

# Request for Additional Energy Efficiency Incentive Budget

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Budgetary Action Requested



# Why Energy Efficiency Incentives?

- Provides multiple benefits to Chelan PUD and our customers
  - Benefits non-participating customers by supporting low stable rates:
    - Energy saved slows load growth
    - Provides more energy to sell in the energy markets
    - Almost 25 MW of savings have been acquired with incentive programs since 2010 (enough to power ~12,500 homes)
  - Benefits to participating customers:
    - Save money
    - Greater comfort
  - Benefits local economy:
    - Incentives support local businesses that provide related services like HVAC, windows, insulation, etc.

# Setting Energy Efficiency Incentives

- Four components
  - Value of energy
  - Value of capacity
  - Value of carbon
  - Amount of energy saved over life of measure
- Compare against the proposed incentive
- Hurdle: Benefit/Cost > 1.0

Row Labels	Sum of Total incentive amount	Average of Service life, yrs	Average of B/C Ratio, PUD UCT
319196: NEEA Membership	\$332,000	10.0	6.0
311862: Industrial Lighting	\$150,000	12.0	2.5
311866: Commercial Lighting	\$450,000	12.0	2.5
388904: Smart Thermostat's Residential		11.7	1.4
359668: Elec. Resistance to Air Source Conversion		15.0	2.3
359667: Heat Pump Water Heaters	\$15,250	14.0	1.5
311864: Industrial Custom	\$1,750,000	15.0	1.0
408502: Commercial DHP	\$753,750	17.5	1.5
311860: DHP- Air Source		15.0	1.5
311858: Weatherization Windows & Doors	\$84,000	30.0	3.1
408501: Commercial HVAC	\$324,000	15.0	1.5
362923: Commercial Thermostats	\$15,000	5.0	1.1
408500: Commercial Insulation	\$16	30.0	1.5
408498: Commercial Windows	\$20,200	20.0	1.4
311857: Weatherization Insulation	\$84,460	42.2	1.5

# Drivers of Budget Request

Compliance Target:	.84 aMW
Stretch Goal:	2.0 aMW
Acquired to date:	.94aMW

Incentives were re-aligned with the energy market after budget was set- resulted in increased incentives

Greater participation in programs  
\*40% greater than in 2022  
\*Residential is almost double 2022

Opportunity to fund large local government projects that were not identified in 2022 planning  
\*City of Wenatchee Wastewater Treatment Plant  
\*City of Cashmere Wastewater Treatment Plant

# Budget Revision Request

Residential	\$1,000,000
<u>Commercial and Industrial</u>	<u>\$2,000,000</u>
<b>Budget Revision Request</b>	<b>\$3,000,000</b>

Funding will provide:

- 1.7 Benefit/Cost
- Two Local Government projects-City of Wenatchee and City of Cashmere wastewater treatment plants
- Continuation of residential and commercial programs
  - Saving customers money
  - Improving comfort
  - Supporting local economy through trades

# Proposed Motion

To increase the 2023 total budget for regulatory asset project 00109080, Residential Energy Programs, in the amount of \$1,000,000 for a revised total 2023 regulatory asset budget amount of \$2,250,000; and to increase the 2023 total budget for regulatory asset project 00109085, Commercial Energy Programs, in the amount of \$2,000,000 for a revised total 2023 regulatory asset budget amount of \$4,000,000; and to increase the total 2023 Distribution system regulatory asset budget by \$3,000,000 for a revised total amount of \$7,670,000.