

Washington DSM Advisory Group Meeting April 28, 2021



Agenda

- 2020 results and 2021 forecast. Comparison with two year target.
- Adaptive management to help close current biennial period shortfall
- 2022-2023 planning /target setting
 - Non-energy impact - DNVGL
 - Approaches for Home Energy Reports
- System Benefit Charge review
- Follow-ups from last meeting
- Other topics as requested
 - Meeting dates for balance of 2021

2020 Actuals/Current 2021 forecast



2020 results vs. 2020 forecast from 11-1-19

	2020 forecast Appendix 2 - Table 1 - 11-1-19 UE 190908			2020 PacifiCorp Washington DSM Actual			
Program	kWh/Yr Savings (at site)	kWh/Yr Savings (at generation)	Estimated Systems Benefit Expenditures	kWh/Yr Savings (at site)	kWh/Yr Savings (at generation)	Systems Benefits Charge Expenditures	2020 actual/2020 forecast
Low Income Weatherization	145,860	159,965	\$ 750,000	69,527	74,864	\$ 347,189	47%
Home Energy Savings	9,900,260	10,857,615	\$ 3,838,181	4,720,378	5,082,714	\$ 2,672,704	47%
Home Energy Reports	4,230,000	4,639,041	\$ 287,500	3,542,270	3,814,175	\$ 259,013	82%
Total Residential Programs	14,276,120	15,656,621	4,875,681	8,332,175	8,971,753	3,278,906	57%
Wattsmart Business	28,422,079	31,021,674	\$ 6,385,122	28,850,291	30,990,060	\$ 5,776,230	100%
Northwest Energy Efficiency Alliar	3,151,202	3,452,317	\$ 831,388	5,569,225	5,996,719	\$ 1,002,231	174%
TOTAL	45,849,401	50,130,612	12,092,191	42,751,690	45,958,532	10,057,367	92%
Process & Impact Evaluation			\$ 549,524			\$ 351,377	
Class 2 Potential Study			\$ 120,115			\$ 107,628	
Energy Education			\$ 64,523			\$ 3,376	
Portfolio - EM&V, DSMC, TRL			\$ 157,735			\$ 39,977	
Outreach and Communication			\$ 250,000			\$ 249,711	
End use load research, RTF & CTA			\$ 109,500			\$ 31,057	
Total System Benefits Charge Expenditures			\$ 13,343,588			\$ 10,840,493	
PacifiCorp Conservation	42,698,199	46,678,295	12,512,200	37,182,465	39,961,813	9,838,262	86%

April 26, 2021 forecast

Program or Initiative	2020 PacifiCorp Washington Conservation ACTUALS			PacifiCorp Washington REVISED APRIL 2021 Conservation Forecast			2020 + 2021
	Gross kWh/Yr Savings @site	Gross kWh/Yr Savings @gen	Estimated Expenditures	Gross kWh/Yr Savings @site	Gross kWh/Yr Savings @gen	Estimated Expenditures	Gross MWh Savings @gen
Low Income Weatherization (114)	69,527	74,864	\$ 347,189	145,860	157,056	\$ 865,000	232
Home Energy Savings (118)	4,720,378	5,082,714	\$ 2,672,704	5,099,249	5,490,667	\$ 3,771,072	10,573
Home Energy Reports (N/A)	3,542,270	3,814,175	\$ 259,013	256,730	276,437	\$ 266,500	4,091
Total Residential Programs	8,332,175	8,971,753	\$ 3,278,906	5,501,839	5,924,160	\$ 4,902,572	14,896
Wattsmart Business (140) - Commercial	21,182,321	22,792,601	\$ 4,240,996	20,394,007	21,944,359	\$ 5,356,993	44,737
Wattsmart Business (140) - Industrial	6,864,628	7,332,452	\$ 1,374,394	7,054,456	7,535,217	\$ 1,384,815	14,868
Wattsmart Business (140) - Irrigation	803,342	865,007	\$ 160,840	3,532,312	3,803,452	\$ 936,344	4,668
Total Business Programs	28,850,291	30,990,060	\$ 5,776,230	30,980,775	33,283,029	\$ 7,678,152	64,273
Northwest Energy Efficiency Alliance	5,569,225	5,996,719	1,002,231	3,023,217	3,253,636	842,389	9,250
Total Other Conservation Initiatives	5,569,225	5,996,719	\$ 1,002,231	3,023,217	3,253,636	\$ 842,389	9,250
Be wattsmart, Begin at Home	-	-	\$ -	-	-	\$ 64,523	-
Customer outreach/communication	-	-	\$ 249,711	-	-	\$ 250,000	-
Program Evaluations (& savings verification)	-	-	\$ 351,377	-	-	\$ 259,662	-
Potential study update/analysis	-	-	\$ 107,628	-	-	\$ 95,368	-
System Support	-	-	\$ 43,353	-	-	\$ 148,543	-
End use load research, RTF & CTA 2045	-	-	\$ 31,057	-	-	\$ 85,500	-
Total Portfolio-Level Expenses	-	-	783,126	-	-	903,596	-
Total PacifiCorp Conservation	37,182,466	39,961,813	\$ 9,838,262	36,482,614	39,207,189	\$ 13,484,320	79,169
Total System Benefit Charge Conservation	42,751,691	45,958,532	10,840,493	39,505,831	42,460,825	\$ 14,326,709	88,419
Total Conservation	42,751,691	45,958,532	\$ 10,840,493	39,505,831	42,460,825	\$ 14,326,709	88,419
						penalty target (gen)	95,108
							83%

Adaptive Management



COVID-19 impacts

Statewide and County data on case rates, case counts (now and Nov meeting)

Data available as of 4/22/2021

	Rate per 100K of newly diagnosed confirmed and probable cases over two weeks (as of Apr 21)	Total confirmed cases (as of Apr 21)	Population	Total confirmed cases per capita (as of Apr 21)
Washington State	218	391,839	7,656,200	5.1%
Yakima County	279	29,084	258,200	11.3%
Walla Walla County	98	4,936	62,580	7.9%
Columbia County	0	118	4,185	2.8%
Garfield County	0	120	2,225	5.4%

Data available as of 11/20/2020

	Rate per 100K of newly diagnosed cases during the prior week (Nov 2-Nov 8)	Rate per 100K of newly diagnosed cases during the prior two weeks (Oct 26-Nov 8)	Total confirmed cases (as of Nov 18)	Population	Total confirmed cases per capita (as of Nov 18)
Washington State	143	232	137,411	7,550,000	1.8%
Yakima County	84	163	12,710	255,950	5.0%
Walla Walla County	410	720	1,845	62,200	3.0%
Columbia County	48	168	26	4,160	0.6%
Garfield County	541	1351	52	2,220	2.3%

COVID-19 impacts

Safe Start Phase:

- Yakima, Walla Walla, Columbia and Garfield all in Phase 3

Statewide and County level data on vaccinations

Data available as of 4/22/2021					
	Vaccine Doses Given	People Initiating Vaccination	People Fully Vaccinated	Population	Fully Vaccinated per capita
Washington State	4,765,270	2,927,970	1,982,674	7,656,200	26%
Yakima County	154,418	81,722	59,455	258,200	23%
Walla Walla County	45,546	24,055	18,851	62,580	30%
Columbia County	2,720	1,026	862	4,185	21%
Garfield County	1,510	443	372	2,225	17%

Adaptive Management – Wattsmart Business Vendor Incentives

- What:
 - Vendor Incentive for Lighting
 - All offers - small business, midstream, retrofit, new construction
- Why:
 - Encourage existing vendors to do more
 - Re-engage vendors who are focusing efforts in other areas
 - Attract new vendors (including from out of area)
- When:
 - Launched April 5, 2021
 - Promotion dates to drive new projects completed in 2021
- How Much:
 - \$0.05/kWh, up to \$10,000 per customer location
 - Per vendor caps to ensure multiple vendors
- 2021 Budget (matches 2021 ACP), add'l kWh
 - \$250,000 for vendor incentives
 - ~+2.2 million kWh (already in forecast)



Incentives for Wattsmart Business Vendors Installing Any Lighting Upgrade!

Receive a cash incentive at a rate of \$0.05 per kWh saved for helping Pacific Power business customers in Washington save money on their energy improvements with any qualifying lighting upgrade.

This incentive offer is for the **Wattsmart Business Vendor submitting the project (yes, this is for you!)** and is in addition to incentives available to the customer through Wattsmart Business.

How it works: Vendors receive an additional incentive per lighting project of \$0.05 per kWh saved, with a maximum vendor incentive of \$10,000 **per customer location**. Each vendor is eligible to receive up to \$35,000 total incentive per vendor location. Vendor incentives are first come, first served and the vendor incentive offer may terminate earlier than the eligibility timeline if allocated funding is exhausted. Maximum incentive per Vendor Company is \$50,000. The program will communicate with the WBVN when these funds are exhausted. See the table below for some example vendor incentives.



Para información en español, haga [clic aquí](#).

These are unprecedented times, and we understand that many businesses face a multitude of challenges implementing energy efficiency projects. To address this, Pacific Power made changes to the Wattsmart Business program, temporarily increasing incentives for lighting, HVAC, refrigeration, irrigation and more by approximately 25% (before any project incentive caps are applied).

By choosing energy efficiency, you can make your business a more comfortable place and save energy and money, while also making a positive impact on the environment and your local community.

Not sure where to start? Start saving today with a few easy steps:

STEP 1: SCHEDULE A FREE ASSESSMENT

Sign up online to connect with an energy expert. You will receive recommendations for energy upgrades at your business that qualify for Wattsmart Business cash incentives.

STEP 2: DECIDE ON IMPROVEMENTS AND UPGRADES

Work with a local [Wattsmart Business Vendor](#) or a contractor of your choice to choose and install the best upgrades for your business.

STEP 3: SAVE MONEY, SAVE ENERGY AND EARN CASH INCENTIVES!

Start enjoying benefits of energy efficiency after completing your upgrades.

[REQUEST A FREE ASSESSMENT](#)

Complete the simple online form and we will contact you to schedule your free assessment.

We're here to help you identify your unique goals and find upgrades and cash incentives that work for you.

For more information, call us toll free at 1-855-805-7231 or contact a [participating vendor](#). Contact us before you order new

Adaptive Management – Wattsmart Business 2021 Outreach

Mass market/unmanaged accounts engagement

- Field outreach work is ongoing (w/vendors, customers)
 - Lighting example
 - Customer outreach - upgraded to T8 (fluorescent) in the past, but have not upgraded to LED
 - Dairy example
 - Dairy vendor outreach - Identified a new ventilation fan measure
 - Vendors aware, customers not as aware - Dairy customer mailing planned
- RFQ for additional small business lighting vendors
- Customer emails sent (2,064 total in 2 waves)
 - 12/14/2020 – com1: 770, 19% open; irrig: 287, 31% open
 - 1/4/2021 – com1: 733, 18% open; irrigation: 274, 28% open
 - English and Spanish
- Irrigation customer mailing 3/31/2021 (2,462)
- Multi-cultural outreach
 - Central Washington Hispanic Chamber Meet & Greet 3/31/21
- Advertising

Adaptive Management – Large customer engagement

- In Jan/Feb 2021, Hallie Gallinger of Pacific Power and engineering staff from Cascade Energy conducted 71 outreach meetings with large commercial/industrial customers to discuss projects planned for this year and 2022. These meetings resulted in 36 new projects that will likely complete in 2021. Energy analysis is underway for these projects to determine energy savings and incentive estimates.
- Cascade Energy will conduct a multi-day compressed air leak assessment in May with several large customers in the Yakima area. Cascade will be using a new Fluke leak detector to provide a summary of leaks for customers and a plan for implementation in 2021. To date, nine customers are scheduled to participate in the leak assessment.
- Pacific Power is participating in monthly strategy meetings with Providence Health in Walla Walla to identify projects that will assist the customer in achieving EUI targets identified for compliance with the WA Clean Buildings standard. Outreach with similar large commercial customers is planned for Spring/Summer 2021.
- Pacific Power and Cascade Energy are completing the first year of SEM engagement with three water supply customers in the Yakima Valley. The treasure hunts and workshops have all been conducted successfully in a remote environment. This experience will allow Pacific Power to broaden our customer participation to areas not geographically connected and allow us to continue our partnership with neighboring utilities to jointly deliver SEM cohorts cost effectively.

Adaptive Management – Residential Direct Install

- As part of the January 2021 program changes, the program added new measures for direct install lighting for single family, multifamily, and manufactured homes.
- Incandescent and halogen bulbs will be replaced with ENERGY STAR certified LED lighting in high use and exterior sockets. RTF savings values used for reporting.
- Three separate channels
 - Program implementer staff will focus on multifamily buildings to maximize potential savings from direct install efforts. Eligible customers will also have the opportunity to receive a free advanced power strip if they are willing to install it themselves under staff supervision and guidance.
 - Pacific Power will leverage its partnership with the Sustainable Living Center in Walla Walla to incorporate the direct install of lighting during their in-home weatherization work.
 - The manufactured home duct sealing direct install program will expand to include the installation of approved LED bulbs in eligible manufactured homes.

2022-2023 planning /target setting



Target setting

- 2021 IRP draft portfolio likely available at May public input meeting – our target starting point
- EIA work starts with an IRP price case (incorporates adders)
 - social cost of carbon – same as 2019 work
 - + non-energy impact adder (2.7 c/kWh - 2017\$ escalated) – new for 2021
 - + measure specific NEIs from DNVGL – new for 2021
- New with CETA - demand response forecast
- Good news. DR in the CPA. DR selected by the IRP. Should be bolt on.
- Minimal adjustments for DR No NEEA overlap or RTF updates!

NEI deliverable(s) from DNVGL

#	Deliverable
1.	Excel dataset and memo confirming mapping of Pacific Power WA measures to DNVGL NEI Database.
2. 3.	Excel dataset and memo estimating confidence and plausibility factors. Memo detailing economic adjustment factor(s).
4.	Excel dataset and memo with WA-specific NEIs.
5.	Excel dataset and memo with gap analysis.
6.	Final summary report containing all necessary documentation to establish the NEI as a viable measure of non-energy impacts resulting from the installation of energy efficiency measures including; studies, engineering calculations and any supporting studies.

NEI status

- Measure data set and TRL delivered to DNVGL
- Deliverable 1 draft received
- Deliverable 2 Memos on confidence factors done/approved
- Deliverable 3 Memo on economic adjustment factor done/approved
- In progress- resolving measure ID cases to complete mapping and so Deliverable 1 finalized
- Deliverable 4 – will contain the measure specific values = scheduled for early June – so AEG can start adjustment process
- Deliverables 5 & 6 – July

Home Energy Reports

- Not included in CPA. Added to IRP selected EE
- New/re-randomized treatment and control groups starting in 2020. Expected to ramp up over 3 years
- COVID/changed occupancy patterns in homes has delivered less energy savings than originally planned.
- Treatment (and control) group expansion underway. Also expected to ramp up over three years.
- Reviewed approaches for 2022-2023 in consultation with Bidgely.
 - Keep existing groups. Reforecast savings rate and ramp
 - Create new/re-randomized groups. New savings rate and ramp.
- Proposed approach is to keep existing groups with updated savings rates and ramp. Add kWh estimates to the target.

System Benefit Charge review



Collection rate review – 2020 – actuals

	Monthly Conservation Costs	SBC Recovery	Cash Basis Accumulative Balance	Accrued Costs	Accrual Basis Accumulative Balance
January	1,216,473	(1,041,397)	(5,328,938)	(204,030)	(3,748,017)
February	607,378	(938,800)	(5,660,359)	(814,343)	(4,893,782)
March	1,186,910	(847,433)	(5,320,882)	(139,507)	(4,693,811)
April	1,092,765	(776,449)	(5,004,566)	341,969	(4,035,526)
May	1,107,923	(693,317)	(4,589,960)	(199,846)	(3,820,766)
June	856,535	(756,246)	(4,489,671)	(38,025)	(3,758,502)
July	867,304	(864,391)	(4,486,758)	(53,555)	(3,809,144)
August	657,317	(972,680)	(4,802,120)	(31,863)	(4,156,369)
September	578,005	(917,570)	(5,141,685)	189,230	(4,306,704)
October	981,835	(810,362)	(4,970,212)	25,248	(4,109,983)
November	837,937	(890,410)	(5,022,686)	(46,672)	(4,209,128)
December	1,400,677	(1,049,604)	(4,671,613)	267,322	(3,590,733)
2020 Totals	11,391,058	(10,558,657)		(704,071)	

Collection rate review – 2021 actuals + forecast

	Monthly Conservation Costs	SBC Recovery	Cash Basis Accumulative Balance	Accrued Costs	Accrual Basis Accumulative Balance	
January	789,852	(1,043,805)	(4,925,566)	(13,449)	(3,858,135)	
February	321,717	(961,785)	(5,565,634)	(136,492)	(4,634,695)	
March	1,022,703	(876,929)	(5,419,859)	(165,382)	(4,654,303)	Actual
April	1,589,856	(771,108)	(4,601,111)		(3,835,554)	Forecast
May	1,611,909	(688,548)	(3,677,749)		(2,912,193)	
June	1,246,167	(751,044)	(3,182,627)		(2,417,070)	
July	1,261,834	(858,445)	(2,779,238)		(2,013,682)	
August	956,327	(965,989)	(2,788,901)		(2,023,344)	
September	840,935	(911,258)	(2,859,224)		(2,093,667)	
October	1,428,465	(804,788)	(2,235,547)		(1,469,990)	
November	1,219,108	(884,286)	(1,900,724)		(1,135,168)	
December	2,037,835	(1,042,384)	(905,274)		(139,717)	
2021 Totals	14,326,709	(10,560,370)		(315,323)		

Collection rate review – 2022 forecast

	Monthly Conservation Costs	SBC Recovery	Cash Basis Accumulative Balance	Accrued Costs	Accrual Basis Accumulative Balance
January	789,852	(1,036,457)	(1,151,879)		(386,322)
February	321,717	(955,015)	(1,785,176)		(1,019,620)
March	1,022,703	(870,756)	(1,633,229)		(867,672)
April	1,589,856	(765,680)	(809,052)		(43,496)
May	1,611,909	(683,701)	119,156		884,713
June	1,246,167	(745,757)	619,566		1,385,122
July	1,261,834	(852,402)	1,028,997		1,794,554
August	956,327	(959,189)	1,026,135		1,791,691
September	840,935	(904,844)	962,226		1,727,783
October	1,428,465	(799,123)	1,591,568		2,357,125
November	1,219,108	(878,061)	1,932,616		2,698,173
December	2,037,835	(1,035,047)	2,935,404		3,700,961
2022 Totals	14,326,709	(10,486,031)		-	
			Total Accrual in March 2021	765,556	

Collection rate review

- Started with 2021 annual conservation plan. Adjusted Home Energy Savings downward. Wattsmart Business upward based on implementer forecasts.
- Program forecasts while uncertain in COVID are higher in 2021 by design. Increased incentives and added tactics to close the gap all require additional budget.
- Targets and spend in 2022 unknown. First time to incorporate CETA requirements including addition of demand response.
- Rate stability is important
- Downward adjustment now will likely require upward adjustment fairly soon thereafter
- Propose to leave rate unchanged
- File exemption by June 1, 2021
- Re-analyze in Q4 2021

Follow-ups from last meeting



Overview

- Follow-up from Dec. meeting
- Media timing
- Choices Campaign creative



Follow-up

Residential: 30% paperless

Non-residential: 18% paperless



2020 impressions and CTRs (click-through-rates)

Communication Channel	Total Impressions	CTRs (click-through-rate)
Online advertising – digital	2,205,788	0.12%
Social – Facebook, Instagram, LinkedIn	8,822,287	0.96%
TV	971,646	N/A
Radio	8,617,814	N/A
Print (newspaper/magazine)	854,312	N/A

Online and social CTRs are above national average (0.09% digital; 0.45% social).

Campaign garnered 1,600,814 bonus digital impressions.

Impressions – Explained

- TV and Radio
 - Impressions based on media buys purchased and calculated through media buying software to measure individuals hearing a radio ad or viewing a TV commercial
- Newspaper/Magazine
 - Impressions determined by circulation and insertions frequency
- Digital & Social –impressions measured by
 - Programmatic display –views of paid banner ad
 - Social media –views of paid Facebook, Instagram and LinkedIn ad
 - Search –number of clicks on paid ads



Media

Media Timing

- It's important to have a well-rounded media mix dispersed consistently across the calendar year.

Washington 2021												
Medium	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
TV												
OTT												
Radio												
Print												
Digital												
Social												
Search												



Creative

2021 Choices Campaign

- Understanding our customers
 - Effectively reaching our diverse mix of customers
- Message tone: sensitive to COVID-19 with longevity to stay relevant for years; trusted partner
- Visual tone: Fresh, relatable imagery representative of our residential and business customers
- New logo/color scheme
 - Green can represent money savings and environmental goals
- Make Pacific Power the “first thought” when it comes to energy efficiency

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Creative - digital



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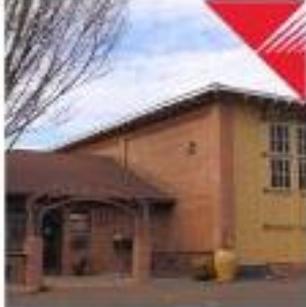


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Creative - radio



Business radio



Residential radio

Creative – TV/OTT



Other updates



DSM AG meetings for balance of 2021

- Proposed schedule & topics – reality check before meeting invites go out. Will be re-scheduled if key deliverable schedules change
- June 10
 - Initial look at IRP draft portfolios – proposed adjustments
- July 22
 - Portfolio updates & adjustments – target prior to August 2
- August 24
 - Draft program details, budgets, tariffs, CE results – prior to Sept 1
- October 14
 - Comments on draft plan, current biennial period results
- December 16
 - Communications, collection rate analysis review