over 2012-2014).
- Non-programmatic savings **have increased** based on NEEA-estimates and commercial lighting federal standard.



# BPA Share - 6<sup>th</sup> Plan Savings Summary (aMW)

Savings by funding source	2010 Actual	2011 Estimated	2012 Projected	2013 Projected	2014 Projected	Total Savings
<b>BPA Funded Programmatic Savings</b>	57	105	46	42	39	<b>289</b>
<b>Utility Self Funded Savings</b>	23	2	16	14	13	<b>68</b>
<b>Norpac</b>	0	1	6	0	5	<b>12</b>
<b>Market Transformation (NEEA)</b>	11	11	8	8	8	<b>46</b>
<b>Non-Programmatic</b>	15	14	14	14	13	<b>70</b>
<b>Carryover</b>	0	0	11	11	11	<b>34</b>
<b>Total Annual Savings</b>	<b>106</b>	<b>132</b>	<b>102</b>	<b>89</b>	<b>89</b>	<b>518</b>
<b>Total Reported 6th Plan Savings*</b>	<b>103</b>	<b>128</b>	<b>98</b>	<b>86</b>	<b>89</b>	<b>504</b>

# BPA Conservation Budget (\$M)

- Savings from 2010-2011 include both capital and CRC funding
- With CRC funding, total 5 year spending is \$512 M dollars

BPA Funded Costs 2010 - 2014						
	2010	2011	2012	2013	2014	Total
CRC	\$41	\$12	\$0	\$0	\$0	\$53
Capital	\$58	\$162	\$89	\$75	\$75	\$459
<b>Total</b>	<b>\$99</b>	<b>\$174</b>	<b>\$89</b>	<b>\$75</b>	<b>\$75</b>	<b>\$512</b>

# Average Costs

- BPA's actual average costs:
  - 2010: \$1.72 M/aMW
  - 2011: \$1.67 M/aMW
  
- Based on the 2012 Update of the EE Action Plan, BPA is projecting the following average costs:
  - 5-year average: \$1.8 M/aMW
  - 2012-2014: \$1.9 M/aMW

# \$M/aMW Cost Details

**Updated**

## 2012 Update EE Plan

2012 Update EE Plan							
\$M/aMW							
	2010	2011	2012	2013	2014	2010-2014	
	Actual	Estimated	Projected	Projected	Projected	Total	
<b>Portfolio</b>	<b>\$ 1.71</b>	<b>\$ 1.80</b>	<b>\$ 1.76</b>	<b>\$ 1.86</b>	<b>\$ 2.08</b>	<b>\$ 1.85</b>	
<b>By Sector</b>							
Residential	\$ 1.56	\$ 1.74	\$ 1.70	\$ 1.91	\$ 2.58	\$ 1.85	
Commercial	\$ 1.82	\$ 1.71	\$ 1.86	\$ 1.86	\$ 1.61	\$ 1.78	
Industrial	\$ 2.10	\$ 2.10	\$ 2.18	\$ 2.18	\$ 2.18	\$ 2.12	
Agriculture	\$ 1.26	\$ 1.28	\$ 0.98	\$ 0.87	\$ 0.96	\$ 1.45	
DSEI	\$ 1.40	\$ 1.40	\$ 2.01	\$ 2.22	\$ 2.28	\$ 2.12	
Federal	\$ 1.68	\$ 1.85	\$ 2.03	\$ 2.03	\$ 2.03	\$ 1.92	

## 2010 EE Plan

**Original**

2010 EE Plan						
\$M/aMW						
	2010	2011	2012	2013	2014	2010-2014
						Weighted Average
<b>Portfolio</b>	<b>\$ 2.14</b>	<b>\$ 2.05</b>	<b>\$ 2.31</b>	<b>\$ 2.46</b>	<b>\$ 2.54</b>	<b>\$ 2.29</b>
<b>By Sector</b>						
Residential	\$ 2.11	\$ 1.95	\$ 2.55	\$ 2.88	\$ 3.10	\$ 2.42
Commercial	\$ 2.12	\$ 2.10	\$ 2.23	\$ 2.48	\$ 2.54	\$ 2.31
Industrial	\$ 2.08	\$ 2.07	\$ 2.09	\$ 2.06	\$ 2.06	\$ 2.07
Agriculture	\$ 1.90	\$ 1.91	\$ 1.91	\$ 1.91	\$ 1.91	\$ 1.90
DSEI	\$ 2.06	\$ 2.06	\$ 2.06	\$ 2.06	\$ 2.06	\$ 2.06
Federal	\$ 2.70	\$ 2.70	\$ 2.70	\$ 2.70	\$ 2.70	\$ 2.70



# Programmatic Savings

## 2012 Update: Total Programmatic Savings (aMW)

	2010 Actual	2011 Estimated	2012 Projected	2013 Projected	2014 Projected	2010-2014 Total
<b>Portfolio</b>	<b>80</b>	<b>107</b>	<b>62</b>	<b>56</b>	<b>51</b>	<b>356</b>
<b>By Sector</b>						
Residential	31	39	28	25	21	144
Commercial	24	26	18	15	11	94
Industrial	14	30	7	7	8	67
Agriculture	8	9	5	5	5	32
DSEI	0.5	0.5	1.0	1.5	1.8	5.2
Federal	3	3	3	3	3	15

# Questions?