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January 24, 2012

MEMORANDUM

TO: Power Committee

FROM: Terry Morlan

SUBJECT: Status Report on Washington I-937 Legislation

The Washington Legislature is considering possible adjustments to the provisions of the I-937 legislation that set renewable portfolio standards and requires covered utilities to acquire all cost-effective conservation based on planning consistent with the Council's methodology. Below is a short description of I-937 from the Washington Department of Commerce website.

The Energy Independence Act, commonly known as I-937, calls for state electric utilities serving more than 25,000 customers to obtain 15% of their electricity from new renewable resources by 2020 and to undertake all cost-effective energy conservation. Investor-owned utilities, municipal utilities, rural electric cooperatives, and public utility districts are subject to this standard. Of our state's 62 utilities, 17 are considered qualifying utilities, representing about 84% of Washington's load.

Despite attempts in the last couple of years to amend or refine I-937, no changes have been successfully made. The Washington Governor's office released a list of possible amendments last fall and the Chairs of the Washington House and Senate Committees that have jurisdiction over I-937 have introduced companion legislation containing many of those elements. Howard Schwartz will give a brief update on the proposed changes and the status of the deliberations focusing on the areas that may have an effect on power planning.

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