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Northwest **Power** and **Conservation** Council

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July 7, 2015

MEMORANDUM

TO: Council Members

FROM: Elizabeth Osborne

SUBJECT: Presentation by Washington Utilities

The Washington Council members invited representatives of Washington utilities to brief the Council on utility programs and offer comments related to the Seventh Power Plan. Avista Utilities will be represented by Jason Thackston, Senior Vice President of Energy Resources. Inland Power and Light Company will be represented by Chad Jensen, Chief Executive Officer.

Topics of discussion include demand response, renewable resource strategies including Avista's community solar program, and other utility pilot programs.

July 15, 2015



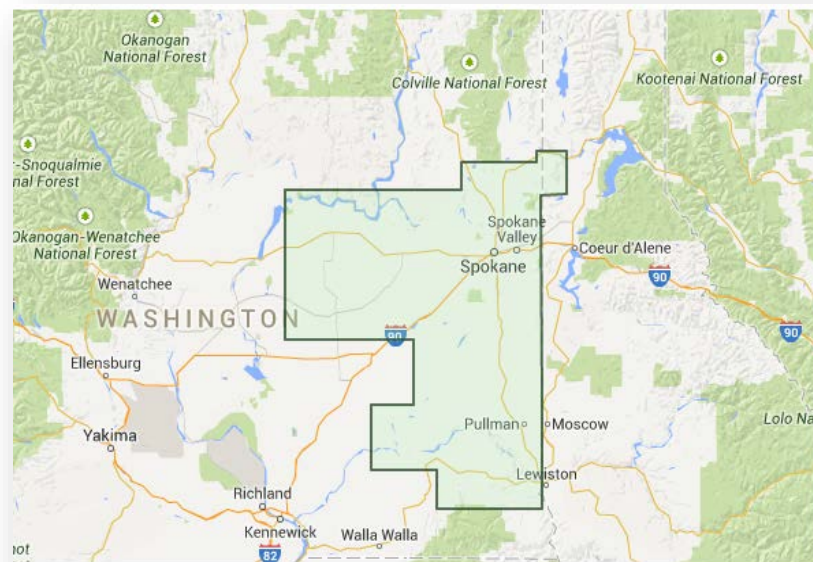
WHAT'S ON OUR MINDS

John Francisco
Chief of Energy Resources
Inland Power & Light



About Inland Power & Light

- Cooperative headquartered in Spokane WA
- 40,000 meters
 - 71% residential
 - 19% commercial
 - 10% irrigation
- 10 counties in Eastern WA and 3 in North ID
- 90 employees to cover 7,500 square miles of territory and maintain 7,500 miles of distribution lines
 - 5 meters per mile



FALLING, INCONSISTENT LOADS

- Extensive conservation efforts have impacted average use per meter
 - Residential
 - commercial
- Weather plays a large role for Inland
- Green agriculture is a moving target
 - 7 MW of connected capacity
 - 41 active accounts
 - 1 aMW in projected sales
 - Extremely variable from month to month
- Distributed generation
 - 140 solar installations
 - 10 wind
- Inland is experiencing some commercial growth



INCREASING COSTS

- Aging infrastructure
- All facets of industry are facing increasing cost pressures
 - Labor and benefits
 - Equipment costs
 - Materials
 - Regulatory compliance
- Increasing member expectations
 - No outages
 - 24/7 services
 - Billpay
 - transfers



REGULATORY CONFLICT

- RPS standards vs. Power Plan targets vs. carbon mitigation
 - I-937 Energy Independence Act
 - Conservation
 - Renewables
 - EPA 111d
- Initiative 732 – carbon tax
- Cap and Trade
- HB 2073

WHAT HAS INLAND DONE

- One of the first utility community solar projects in the state
 - Only \$300 per unit
- Expanded conservation programs in the face of falling TRC and kept popular programs going after cost effectiveness has been exceeded
 - appliances
- Implementing low income DHP program in partnership with local community action agency
 - Free DHP for those who qualify
- Tightened our own belts
 - Ten fewer employees today than just a few years ago
- Working directly with environmental interests to create an acceptable and stable compliance framework for the future



THE ROLE OF THE COUNCIL

- Facilitate regional coordination
 - Nothing outside of NEEA that crosses state boundaries
 - Codes and standards don't align
- Political stance varies significantly from state to state
 - Power plan should be an economic exercise
 - Politics inform plan
- Policy body and not prescriptive
- Plan assumptions need to be realistic
 - Planning utopia vs. the real world of program implementation
 - Demand response not readily available in residential sector
 - Attributes of renewables
 - How much conservation is left
 - Don't start with an end in mind
 - Six year timeframe

CONTACT

John Francisco
Chief of Energy Resources
johnf@inlandpower.com
509.747.7151

