

Watson,Bonnie F (CONTR) - PEH-1

From: Stan Price <stan@putnamprice.com>
Sent: Wednesday, July 29, 2015 12:45 PM
To: Watson,Bonnie F (CONTR) - PEH-1
Cc: 'asha@mckinstry.com'; Doug Francis (dfrancis@tecmechanical.com); England, Perry; Janet Stephenson; John Morris; Jordan Lerner; Marcus Wilcox; Phil Welker; Roger Spring
Subject: NEEC comments on momentum savings

Ms. Watson,

The Northwest Energy Efficiency Council (NEEC) provides the following comments on BPA's proposed approach to defining and quantifying "momentum savings" for energy efficiency. NEEC is a nonprofit industry association whose membership provides the products and services for end use energy efficiency in the Northwest.

NEEC has significant questions about the existence of momentum savings and concerned that the BPA method for quantification, while complex and methodologically sophisticated, fails on the foundational requirement of establishing that this newly found resource exists in any quantity outside of energy efficiency resources that are already accounted for. The BPA momentum savings argument does not rise to the standard historically required of all energy efficiency resources over the past three decades, that it be verifiable, measured, and exist as a utility grade power planning resource. Nothing typifies this condition better than the three hypotheticals that BPA poses on its web page (e.g. the woman who adds home insulation). BPA doesn't know where the home is, if insulation material that was purchased was actually installed, and if it was, to what quality standards.

Other examples of momentum savings provided by BPA seem to defy common sense (e.g. the auto dealer who replaces existing lighting with new LED fixtures and lamps). We can conceive of no such project that didn't involve a lighting contractor and/or lighting specialist. This region has one of the deepest and most sophisticated lighting trade ally networks who are very knowledgeable about utility conservation incentive programs and routinely provide the interface between the customer and the utility incentive. It seems illogical that such an expensive and sophisticated project utilizing a trained trade ally would forego the incentive with the serving utility.

BPA having failed to establish the basic existence of momentum savings, proceeds with an admittedly sophisticated methodology to quantify and assign savings (again, not knowing the physical location of the savings) to specific utilities. NEEC is concerned that BPA's approach suffers from the conflation of already accounted for market transformation effects with wishful thinking.

Moreover, BPA's estimate that the theory of momentum savings may well account for one-third to one-half of savings targets going forward stretches the boundary of credibility. If momentum savings do in fact exist at those sorts of quantities, they could not be a new phenomenon. At that magnitude, momentum savings would represent the single largest energy efficiency resource that the region has ever experienced in its over three decade pursuit of energy efficiency. If that is indeed the scale to which this resource exists, how did it go unnoticed until now? Surely, utility integrated resource planners would have observed this effect at the utility level analysis of loads and resources. Yet, this seems to have heretofore gone unnoticed.

Finally, we also observe that the general conversation in utility forums over the past few years has centered on how difficult it is to get sufficient end use customer uptake on their conservation programs. As industry representatives talking to those same customers, we do understand that energy efficiency investments are not always an "easy sell." If indeed that is the underlying market condition, it is difficult to understand how such a significant level of efficiency resources is occurring naturally without the involvement of utility energy efficiency programs.

Based on these concerns regarding the existence, magnitude, and utility assignment of “momentum savings,” NEEC respectfully suggests that BPA delay implementation of its proposed plan to quantify and assign savings. More evidence is needed to make the case that this resource is real, measurable, and verifiable consistent with the standards set for other energy efficiency resources.

Thank you for the opportunity to provide these comments.

Stan Price, Executive Director
Northwest Energy Efficiency Council
605 First Ave., Ste. 401
Seattle, WA 98104