Chelan PUD Conservation Potential Assessment Review and 2026/2027 Target Setting

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Background

- Initiative 937 was approved by WA voters in 2006 and added to Title 19 RCW in 2007
- Requires utilities with more than 25,000 customers to acquire all cost-effective conservation
- Accomplished by setting a two-year target and developing a ten-year plan via a Conservation Potential Assessment
- 197-37 WAC outlines the methods to develop conservation targets and the reporting requirements

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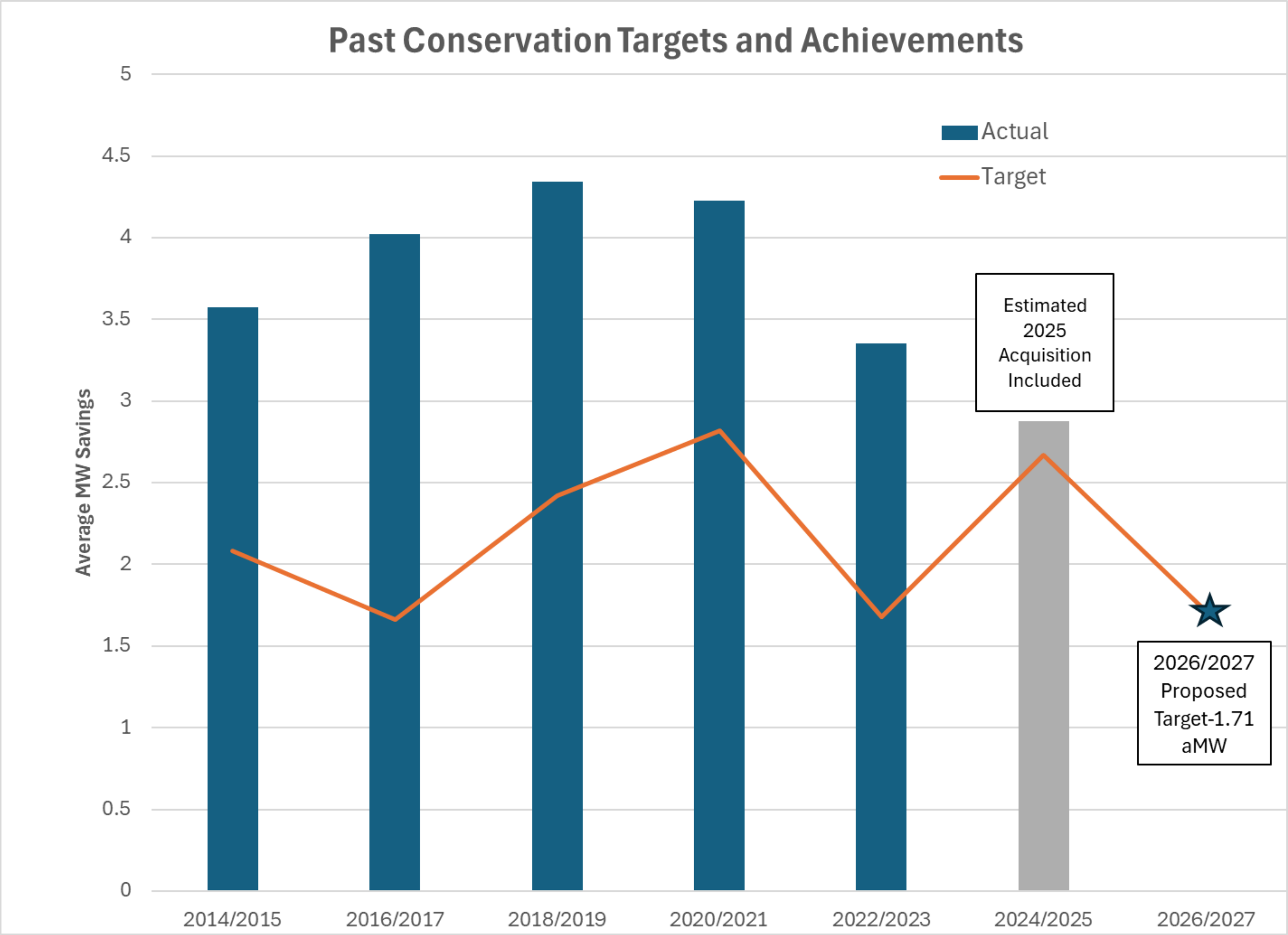
Agenda

- Public Notices Sent Out for Public Comment
- Results of 2025 Conservation Potential Assessment
- Difference from 2023 CPA
- Discussion
- Next Steps

No Action Required Today



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Cost-Effective Energy Savings Potential by Sector (aMW)

Sector	2-Year Potential 2023 CPA	2025 CPA	% Change
Residential	0.41	0.35	-14%
Commercial	1.29	1.10	-15%
Industrial	0.90	0.22	-75%
Utility	0.06	0.03	-44%
Agricultural	0.01	0.01	-7%
Total	**2.67**	**1.71**	**-36%**

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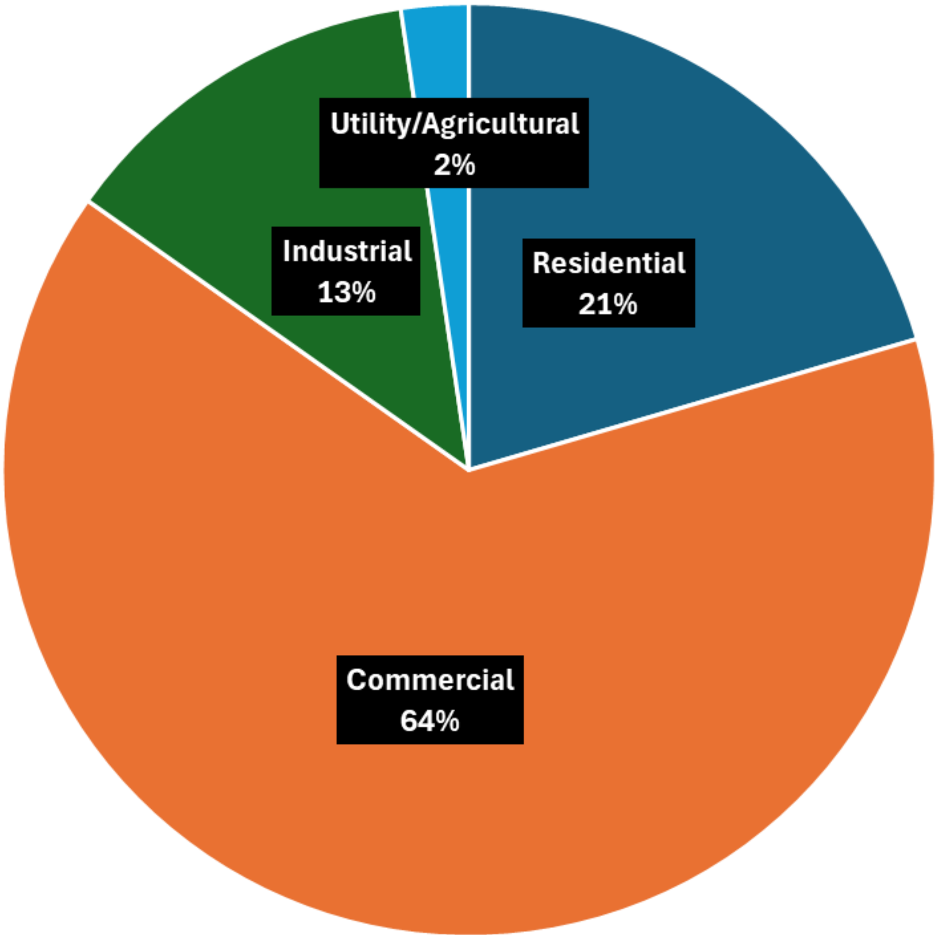
Primary Driver of Decreased Potential

- Lower wholesale market price forecasts,
- Distribution system benefits of conservation were reduced from $66 per kW-year to $9.55 per kW-year,
- Some energy efficiency measures have had their energy savings reduced, and
- Equipment costs have increased.

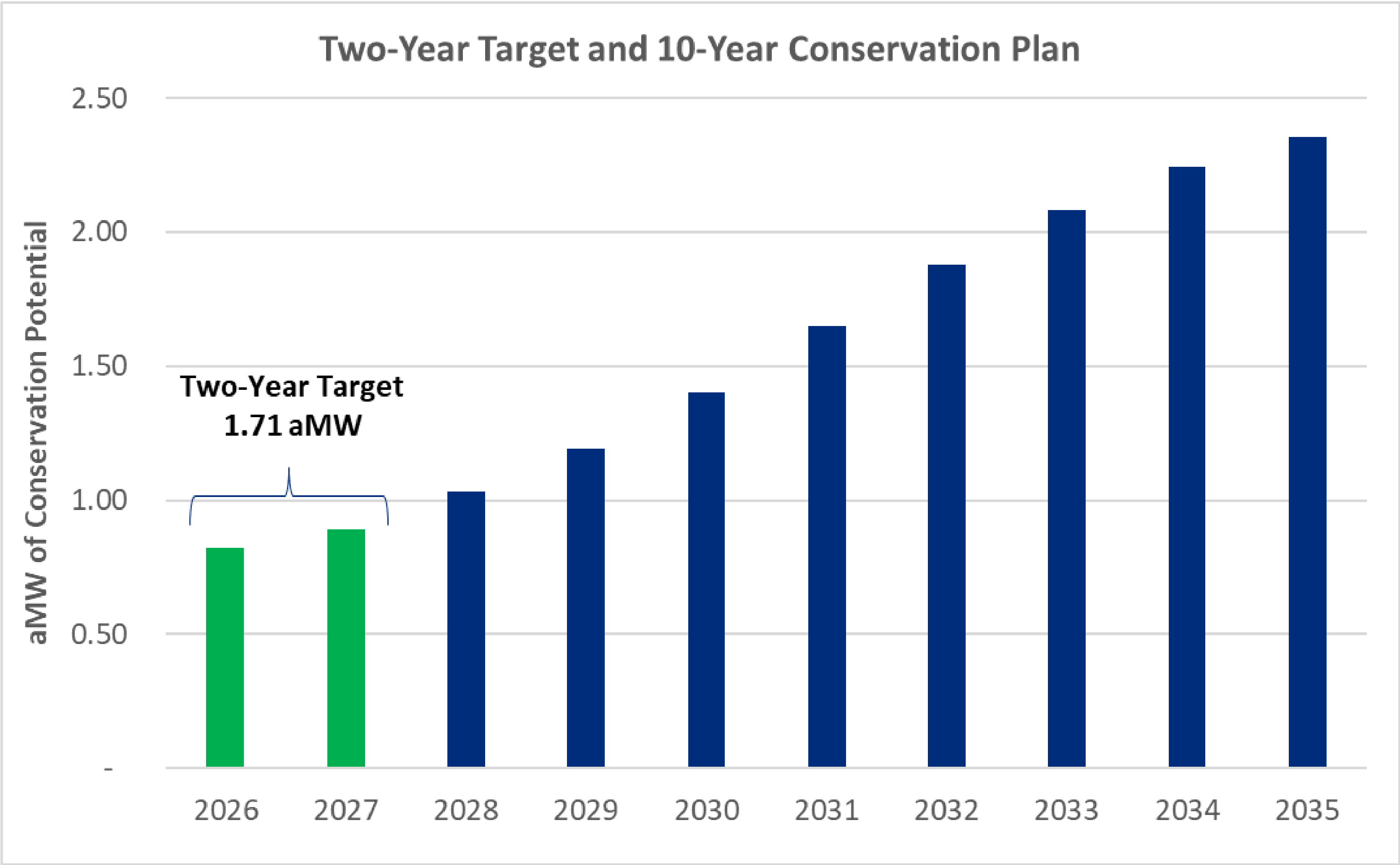
What Makes Up the Target



- Commercial and Industrial sector ~ 77%

  Major focus areas:
  - HVAC measures: All sectors
  - Commercial/Industrial Lighting
  - Weatherization
    - Including low-income
  - Northwest Energy Efficiency Alliance

Proposed 10-Year Plan and 2-Year Target



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Next Steps

- Any comments from the public?

- Board resolution to set 2-year target scheduled for December 1, 2025

Questions?