

Planned Changes to Wattsmart Business - California Proposed Effective Date – March 15, 2021

As defined in its Annual Budget Advice Letter for 2021, 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 documented in Advice Letter 518-E approved April 30, 2015, 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 September 2020. 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 2021.

Description of Planned Wattsmart Business Changes

These changes are intended to

- a) align with [DEER statewide workpapers](#), including removal or modification of measures, and voluntarily begin a transition to align with the statewide Custom Project Guidance Document as much as possible.
- b) add a new measure for LED High and Low Bays based on a statewide workpaper and allow for a custom incentive for new construction/major renovation interior lighting measures
- c) add a new measure for Electronically Commutated Motors in walk-in freezers or coolers
- d) align with updates to third-party specifications such as Consortium for Energy Efficiency
- e) make other minor changes

Explanation of Changes

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.

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.

General Information and INCENTIVES Table, Exhibit A page 1-3		
Category	Description of Change	Reason for Change
Incentive table footnotes	For non-deemed Listed Measures and Custom Non-Lighting – Add program influence requirement, add preponderance of evidence requirement for Accelerated Replacement measures.	These changes are to align with the Statewide Custom Project Guidance Document v 1.3 on the Commission website. The changes apply to Custom Non-Lighting and Listed Measures where kWh savings is determined using site-specific inputs (not deemed). Although Pacific Power is not subject to the California Public Utilities Commission (Commission) custom project review process, following the Statewide Custom Project Guidance Document on the Commission website aligns with Commission direction to align with the other utilities statewide.

Retrofit Lighting, Exhibit A, page 4-6		
Measure	Description of Change	Reason for Change
Interior Lighting LED Ambient Fixtures and Retrofit Kits	Remove the deemed versions of these measures.	The statewide workpaper has a sunset date of 12/31/2020, so as noted in the program changes effective September 24, 2020, these measures will be eligible for a custom interior lighting incentives starting January 1, 2021. (Refer to Retrofit Lighting Incentive Table note 7.)
Interior Lighting High Bay or Low Bay	Add new listed deemed measures for LED High Bay or Low Bay fixtures.	This measure is aligned with DEER workpaper SWLG011-3 LED High or Low Bay which was revised for 2021.

New Construction/Major Renovation Lighting, Exhibit A, page 7		
Measure	Description of Change	Reason for Change
Custom – not listed above	Adding a new measure for custom lighting installed in new construction applications.	This measure was added to allow for new construction lighting that exceeds code.

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

Motors Incentives, Exhibit A, page 8		
Measure	Description of Change	Reason for Change
Electronically Commutated Motor (Accelerated Replacement)	Adding measures for ECMs replacing evaporator fan motors in walk-in freezers or coolers.	Refrigeration ECMs were removed from the program on 9/24/2020 due to the incremental cost listed in DEER as \$0. However, after further review it was determined that the DEER workpaper is for accelerated replacement, and the accelerated replacement costs are greater than \$0, so incentives will be available for these measures.

HVAC Equipment, Exhibit A, page 9-10		
Measure	Description of Change	Reason for Change
Heat Pumps, Air Cooled, replacing electric resistance heating (Retrofit only)	Clarify minimum efficiency requirements.	Rearranging the table so that the CEE heat pump requirements are more clearly delineated between the < 65,000 Btu/hr size category and the All sizes heat pump size category.

Food Service Equipment Incentives, Exhibit A, page 11-12		
Measure	Description of Change	Reason for Change
Electric Deck Oven	Updated minimum efficiency requirements to remove a reference to a qualified product list.	Qualified product lists are referenced in program supplements.

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. 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, 2020 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 non-lighting measures), the version of the program that applies is based on the incentive offer issue date.

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.

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 2021 revised Annual Budget Advice Letter (Advice 637-E) filed December 17, 2020. The 2021 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 evaluation⁶ was for the 2016-2017 program. The next evaluation of PacifiCorp's business programs will be for program years 2018-2019, and this evaluation is almost complete.

Exhibits Provided

Exhibit A – Wattsmart Business incentive tables and information – with changes from the current program (effective 9/24/2020) marked in redline form.

Exhibit B – Wattsmart Business DEER alignment review

Cost-Effectiveness analysis –

PCorp CE Memo_CA_ABAL_PY2021_23Nov2020.docx

Wattsmart Business Program Change Process (from Advice Letter 518-E approved April 30, 2015)

⁶https://www.pacificorp.com/content/dam/pcorp/documents/en/pacificorp/environment/dsm/california/California_2016-2017_WSB_Evaluation.pdf