

- 1 **Q. (2021 Electrification, Conservation and Demand Management Application, Volume**
2 **1, page 5) What is the basis for NP’s “targeted energy savings”?**
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- 4 A. Energy saving targets are set based on which energy efficiency measures require support
5 to advance customer adoption and contribute to least-cost service delivery. The process
6 of setting energy savings targets includes 3 steps:
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- 8 (i) A market potential study is conducted to identify potential measures, such as the
9 *2020-2034 Potential Study* (the “Study”).¹ The Study identifies a wide range of
10 energy efficiency measures to be considered for program inclusion.
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- 12 (ii) Customer programs are then developed based on the results of the potential study.
13 This process considers local market characteristics and the costs and customer
14 benefits of offering a program. Energy-efficient technologies that are cost-
15 effective and require market intervention are included in the plan.
16
- 17 (iii) Energy savings targets are then developed for each program. These targets are
18 based on a number of factors, including the energy savings provided by the
19 technology, the expected life of the technology and a forecast of customer
20 participation.²

¹ See the *2021 Electrification, Conservation and Demand Management Application*, Volume 2, Schedule C.

² The energy savings and expected life of a technology are based on a range of sources, including market studies and external evaluations. Participation forecasts are derived from historic participation trends and market studies.