

March 17, 2023

Submitted via email to Elena Kazarov, Long Term Energy Efficiency Planner (ekazarov@bpa.gov)

Thank you for the opportunity to provide comments regarding BPA's Draft 2022-2027 Energy Efficiency Action Plan. We hope that the following points are helpful as the agency considers and finalizes its plan.

We appreciate that BPA staff were very accommodating and willing to provide individualized meetings to review elements of the Draft Plan, and we appreciate their time and expertise. A more formal public process for the development of future plans that would bring together a diversity of views could lead to a more thoroughly reviewed plan. We understand the next opportunity may occur through the Provider of Choice process. We support broad review of BPA's program and policy through that process prior to negotiation of Energy Conservation Agreements in 2025 and 2026.

We understand the Northwest Power and Conservation Council (Council) identifies forecast targets identifying amounts of energy efficiency savings for the region. And, BPA utilizes its Resource Plan to apply those targets and determine the appropriate mix of least-cost resources to meet its needs. We support BPA's approach to utilize the Resource Plan to identify cost-effective levels of energy efficiency for BPA and its customers.

The draft plan aligns with NRU members' experience that conservation opportunities are becoming more limited. While all measures must remain cost effective for the system as a whole, NRU members expressed interest in expanding and identifying new program offerings that would be beneficial to utilities. We also heard a general theme that utilities have different needs, varying in levels of support needed to implement measures and types of measures that would be successful due to historical investments that impact future opportunities. And particularly, small and mid-sized utilities may have difficulty utilizing conservation measures due to lower levels of staffing support and smaller utility service territories and opportunities. Some ideas to reflect these concepts are listed below.

- We heard that there are measures that require technical assistance that may be difficult for small utility staff to accomplish, such as in-depth energy audits or engineering support for certain measures. To the extent that BPA already offers assistance it may be beneficial to share that information more broadly as we heard from some members support for that type of assistance. We also understand there may be a lack of contractors performing certain measures in different areas across BPA's footprint. NRU wonders if there might be savings by providing opportunities

to share technical assistance among a number of utilities in a region. We hope that BPA or others might be able to provide assistance to encourage or develop these opportunities, and NRU may have an interest in facilitating these opportunities and helping to bring contractors to small and rural utilities.

- We understand there is variation among preference customers in the adoption of energy efficiency measures with some utilities adopting certain measures faster than others. To recognize this variation, NRU recommends that BPA consider grouping utilities that have similar adoption rates of measures together and applying measures and incentive structures differently to recognize savings potential that still exist for certain utilities. That way the approach would vary according to the opportunity in the utility and better meet the utility's needs (and therefore better meet the overall targets).
- It is NRU's understanding that when considering the cost-effectiveness of particular measures BPA looks at the value of the measure to the BPA system in meeting its load obligations and may not consider the value to the utility of certain measures. Recognizing that the Council drives the measures, if utilities were able to provide more input or apply more control over identifying measures and approaches for the use of their incentive dollars in their service territory, they could identify where greater potential lies in their service territory or look at the benefit of various measures to better align the utility's load shape with the federal system, thus resulting in a reduction of load shaping and demand charges and reducing the need for BPA to acquire resources to meet peak load needs.
- Many utilities are interested in the potential to use their conservation dollars to support projects that may achieve the same goal as a conservation measure to reduce a utility's usage of federal power – some ideas that NRU members offered were to use dollars for small renewable generation projects, such as solar, and other related technologies. To the extent that expanding the use of energy efficiency dollars will result in more savings and will offset the need for BPA to acquire resources, there is additional value to all preference customers.

Related to specific measures about which we received input from members, please see below.

- The NW Power Plan removed a number of measures that are most valuable to residential customers, such as ductless heat pumps. BPA proposes to include those in their program and NRU supports that inclusion.
- We heard from a number of members that the Comfort Ready program may not be providing value and would appreciate further exploration of the value of retaining the program.
- The Energy Smart Industrial Program has been a valuable program. Some NRU members wonder if additional support at this time will be enough to overcome staffing shortages and supply chain constraints and perhaps delaying an expansion would be a good idea until these other factors change.

- Many utilities indicated concern about eliminating the promotional HVAC and promotional payments as of April 1, 2022. If these promotions were retained, utilities may be better able to achieve savings and utilize their budget, especially since we are still experiencing economic impacts and supply chain constraints.
- Some utilities indicated concern about eliminating the Performance Tested Comfort System and would have liked additional discussion prior to BPA determining it would end that program.

Last, we understand there may be new federal and state incentives that will be implemented during the period of the Draft Plan. Our members are interested in ensuring a cohesive approach and encourage BPA to work toward that end. And, to the extent that the incentives are significant and could benefit from a change in strategy by BPA, NRU recommends a public review of the incentives and impact on the program and plan at that time.

We appreciate BPA's work to develop the Draft Plan and appreciate the opportunity to provide these comments for your consideration. If you would like to discuss these concepts further, please contact Tashiana Wangler at twangler@nru-nw.com or 503-956-9281.