

Welcome to BPA's Webex Meeting!

Note: Your audio is muted upon entry.



Strategic Energy Management Persistence Study Results







Agenda

BACKGROUND

METHODOLOGY

3 **STUDY FINDINGS**

QUESTIONS / NEXT STEPS



BACKGROUND

01: BACKGROUND

Teams

BPA Core Team

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Contractor Team



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BPA's Strategic Energy Management Program

BPA began offering its SEM program to industrial facilities in 2010

BPA provides long-term energy management consulting services to educate industrial energy users to... Develop and execute a longterm energyplanning strategy and

Permanently integrate energy management into their business planning.

SEM Persistence Study



An **in-depth evaluation** of the SEM program was completed in 2016. However, the issue of persistence was not addressed beyond the sampled participation period by that evaluation.



Persistence refers to the **lifetime of a specific measure** listed in the SEM plan, defined as how long the measure continues to be in operation (also referred to as effective useful life).



BPA typically identifies SEM as a "measure," which includes all of its constituent activities. The purpose of this study was to assess the life of all of the activities that were likely to directly save energy, and not activities that are purely informational or organizational.

SEM Persistence Evaluation Objective



Estimate the effective useful life for measures associated with BPA's SEM program

METHODOLOGY

Overview of Study Methodology

Sample Design

Random sample drawn from population of 44 sites active in SEM from 2015 to 2017

Sample consisted of **15 sites** (achieving 90/10 confidence level)

Database Development

02 METHODOLOGY

Input: Measure inventory database Develop measure verification plan

Collect data from end use customers

Output: measure analysis database

Inputs (from analysis database):

Create "time-to-event" variables

Specify a survival function (the probability the measure does not fail)

Outputs: EUL estimates

STUDY FINDINGS

SEM Program: Site Characteristics

| Industry | Total # of Sites | Sample (n) |
|-----------------------------------|------------------|------------|
| Manufacturing | 22 | 7 |
| Wastewater | 7 | 5 |
| Public Administration | 5 | 0 |
| Refrigeration Storage | 3 | 2 |
| Transportation | 2 | 0 |
| Food Storage/Distribution | 2 | 0 |
| Distilling/Food Processing | 1 | 1 |
| Industrial Products | 1 | 0 |
| Mining | 1 | 0 |
| Total | 44 | 15 |

SEM Program: SEM Measure Characteristics

| Equipment Type | n | Measure Type | n |
|-------------------------------------|-----|----------------------------|-----|
| Production Processes | 51 | Operations | 84 |
| Support Services – Refrigeration | 24 | Physical Repairs | 13 |
| Support Services – All Others | 33 | Routine Maintenance | 11 |
| Total | 108 | Total | 108 |

03 STUDY FINDINGS

Key Findings

only 13/108 measures were no longer in operation

On average, measures were removed within **1.7 years** EUL does not differ based on type of SEM measure, equipment type, or industry type

Study Caveats

Our study was designed to inform measure life (whether the measure is still active or not) which is distinct from measure savings persistence (i.e., whether the measure is still saving in future years what it was intended to in year one).

The study's data source is program completion reports, which may underrepresent measure failures (i.e., that occurred during the first engagement year).

03 STUDY FINDINGS

Recommendation

We recommend that BPA and its SEM program comprehensively track **SEM engagements in** the SEM program database

This would facilitate more robust SEM program savings and effective useful life assessment

Questions / Next Steps

What's Coming Up Next

Final report posted to BPA website

BPA response to recommendations (Memo addressing the evaluation findings, recommendations and BPA plans for change)

04 QUESTIONS / NEXT STEPS

Thank You!

