

## Key Terms for the 7<sup>th</sup> Power Plan

**Achievable Potential** – The amount of energy or demand savings within a defined geographical area or population that can be achieved over the planning period.

**Ramp Rate** – The annual rate of acquisition for energy-efficiency resources over a period of time

**Average Megawatt (aMW)** – Equivalent to the energy produced by the continuous operation of one megawatt of capacity over a period of one year. (Equivalent to 8.76 gigawatt-hours, 8,760 megawatt hours or 8,760,000 kilowatt-hours.)

**Baseline Efficiency** – The energy use of the baseline equipment, process, or practice that is being replaced by a more efficient approach to providing the same energy service. It is used to determine the energy savings obtained by the more efficient approach.

**Conservation** – According to the Northwest Power Act, any reduction in electric power consumption as a result of increases in the efficiency of energy use, production or distribution. Often used synonymously with ‘energy efficiency.’

**Conservation Potential Assessment (CPA)** – Studies conducted to assess market baselines, future savings and costs that may be expected for different technologies and customer markets over a specified time horizon.

**Conservation Resources Advisory Committee (CRAC)** – Committee created to assist in the development of reasonable estimates of the performance, cost and availability of new conservation resources and improvements to the efficiency of the electric power system.

**Conservation Supply Curve** – An economic tool used to depict the amount of conservation available across a range of prices.

**Cost Effective** – According to the Northwest Power Act, a cost-effective measure or resource must be forecast to be reliable and available within the time it is needed, and to meet or reduce electrical power demand of consumers at an estimated incremental system cost no greater than that of the least-costly, similarly reliable and available alternative or combination of alternatives.

**Emerging Technology** – An energy efficiency technology that is commercially available but not yet market ready or readily adopted.

**End Use** – A term referring to the final use of energy; it often refers to the specific energy services (for example, space heating), or the type of energy-consuming equipment (for example, motors).

**Energy** – That which does, or is capable of doing, work. Energy is measured in terms of the work it is capable of doing. Electrical energy is commonly measured in kilowatt-hours, or in average megawatts (8,760,000 kilowatt-hours).



**Environmental Methodology** – Method determined by the Council which quantifies the environmental costs and benefits which is used in the analysis of new resource costs.

**Frozen Efficiency Baseline** – The baseline that is determined at the beginning of a power plan. The baseline does not move for the duration of the power plan. All savings throughout the plan are measured as incremental savings off of this baseline.

**Incremental Cost** – The difference between the cost of baseline equipment or service and the cost of alternative energy-efficient equipment or service.

**Load Forecast** – An estimate of the level of energy that must be generated to meet a need. This differs from a demand forecast in that transmission and distribution losses from the generator to the customer are included.

**Levelized Cost** – The present value of a lifetime of benefits and costs of a conservation resource. Often used to compare the cost of efficiency to other generating resources.

**Lost Opportunity Resource** – Resources that, because of physical or institutional characteristics, can only be captured during a limited window of opportunity and are no longer available for development after that window at that given cost. For example, when a building is built or when a replacement refrigerator is purchased.

**Maximum Annual Availability** – The total amount of conservation possible to achieve in a given year.

**Natural Replacement Savings** – Equipment or systems that are replaced at the end of their life are considered a natural replacement opportunities. At this time, there is an opportunity to replace the equipment or system with a more efficient alternative, and are considered lost opportunities resources.

**Northwest Power Act (The Act)** – Adopted in 1980 by congress, the Act directs the Council to prepare a plan to protect, mitigate and enhance fish and wildlife of the Columbia River Basin that have been affected by the construction and operation of hydroelectric dams while also assuring the Pacific Northwest an adequate, efficient, economical and reliable electric power supply.

**Northwest Power and Conservation Council (The Council)** – Regional organization that develops and maintains a regional power plan and a fish and wildlife program to balance the Northwest's environment and energy needs.

**Peaking Capacity** – Capability of power generation and demand-management resources to satisfy maximum system demands for electricity at a specific point in time.

**Power Plan** – A long term 20 year strategy for meeting the region's electricity. The council updates the Power Plan approximately every five years. The Plan considers conservation as the highest priority resource equivalent to generation with a 10% cost advantage over power generating resources (regional act credit).

**Regional Act Credit** – Used in the act to give economic preference to conservation resources. When estimating incremental cost of an energy-efficiency measure, this cost is reduced by 10% of the value of the energy system benefits.

**Resource Portfolio Model (RPM)** – An electric integrated resource planning model used by the Council to identify adaptive, least-cost resource strategies for the region. Conservation supply curves are given to the RPM which compares those resources to others in determining resource acquisition choices.

**Retrofit Savings** – To modify an existing generating plant, structure or process. The modifications are done to improve energy efficiency, reduce environmental impacts or to otherwise improve the facility.

**Sectors** – The economy is divided into four sectors for energy planning. These are the residential, commercial (e.g., retail stores, office and institutional buildings), industrial, and agriculture (e.g. dairy farms, irrigation) sectors.

**Total Resource Cost Test (TRC)** – Cost effectiveness test applied to conservation resources. The TRC includes all quantifiable costs and benefits regardless of who accrues them. This includes participant and others' costs. For a resource to be cost effective, the TRC must be equal to or greater than one.