

**Guy Norman
Chair**
Washington

KC Golden
Washington

Jim Yost
Idaho

Jeffery C. Allen
Idaho



Northwest **Power** and **Conservation** Council

**Doug Grob
Vice Chair**
Montana

Mike Milburn
Montana

Ginny Burdick
Oregon

Louie Pitt, Jr.
Oregon

July 6, 2022

DECISION MEMORANDUM

TO: Council members

FROM: Kevin Smit
Senior Analyst

SUBJECT: Industrial Energy Efficiency Measure Development Contract Support

PROPOSED ACTION: Staff recommends authorization to contract with Cadeo Group LLC in an amount not to exceed \$71,000 to review and update industrial sector energy efficiency measures.

SIGNIFICANCE: The industrial sector in the Northwest is robust and consumes about 42,300 GWh per year. In the 2021 Power Plan, the industrial sector accounted for 647 aMW of cost-effective energy efficiency potential (27% of the total), and before beginning the next power plan, a number of industrial measures are in need of review and updating.

BUDGETARY/ECONOMIC IMPACTS

Staff recommends authorization to contract with Cadeo Group LLC in an amount not to exceed \$71,000.

BACKGROUND AND ANALYSIS

Estimating energy efficiency potential in the industrial sector was done at a broad-brush, high level (e.g., a percentage of Industrial sector consumption) up until the Sixth Power Plan (2010). In the Sixth Power Plan, a much more detailed assessment was conducted utilizing a new tool (the "Industrial Tool"), which applied a top-down methodology that started with the total electricity consumption of an industry segment, then divided that

out by end-use shares (e.g., lighting, motors, HVAC) for each industry, with each measure then defined as the percent savings of an end-use. When the tool was developed for the Sixth Plan, detailed research was also conducted to develop the energy efficiency measures. Each measure savings value was based on one or more research papers or other published study. For the Seventh Power Plan, many of these measures were slightly adjusted or updated based on past achievements or secondary research, but most of the measures were still based predominantly on sources identified prior to 2010.

Therefore, for the 2021 Power Plan, a significant portion (approximately 85%) of the potential was completely revised based on more recent sources. However, 18 measures are still in need of review and revision before the next power planning process begins. In addition, staff is also interested in identifying any measures that may be missing from our assessments. Given this, staff issued a Request for Proposals in mid-June and from this process, recommends the Council authorize staff to contract with Cadeo Group LLC to complete this work. As outlined in their proposal, Cadeo Group LLC will subcontract with Cascade Energy, Inc. to efficiently and effectively complete the measure development services.

ALTERNATIVES

In the alternative to proceeding as recommended by staff, the Council could proceed without support. However, given current staffing resources and expertise, support is recommended. Therefore, the Council could direct staff to proceed with different contracted support or issue another RFP.