



ENERGY CONSERVATION 10-Year Potential and 2-Year Target

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What is Energy Conservation?

The Northwest Power and Conservation Council defines conservation as:

“Any reduction in electric power consumption as a result of increases in the efficiency of energy use, production, or distribution.”

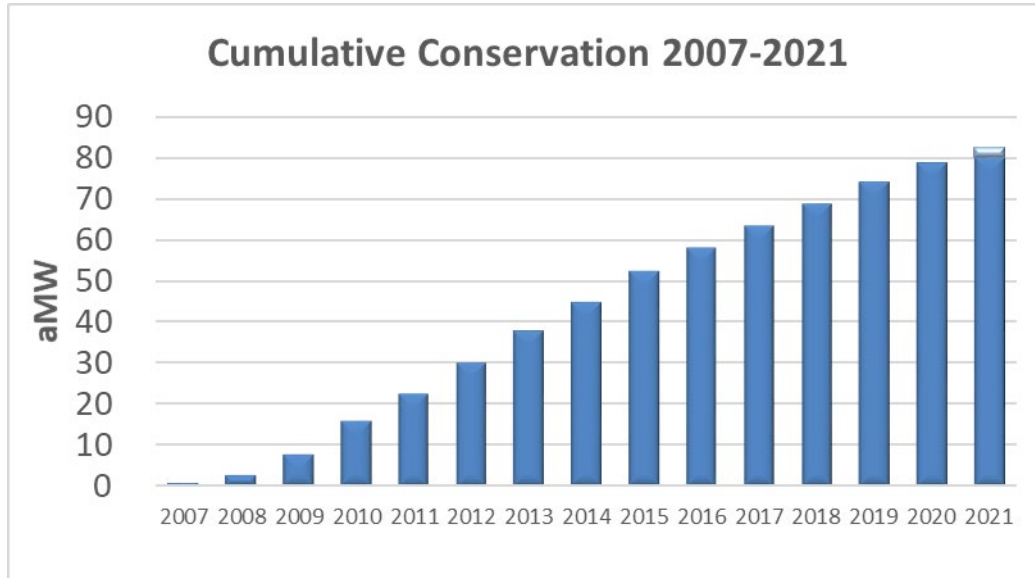
It excludes other things like....

- Cutting back on production
- Loss of amenity (shivering in the dark)

Beyond Regulatory Commitment

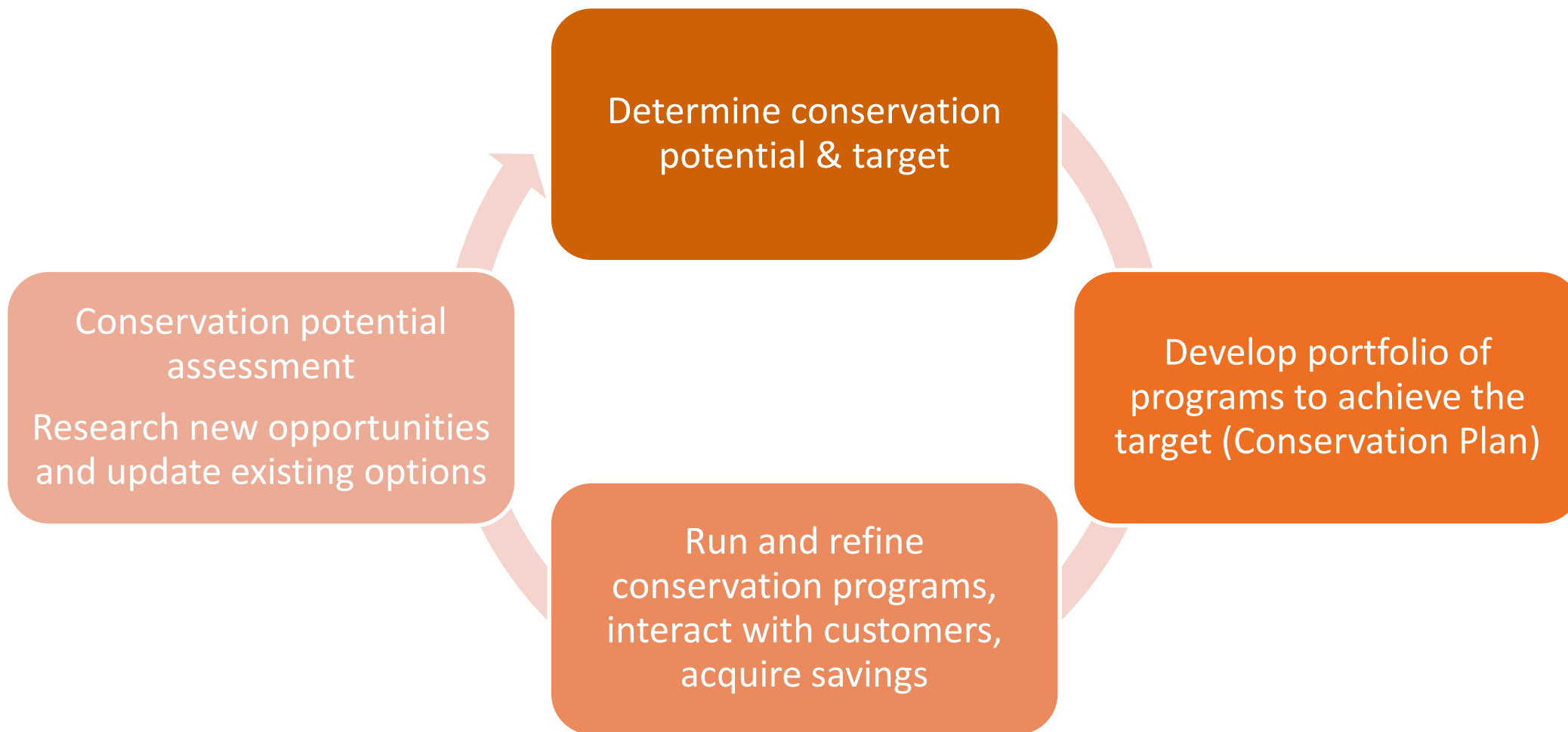
- Each biennium we set a conservation target and report it to the state
- We have historically exceeded our targets

Our Conservation Legacy



Since 1980, Tacoma Power made conservation a priority resource
Conservation now delivers about as much as Mayfield dam
Achieved enough conservation to power 59,470 average homes

A Two Year Cyclical Process



Energy Conservation Potential Assessment

Simply stated, a conservation potential assessment (CPA) is a data driven process that...

- helps a utility identify the full range of conservation opportunities in its service area and...
- establishes an upper bound to what can be called cost effective conservation given the utility's resource

Energy Conservation – State Law

The Energy Independence Act requires qualifying utilities to determine their conservation potential (19.285.040(1)(a) RCW)

Requires qualifying utilities to establish:

- 10-year achievable economic conservation resource potential
- 2-year conservation target that is “no less than its pro rata share of its ten-year potential.”

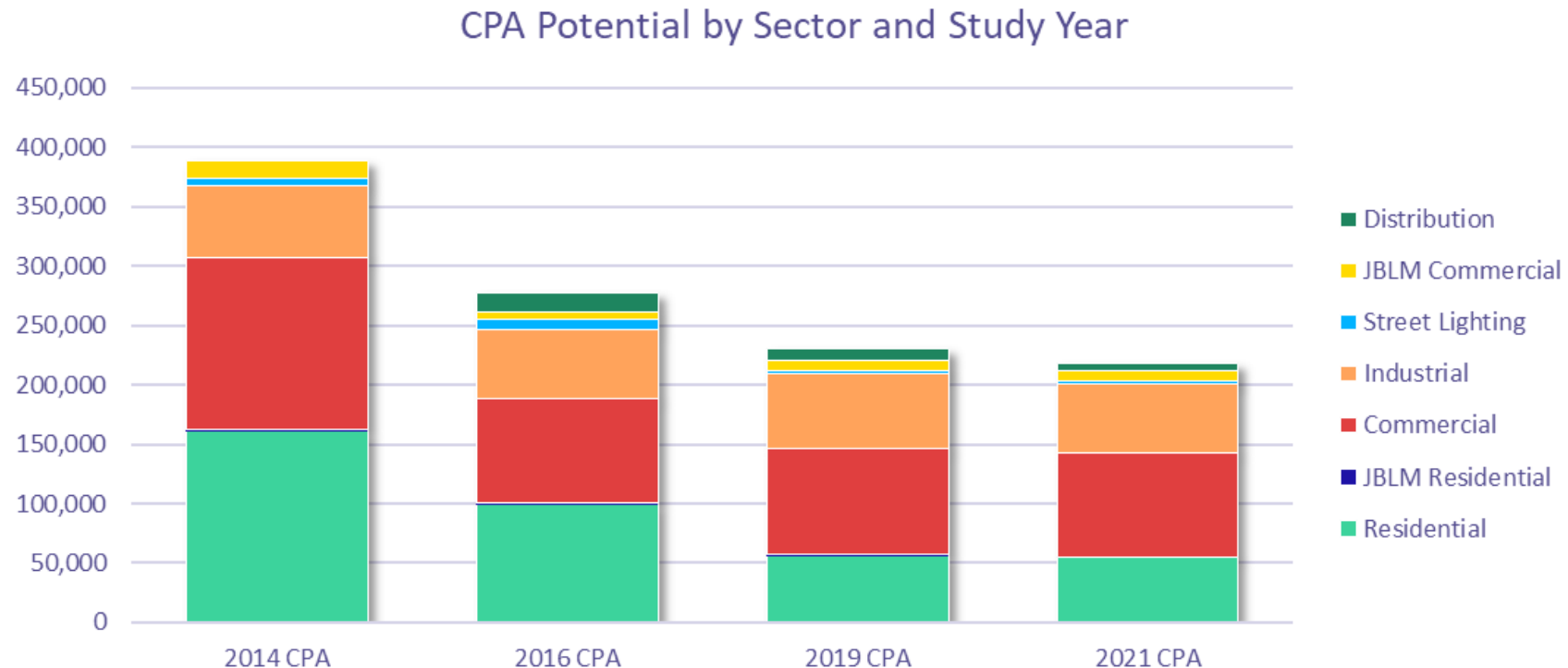
These metrics must be developed and adopted every two years

We recommend the Board adopt both metrics prior to January 1, 2022

- The target sets the 2022/23 conservation acquisition baseline against which Tacoma Power will be judged for compliance purposes

Past Success Results in Reduced Potential

Exceeding targets early reduces remaining conservation



Metric 1:

Ten-Year Conservation Potential **217,109** MWh

Sector	Economic Achievable Potential (MWh)
Residential	52,878
Commercial	87,574
Industrial	58,152
JBLM Residential	1,137
JBLM Commercial	8,932
Street and Off-Street Lighting	1,866
Distribution Efficiency	6,570
Total	217,109

METRIC 2:

Two-Year Conservation Target **53,114** MWh

Target we are asking the Board to adopt

- Must Hit!
- Failure will result in fines

24.5% of the 10-year potential

- Meets the pro-rata share requirement
- Will be modeled in IRP and load forecast

Annual Objective ~ 26,000 MWh

- About 0.5% of our 2020 retail sales
- Enough to power approximately 2,260 average homes



Next Steps

We will request adoption of:

- Metric 1: A ten-year achievable economic potential of 217,109 MWh
- Metric 2: A two-year conservation target of 53,114 MWh