How should we set and track CIP goals?
What to expect:

• Brief overview of the current model

• Pros and cons of existing and new approaches

• Open discussion

• Lots of expertise in the room and CIP is complicated - don’t hesitate to correct me
The current model:

• Annual statutory goal of energy savings equivalent to at least 1.5 percent of most recent three-year average weather-normalized retail sales, minus sales to opt-out customers (with caveats)

• Savings goal is determined and assessed as first-year kWh or therms savings through specified efficiency measures within a given year (with caveats)

• Annual reporting to the Department of Commerce for review, adjustments, and approval

• Investor-owned utilities file three-year plans with anticipated savings and spending goals for Department approval
First-year savings versus lifetime savings

Pros: first-year savings
• Drives measures that achieve savings now
• Relatively simpler EM&V (though assumptions still made)

Cons: first-year savings
• Might be leaving deeper long-term savings on the table

Pros: lifetime savings
• Can drive deeper long-term savings

Cons: lifetime savings
• Might be missing near-term savings for customers
• Ongoing EM&V may be needed
Annual savings versus cumulative savings

Pros: annual savings
• Ensures persistent savings every year
• Drives savings now

Cons: annual savings
• Not flexible
• May miss opportunities/programs that need a longer timeline

Pros: cumulative savings
• Allows flexibility over time
• Not restricted to annual timelines

Cons: cumulative savings
• Risk of delay in savings
• Long-term EM&V and reporting
Statutory savings goal versus potential study

Pros: statutory goal
• Clear goal for all utilities to meet or exceed
• “Backed” by statute

Cons: statutory goal
• Not flexible to specific utility service territories
• Static number that doesn’t fluctuate with the market, technology, etc.
• Can set perception of a “ceiling” for savings
• Doesn’t square with electrification

Pros: potential study
• Flexible to realities of utility service territories
• Allows goal to evolve with market, technology, etc.
• Based on data and analysis

Cons: potential study
• “Thumb on the scales”
• Lots of assumptions – can be messy
• Can be time and resource-intensive
kWh savings versus time and locational value

Pros: kWh savings
• Prioritizes direct energy and dollar savings for customers
• Relatively simple to assess and measure

Cons: kWh savings
• Doesn’t capture full value for the system
• May not prioritize the most cost-effective measures
• Not flexible to drive new technologies

Pros: time and locational value
• Recognizes and drives these values to the utility system
• Treats efficiency as a distributed energy resource, uses the same language
• Captures high-value savings

Cons: time and locational value
• Big change/shift
• Who misses out?
• Requires lots of data and transparency
kWh savings versus carbon reduction

Pros: kWh savings
• Prioritizes direct energy and dollar savings for customers
• Relatively simple to assess and measure
• Resource agnostic – savings are savings

Cons: kWh savings
• Not sure if it’s always driving state carbon emission reduction goals

Pros: carbon reduction
• Can link to state carbon emission reduction goals
• Can more directly drive beneficial electrification

Cons: carbon reduction
• Loses focus on direct energy savings for customers
• Still want an efficient system
Talk amongst yourselves...

Thank you!

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