Customer Energy Solutions
Conservation Potential Assessment and 2020/2021 Compliance Target Setting
Nov. 18, 2019
Conservation Potential Assessment

Today’s meeting is informational

• RCW 19.285 directs utilities to identify two-year conservation targets and ten-year plans

• WAC 194.37 identifies public notice requirements which were followed

• Dec. 2, 2019 Publicly Noticed Meeting:
  • Propose formal adoption of 2020/2021 target and ten-year plan
Identifying the Two-Year Target and Ten-Year Plan

- Developed by independent 3rd party
- Incorporates changes in the energy market and energy savings values
- Consistent with Northwest Power and Conservation Council methodology as directed in RCW 19.285
## Comparison of 10-year Potential from Prior Compliance Period

### Table ES-3
Comparison of 2017 and 2019 CPA Cost-Effective Potential

<table>
<thead>
<tr>
<th></th>
<th>10-Year</th>
<th>20-Year</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2017</td>
<td>2019</td>
</tr>
<tr>
<td>Residential</td>
<td>3.44</td>
<td>5.16</td>
</tr>
<tr>
<td>Commercial</td>
<td>4.68</td>
<td>5.03</td>
</tr>
<tr>
<td>Industrial</td>
<td>1.89</td>
<td>4.20</td>
</tr>
<tr>
<td>Agricultural</td>
<td>0.36</td>
<td>0.36</td>
</tr>
<tr>
<td>Distribution Efficiency</td>
<td>1.10</td>
<td>0.45</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>11.47</strong></td>
<td><strong>15.20</strong></td>
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</table>
Major Drivers of the Potential Assessment

Residential Sector

- Water Heating
  - Showerheads
  - Clothes Washer
  - Behavior
  - Duct Sealing
  - ResWx

- HVAC

Commercial/Industrial Sector

- Low & Med Temp Refr
- Energy Management
  - Fans
  - Integrated Plant Energy Management
  - Pumps
  - Compressed...
  - Food Storage
  - Plant Energy Management
  - Lighting
  - Other
  - Process...
  - Municipal Sewage Treatment
Annual Energy Efficiency Achievements

19.2 aMW Total Savings Over 10 Years

- Remaining
- Annual kWh Saved
- CPA

Average MW

<table>
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<tbody>
<tr>
<td>MW</td>
<td>2.0</td>
<td>1.4</td>
<td>1.7</td>
<td>2.6</td>
<td>1.7</td>
<td>1.9</td>
<td>2.1</td>
<td>2.0</td>
<td>2.1</td>
<td>1.6</td>
<td>0.3</td>
<td>2.82</td>
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2020-21 CPA 1.41 aMW per Year
2.82 two-year target
Comparison of 2018/2019 with the 2020/2021 Targets

<table>
<thead>
<tr>
<th></th>
<th>Budget $(M)</th>
<th>Compliance Target (aMW)</th>
<th>Stretch Goals (aMW)</th>
<th>Actual Savings (aMW)</th>
<th>$/MWh¹ (budget to actual²)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>$ 4.2</td>
<td>1.2</td>
<td>1.8</td>
<td>2.1</td>
<td>$ 15.22</td>
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<tr>
<td>2019</td>
<td>$ 4.8</td>
<td>1.2</td>
<td>1.8</td>
<td>1.9</td>
<td>$ 19.23</td>
</tr>
<tr>
<td>2020</td>
<td>$ 5.2</td>
<td>1.4</td>
<td>2</td>
<td></td>
<td>$ 19.79</td>
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<tr>
<td>2021</td>
<td>$ 5.4</td>
<td>1.4</td>
<td>2</td>
<td></td>
<td>$ 20.55</td>
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</table>

1. Based on 15 year weighted average life of portfolio
2. Budget to actual for 2018/2019, budget to stretch goal 2020/2021
In Summary

• The CPA was developed consistent with RCW 19.285

• Additional market values and Chelan County specific data increased the target over the last compliance period

• The cost per MWh is increasing, but still very cost effective

• Dec. 2 Publicly Noticed Meeting
  • Request Board of Commissioners action on proposed two-year target and ten-year plan
Questions or Comments?