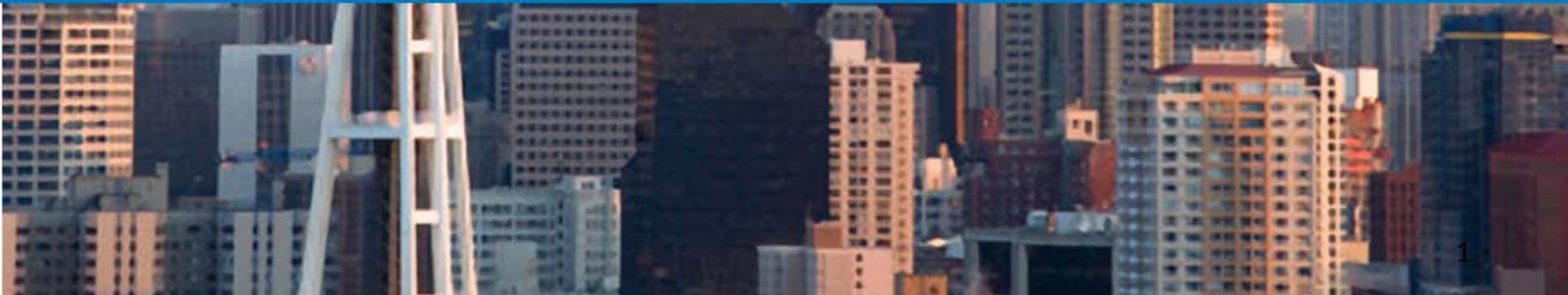




# **PAY for PERFORMANCE PILOT PROJECT**

**9/24/13 Energy & Environment Committee**

**Jim Baggs and Glenn Atwood, Power Supply & Environmental Affairs**



# OUTLINE

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- Background
- Pilot Program
- RFP Process
- Selected Projects
- Next Steps

# BACKGROUND

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- Pay for Performance – What do We Mean?
- Sources of Interest
- Earlier Utility Efforts
- Climate Action Plan Recommendation
- Potential Benefits
- Challenges

# CITY LIGHT PILOT PROGRAM

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- Strategic Plan Initiative
- Three Year Pilot
- Focus on Existing Commercial Buildings
- RFP to Select Participants
- Regular Reporting and Incentive Payments
- Pilot Evaluation to Assess Experience & Make Recommendation

# RFP PROCESS

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- RFP Issued, Proposals Due 2/15/13
- Allowed proposers to bid incentive rate
  - Include long-lived measures
- Criteria for selection
- Five strong responses received

# SELECTED PILOT PROJECTS



Building	Owner	Service Provider	Measures	Incentive Rate
Lake Union Building	Lake Union Building LLC	MacDonald-Miller Facility Solutions	HVAC Upgrades HVAC Controls	\$0.08/kWh
One Union Square	Washington State Investment Board	McKinstry	HVAC Upgrades Operations LED Lighting	\$0.228/kWh
1111 Third Ave	Talon Portfolio Services	ATS Automation	HVAC Upgrades HVAC Controls Tenant Awareness	\$0.116/kWh

# NEXT STEPS

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- Initial Agreements
  - Finalizing baseline and performance periods
  - Start performance payments, reporting
- Council legislation in December authorizing contracts for three-year term
- Hire evaluation consultant
- Annual reports
- Final evaluation and recommendations October 2016



## OUR MISSION

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Building on a legacy of clean hydro power, Seattle City Light partners with customers to secure a green energy future. We are leaders in providing innovative ways to conserve electricity and invest in renewable resources.