

SAG Portfolio Planning Process

10/26/2015

Threshold Issue 3: Electric Goals & Budgets

Keith Goerss



Preliminary Confidential Draft Document
Subject to Change
For Illustrative and Discussion Purposes

FOCUSED ENERGY. *For life.*

Electric Goals

Premise:

In the next three-year plan, all Program Administrators' Electric Goals will be modified.

Plans as filed will include individual year goals and a three year goal that will be the sum of the individual year goals.

Achievement of goals may be obtained by having evaluated results from each of the three years exceed on an annual basis the individual year goals or having the simple sum of the evaluated results over the three years exceed the sum of the individual year goals.

Illustrative Goal Example

Example 1			
	Approved Goal	Evaluated Results	Goal Attained
Year 1	125,000	127,000	Yes
Year 2	125,000	135,000	Yes
Year 3	125,000	129,000	Yes
Total Plan	375,000	391,000	Yes
Example 2			
	Approved Goal	Evaluated Results	Goal Attained
Year 1	125,000	127,000	Yes
Year 2	125,000	120,000	No
Year 3	125,000	142,000	Yes
Total Plan	375,000	389,000	Yes

Electric Budgets

In the plan filing, portfolio budgets will be estimated based upon forecasted sales multiplied by the “rate cap” cents per kwh.

Illustrative Budget Example

Sample Budget Calculation		Year 1	Year 2	Year 3	Plan Total
Forecast Sales Mwhts		38,000,000	37,700,000	37,500,000	113,200,000
Rate Cap Cents per Kwh		0.0154	0.0154	0.0154	
Budgets		\$ 58,520,000	\$ 58,058,000	\$ 57,750,000	\$ 174,328,000

Budget Questions

- Does the approved budget change when the forecast is updated on an annual basis?
- If the full budget is not spent in a single year, can the unspent budget dollars be carried forward and spent in another year of the plan?

Public Utilities Act

- 8-103(d)(5)

“the amount of energy efficiency and demand-response measures implemented for any single year shall be reduced by an amount necessary to limit the estimated average net increase due to the cost of these measures included in the amounts paid by eligible retail customers in connection with electric service to...

thereafter, the amount of energy efficiency and demand-response measures implemented for any single year shall be reduced by an amount necessary to limit the estimated average net increase due to the cost of these measures included in the amounts paid by eligible retail customers in connection with electric service to *no more than the greater of 2.015% of the amount paid per kilowatt-hour by those customers during the year ending May 31, 2007 or the incremental amount per kilowatt-hour paid for these measures in 2011.*”