

Planned Changes to Wattsmart Business - California Proposed Effective Date – March 28, 2022

As defined in its Annual Budget Advice Letter for 2022 (Advice 657-E and Advice 657-E-A), PacifiCorp (Pacific Power) is planning modifications to the Wattsmart Business energy efficiency incentive program, which is offered through Schedule A-140. The proposed changes are intended to continue to update the program based on new statewide energy efficiency workpapers to improve consistency with other California energy efficiency programs. Consistent with the change process for the Wattsmart Business program approved in Decision D.21-12-034 on December 16, 2021, the program changes incorporated in the Annual Budget Advice Letter for 2022 will be filed in a Tier 1 Advice letter and, following a disposition on the Tier 1 Advice letter, notice of the changes will be posted on the program website¹ 45 days prior to implementation. Proposed changes to the incentive tables are included in Exhibit A.

Background

The Wattsmart Business program is available to the Company's commercial, industrial and irrigation customers in California² and offers incentives and technical assistance for prescriptive/listed, custom, and energy management measures. Incentives are available for both retrofit projects and new construction/major renovation projects.

The program in California was last updated in March 2021. The prescriptive/listed measures in the program periodically require updates to maintain alignment with energy code, standards, third-party specifications, California's Database for Energy Efficiency Resources (DEER) statewide workpapers, and market data that change over time. The program is also periodically expanded to include new measures. As part of this set of program changes, the Company is incorporating the appropriate updates for 2022.

Description of Planned Wattsmart Business Changes

These changes are intended to

- a) Align with [DEER statewide workpapers](#), including removal, addition or modification of measures.
 - For lighting retrofits, move TLED Type B and C measure offerings from site-specific calculations to deemed to align with updated DEER statewide workpapers
 - For new construction lighting, remove TLED Type B and C measure offerings
 - Add new measures for Air-Cooled Screw Chillers and High Performance Conveyor Toasters
 - Modify the Heat Pump Water Heater measures to align with the commercial HPWH workpaper

¹ <https://www.pacificpower.net/savings-energy-choices/business/wattsmart-efficiency-incentives-california.html>

² The Wattsmart Business program is available in California, Washington, Idaho, Utah and Wyoming with some variation by state.

- Remove measure variations that are no longer cost effective, including lower lumen LED High Bays and smaller Ultra Low Temperature Freezers
- b) Reduce custom incentives for new construction/major renovation lighting and lighting controls
- c) Align with Regional Technical Forum updates for irrigation water distribution measures
- d) Make other minor changes

Explanation of Changes

The planned program changes are listed and explained in the tables below. For additional details, refer to the revised Wattsmart Business incentive tables and information, attached as Exhibit A. Exhibit A is marked in redline form to show the planned changes relative to the current program³.

Retrofit Lighting, Exhibit A, page 4-5		
Measure	Description of Change	Reason for Change
LED High Bay or Low Bay	Remove measures for equipment < 30,000 lumens and make them ineligible for incentives	The lower lumen equipment is not cost effective.
T8 TLED Lamp - UL Type B	Move from site-specific to deemed savings, change incentive.	This measure is moving to deemed to align with statewide workpaper SWLG018-01 Type B and C LED Tube.
T8 TLED Lamp - UL Type C	Move from site-specific to deemed savings, change incentive.	This measure is moving to deemed to align with statewide workpaper SWLG018-01 Type B and C LED Tube.

New Construction/Major Renovation Lighting, Exhibit A, page 6		
Measure	Description of Change	Reason for Change
T8 TLED Lamp – UL Type B with Advanced Networked Lighting Controls	Remove measure from table. Type B and C TLEDs will not be eligible for NCMR incentives, but Advanced Networked Lighting Controls may still be eligible for incentives under the Custom Interior	Type B and C TLEDs are now offered through a statewide workpaper which does not allow for NCMR applications.
T8 TLED Lamp – UL Type C with Advanced Networked Lighting Controls		

³ For reference, the current program and incentive tables can be found at https://www.pacificpower.net/content/dam/pcorp/documents/en/pacificpower/savings-energy-choices/wattsmart-business/california/CA_wattsmartBusiness_Definitions_Incentive_Tables_Information.pdf

	Lighting and Lighting Control measure.	
Custom	Reduce incentive.	Reducing the incentive to ensure it is less than the incremental cost for high efficiency lighting and lighting controls.

Other HVAC Equipment and Controls Incentives, Exhibit A, page 9-10		
Measure	Description of Change	Reason for Change
Air-Cooled Screw Chiller, Path B	Add new measure.	Adding a new HVAC measure from statewide workpaper SWHC052-01 Air-Cooled Chiller, Path B to expand the cost effective measure offerings to customers.

Food Service Equipment Incentives, Exhibit A, page 10-11		
Measure	Description of Change	Reason for Change
High Performance Conveyor Toaster	Add new measure.	Adding a new food service measure from statewide workpaper SWFS023-01 Conveyor Toaster, Commercial to expand cost effective food service measure offerings to customers.
Ultra Low Temperature Freezer	Remove incentives for 15-24 cubic ft size category.	This size category is not cost effective.

Appliance Incentives, Exhibit A, page 12		
Measure	Description of Change	Reason for Change
Heat Pump Water Heater (Normal Replacement or New Construction)	Change equipment size category and minimum efficiency requirements. Equipment outside of the listed size category is ineligible for incentives.	Revising measure to align with statewide workpaper SWWH031-01 Heat Pump Water Heater, Commercial.

Irrigation Incentives, Exhibit A, page 13-15		
Measure	Description of Change	Reason for Change
Prescriptive irrigation hardware maintenance and upgrade measures	Remove cut and press or weld repair measure from the irrigation incentive table. Going forward, this measure will be eligible for custom nonlighting incentives.	Aligning with Regional Technical Forum's June 16, 2021 revisions to irrigation hardware maintenance and irrigation hardware upgrade measures.

	Remove pressure regulator and low pressure sprinkler measures.	
	Add pivot and linear sprinkler package replacement and upgrade measures.	

Database of Energy Efficiency Resources (DEER) Alignment Review

Commission Decision D.14-04-008 included an order⁴ related to use of unmodified DEER values for measures where DEER values are available. This order was reinforced in Decision 18-11-033⁵ and in Decision 21-12-034. Recent updates to unit energy savings (UES) measures posted on the DEER website in the statewide workpapers (<http://www.deeresources.net/workpapers>) were reviewed as of September 1, 2021 for all Wattsmart Business measures for alignment with DEER. The results of this review can be found in Exhibit B.

Transition Plan for Projects in Progress

For projects where pre-approval is required (e.g. custom measures), the version of the program that applies is based on the incentive offer issue date.

For projects where pre-approval is not required, the version of the program is based on the equipment purchase order/invoice date for the first item(s) purchased for the project.

Cost-Effectiveness

Cost effectiveness analysis for the program with these changes was provided as part of PacifiCorp’s 2022 Annual Budget Advice Letter (Advice 657-E) filed September 1, 2021. The 2022 ABAL also includes a comprehensive description of the company-specific model used for the analysis. The Wattsmart Business program and the portfolio (Home Energy Savings in combination with Wattsmart Business) are projected to be cost effective with the proposed changes.

Evaluation Plan

The Company offers Wattsmart Business in its other service territories. Evaluations are conducted at the program level with reports prepared for each state. Consistent evaluation plans throughout PacifiCorp’s system-wide territory reduce administrative costs for the program. The most recent

⁴ In future applications for approval of energy efficiency programs, PacifiCorp shall use unmodified Database of Energy Efficiency Resource (DEER) values for measures where the DEER values are available.

⁵ In calculating its Total Resource Cost and Program Administrator Cost, PacifiCorp must use only Database for Energy Efficiency Resources values approved as of the date of each Annual Budget Advice Letter submission or future pleading, as applicable.

evaluation⁶ was for the 2018-2019 program. The next evaluation of PacifiCorp's business programs will be for program years 2020-2021 and is underway.

Exhibits Provided

Exhibit A – CA Wattsmart Business incentive tables effective 3-15-2021_proposed changes for 2022 marked in redline form.

Exhibit B – Wattsmart Business DEER alignment review

Cost-Effectiveness analysis – PCorp CE Memo_CA_ABAL_PY2022_16Aug2021.docx

⁶https://www.pacificorp.com/content/dam/pcorp/documents/en/pacificorp/environment/dsm/california/California_2018-2019_WSB_Evaluation_Final.pdf