

JUDI DANIELSON
CHAIR
Idaho

Jim Kempton
Idaho

Gene Derfler
Oregon

Melinda S. Eden
Oregon

Steve Crow
Executive Director



TOM KARIER
VICE-CHAIR
Washington

Frank L. Cassidy Jr.
"Larry"
Washington

Ed Bartlett
Montana

John Hines
Montana

September 2, 2003

MEMORANDUM

TO: Council Members

FROM: Howard Schwartz, Ph.D.
Washington CTED

RE: Briefing on Washington energy strategy process

In the summer of 2002, the Energy Policy Division of the Washington Department of Community, Trade and Economic Development began a revision of the electricity sections of the 1993 Washington State Energy Strategy. We focused on electricity because the electricity industry has changed dramatically since 1993, and the "perfect storm" west coast electricity crisis of 2000-2001 revealed great weaknesses in how the industry is structured and governed. Working with Governor Locke's energy policy advisor and the director of CTED, we formed an advisory committee of 19 members representing a broad cross section of Washington energy interests. The advisory committee held five full-day meetings during the summer and fall of 2002.

We completed work on the Guiding Principles of the Strategy by the end of 2002 and presented them to the legislature in 2003. These principles, taken together, firmly commit Washington to continue a traditional regulated monopoly electricity system and to seek solutions to current problems within that framework. We are now beginning the second phase of the Strategy: developing specific policy proposals that implement the guiding principles. We have relied on Council publications and staff for much analysis and data. We are now interested in the policy perspectives of the Council members themselves.

To view the strategy on-line, go to
<http://www.energy.cted.wa.gov/Energy%20Strategy/Default.htm>.

x:\jh\ww\packet\schwartz903.doc