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focus on energy℠
Partnering with Wisconsin utilities



Planning Study Fourth EWG Meeting

May 2, 2024

Agenda

Feedback to Date

Economic Potential Modeling

Follow-Up & Next Steps

- Next Steps

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Feedback to Date & Questions Posed

Technology Adoption Rate Groupings

- Heat Pumps and Heat Pump Water Heaters a distinct group
- Lighting controls a distinct group from efficient lighting
- Consider breaking shell measures into categories (consider that not all shell measures are appropriate for Focus on Energy)
- For businesses consider technologies that are discretionary and technologies that are required for business functions
- Align with SPECTRUM classifications as possible

Market Segments with varying hurdle rates

- In addition to standard and income-qualified, consider high-income brackets
- Consider hurdle rates for non-profit organizations
- Segments requiring distinct attention are residential, commercial, agricultural, institutional, and industrial customers. However, each of these may not have distinct adoption patterns

Mid-study period adjustment to technology adoption rates

- Not necessary for this study

Questions Posed and Clarifications

- Industrial adoption will be treated in a separate model. Will consider the feedback to examine industrial heat pumps or other decarbonization measures (fuel switching, hydrogen, energy storage) treated as distinct adoption groups) from other industrial measures.
- Payback affects adoption though IRR / Maximum Adoption Percentage (MAP). Study will factor in distinct requirements (hurdle rates) for schools, government, and other commercial buildings.
- Surveys to identify relationship between payback/IRR and MAP. Currently Cadmus does not have the distinct questions developed, although we have researched similar topics in the past.

2025 Planning Study Economic Potential

As with the previous potential study, economic potential using the Modified Total Resource Test (MTRC)

Costs: incremental measure equipment cost and program administrative cost

Benefits: avoided energy supply costs, non-energy benefits

Incremental measure / labor costs:
from measure characterization research

Administrative costs:
estimated on historical data

Non-energy benefits:
avoided emissions, reduced water use

Avoided energy supply costs:
from Focus on Energy documentation

Fuel Switching Considerations

Avoided energy supply costs will consider both reduction in fossil fuel usage and the increase in electric energy usage

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Questions for EWG Members

1. What considerations are necessary for economic potential for electrification?
2. Does inclusion of fuel switching require any new approaches to cost effectiveness testing?
3. Are there other cost-effectiveness tests that should be considered and reported on?
4. Is there a need for economic potential scenarios?
5. Anything else?

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Thank You and Discussion



Next Steps:

- Cadmus to send out meeting notes, slides, and discussion questions to EWG
- EWG please provide written feedback by May 16, 2024
- Cadmus will circulate summarized EWG feedback by May 23, 2024
- Stakeholder Meeting: June 6, 2024 (in-person and online)

Next EWG Meeting:

- August 2024: Measure Selection
- Written feedback will be collected after the meeting

Your input is important, please send us feedback:

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