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March 6, 2018

MEMORANDUM

TO: Council Members

FROM: Elizabeth Osborne, Washington staff

**SUBJECT: Washington State Energy Office
Energy Efficiency and the Washington Energy Independence Act**

BACKGROUND:

Presenter: Glenn Blackmon, Senior Energy Policy Specialist, WA Department of Commerce, Energy Office

Summary: Washington's Energy Independence Act (EIA, also known as Initiative 937 or I-937) requires electric utilities serving at least 25,000 retail customers to use renewable energy and energy conservation. There are 18 utilities subject to the EIA. Utilities must pursue all conservation that is cost-effective, reliable and feasible. They need to identify the conservation potential over a 10-year period using methodologies consistent with those used by the Council and set two-year targets. Utilities then report their progress toward the targets to the Washington Department of Commerce, which compiles and publishes the results. Dr. Blackmon leads this effort within the Department of Commerce, and will present on the conservation acquisitions made to date by Washington utilities pursuant to the EIA.

More Info: Washington Department of Commerce [EIA Utility Reports](#)



Department of Commerce

Energy Efficiency and the Washington Energy Independence Act

*Glenn Blackmon, Ph.D.
Senior Energy Policy Specialist*

March 13, 2018

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A top-line overview of the WA EIA

- Applies to utilities with more than 25,000 customers
 - 17 utilities + Franklin PUD in 2020
 - About 88% of state's retail electric sales
 - Investor-owned, municipal, PUDs, co-ops
- Each utility must identify and acquire all energy efficiency that is available and cost-effective
- Implemented through a biennial cycle of:
 - Assessing potential
 - Establishing targets
 - Measuring achievement

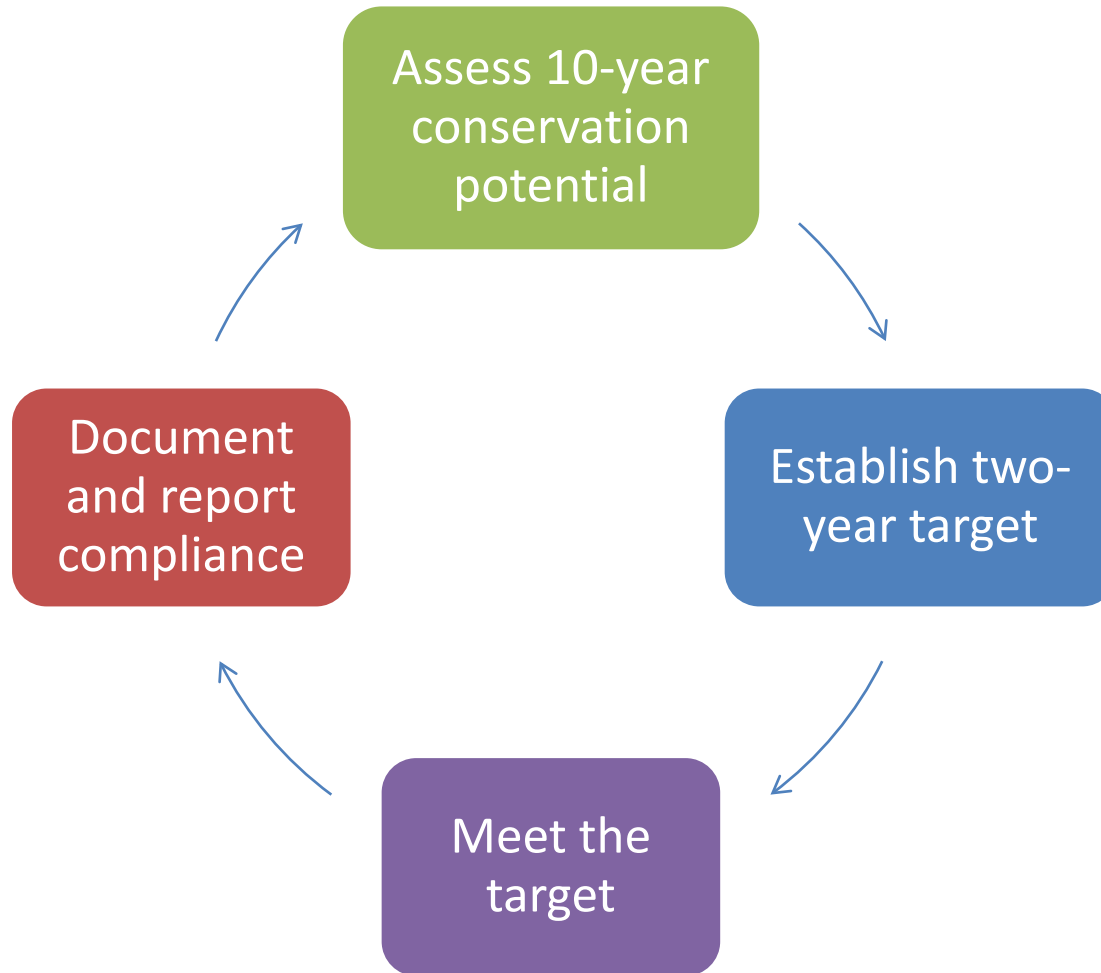


EIA adopted by voter initiative in 2006

- Renewable portfolio standard and energy efficiency resource standard in a single ballot measure – the “Energy Independence Act”
- For renewables, specific targets:
 - 15% of load by 2020
- For efficiency, a process instead of a specific standard
- First efficiency target was 2010-2011



WA EIA cycle of assessment and acquisition





Conservation tied to Power Council results

- “... using methodologies consistent with those used by the [council] in the most recently published regional power plan”
- However...
 - Potential assessed over 10 years rather than 20
 - Biennial targets must be no lower than pro rata share of potential
 - Not necessarily optimized with supply side
 - Ambiguous meaning of “most recently published plan”
- Agency rule summarizes council methodology
 - Revised after 7th Plan





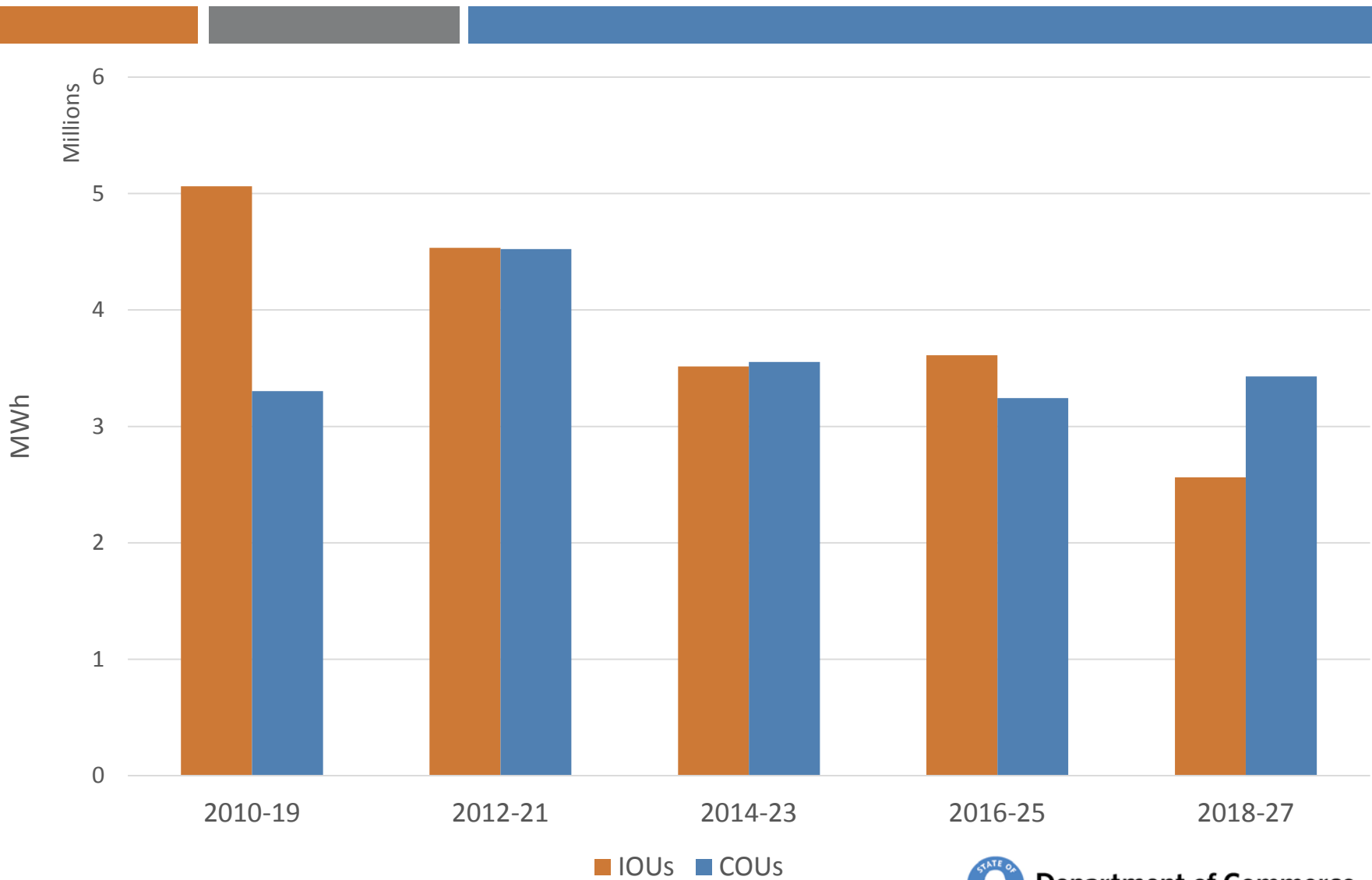
Issues and concerns, so far

- Managing conservation programs to biennial targets
- Consistent standards for measurement of savings
 - Consistency between target-setting and performance reporting
 - Consistency among utilities
- Accounting for changes in unit energy savings values
- Accounting for non-programmatic savings
 - Market transformation programs (NW Energy Efficiency Alliance)
 - Codes and standards
 - “Momentum” savings

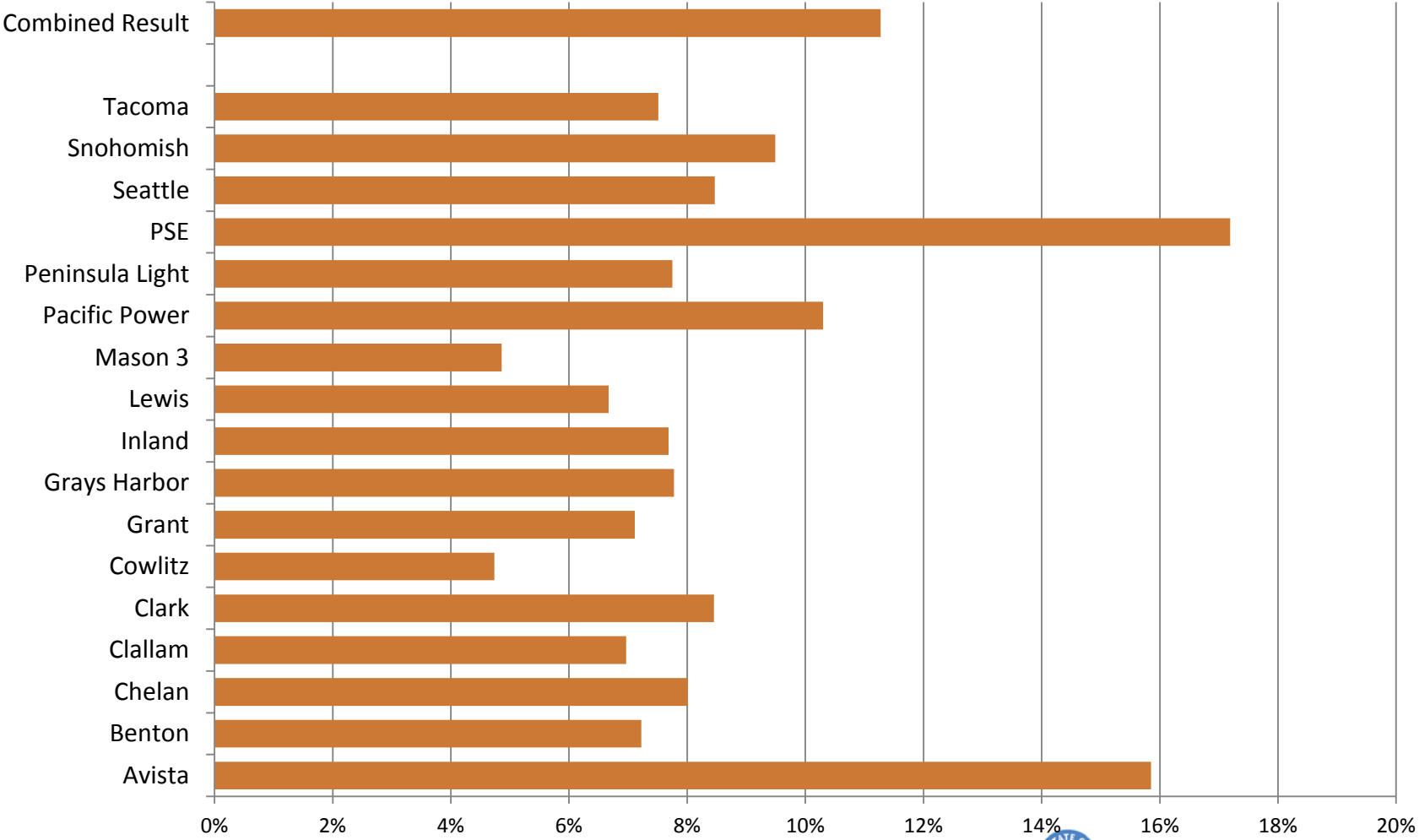




10-year potential amounts over time



Initial 10-year potential varied from 5% - 17% of load

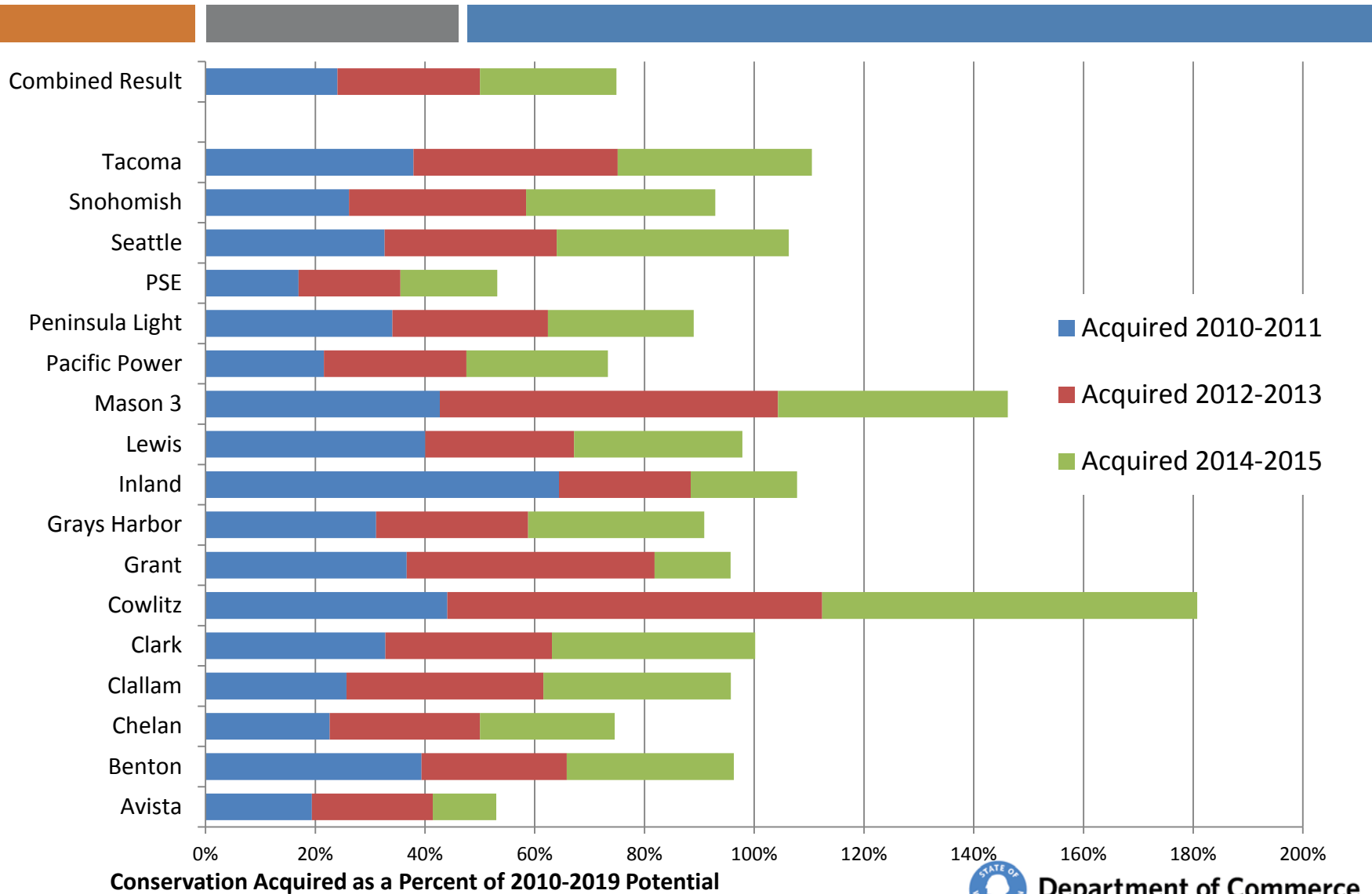


2010-2019 Potential as a Percent of 2009 Load



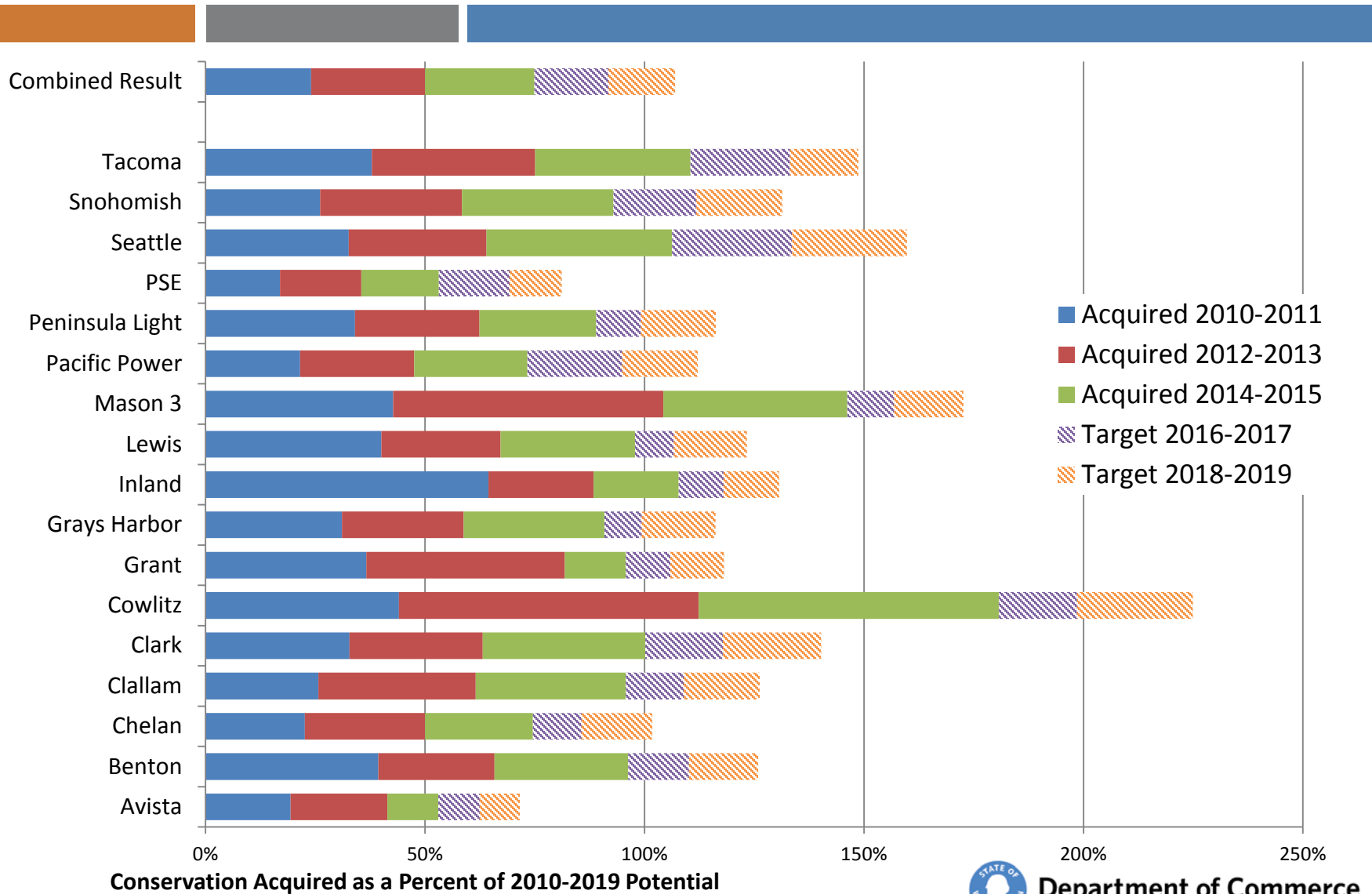


Conservation acquired in first three biennia

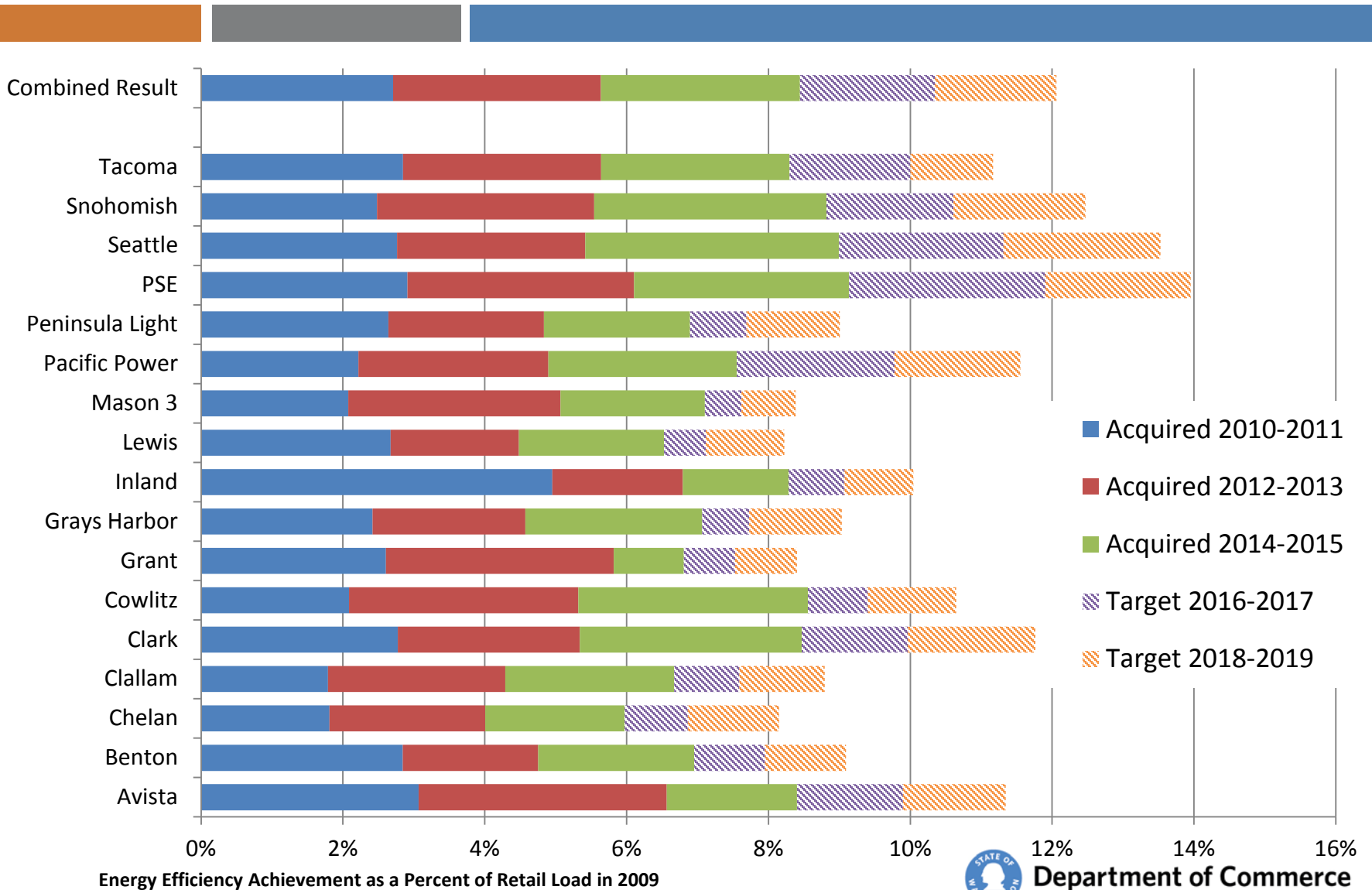




Adding targets for two more biennia

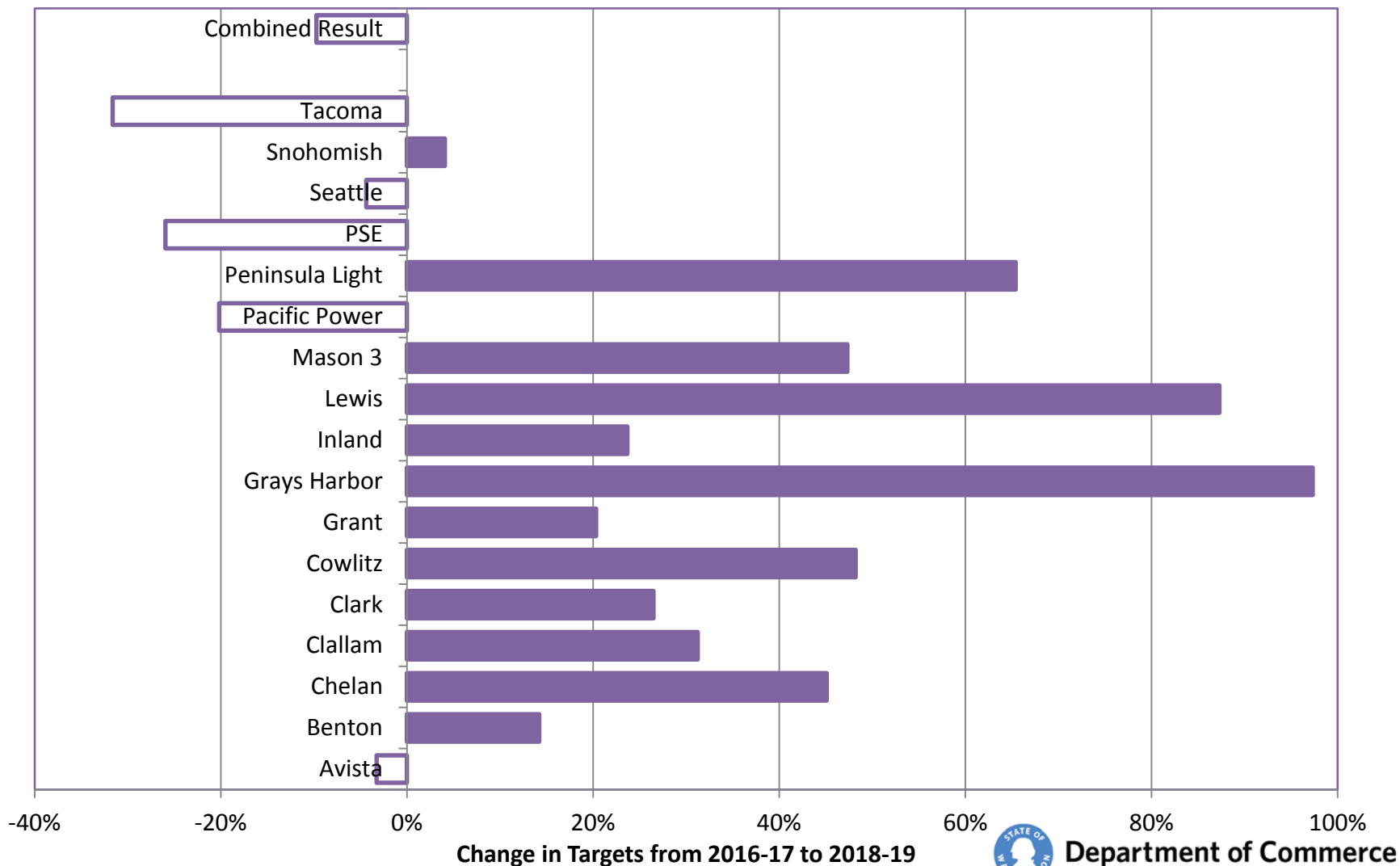


Cumulative results compared to load in 2009

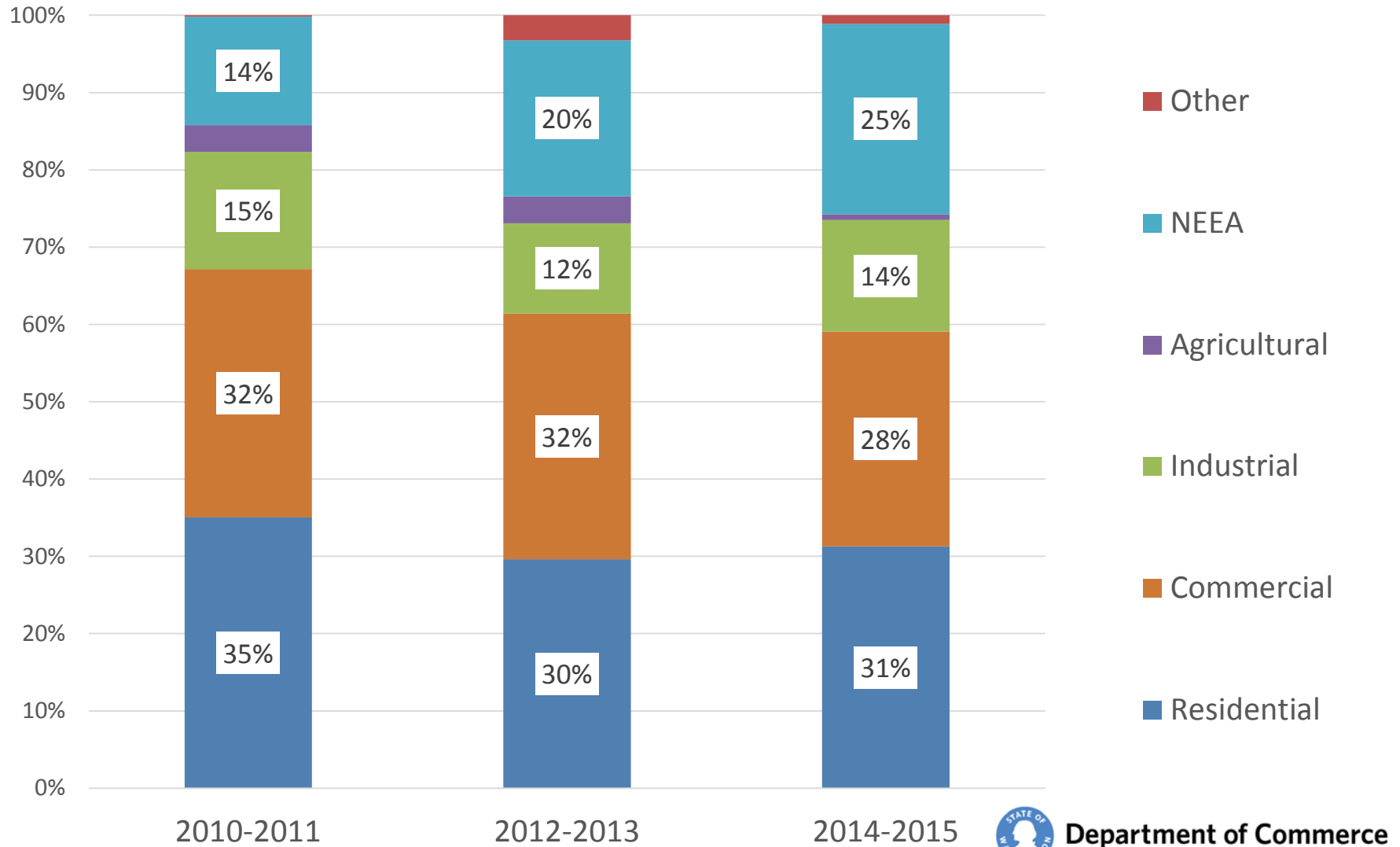




Changes in two-year targets are more down than up in 2018



Achievement by end-use sectors (& NEEA)





Department of Commerce

Presented by:

Glenn Blackmon, Ph.D.

Senior Energy Policy Specialist

(360) 725-3115

glenn.blackmon@commerce.wa.gov

commerce.wa.gov/EIA

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