

The Country's First Statewide
Energy Efficiency Performance
Standard Initiative:
A Case Study

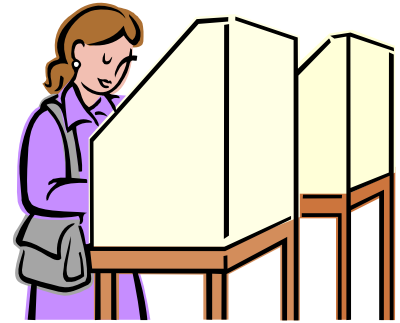
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Overview

- History of I-937
- Efficiency standard mechanics
- Accountability
- Issues of note
- Results so far
- Implementation challenges
- Conclusion - looking to the future

What Is I-937?

- Washington citizen initiative
- Enacted in 2006
- Applies to utilities with more than 25,000 customers
- Independent efficiency and renewable standards



Why I-937?

- Energy efficiency rollercoaster
- Non-hydro renewables serving less than 1% of load
- Benefits of a clean energy standard
- Lack of success at the Legislature



I-937's Efficiency Standard

- Acquire all cost-effective conservation
 - Conservation means any reduction in electric power consumption resulting from increases in the efficiency of energy use, production, or distribution
- Departure from other state efficiency performance standards

Efficiency Standard Mechanics

- Assess 10-year conservation potential using Northwest Power and Conservation Council methodologies
- Set and achieve biennial targets
 - First target in 2010-2011
 - 10-year potential updated every two years and new biennial target is set



Accountability

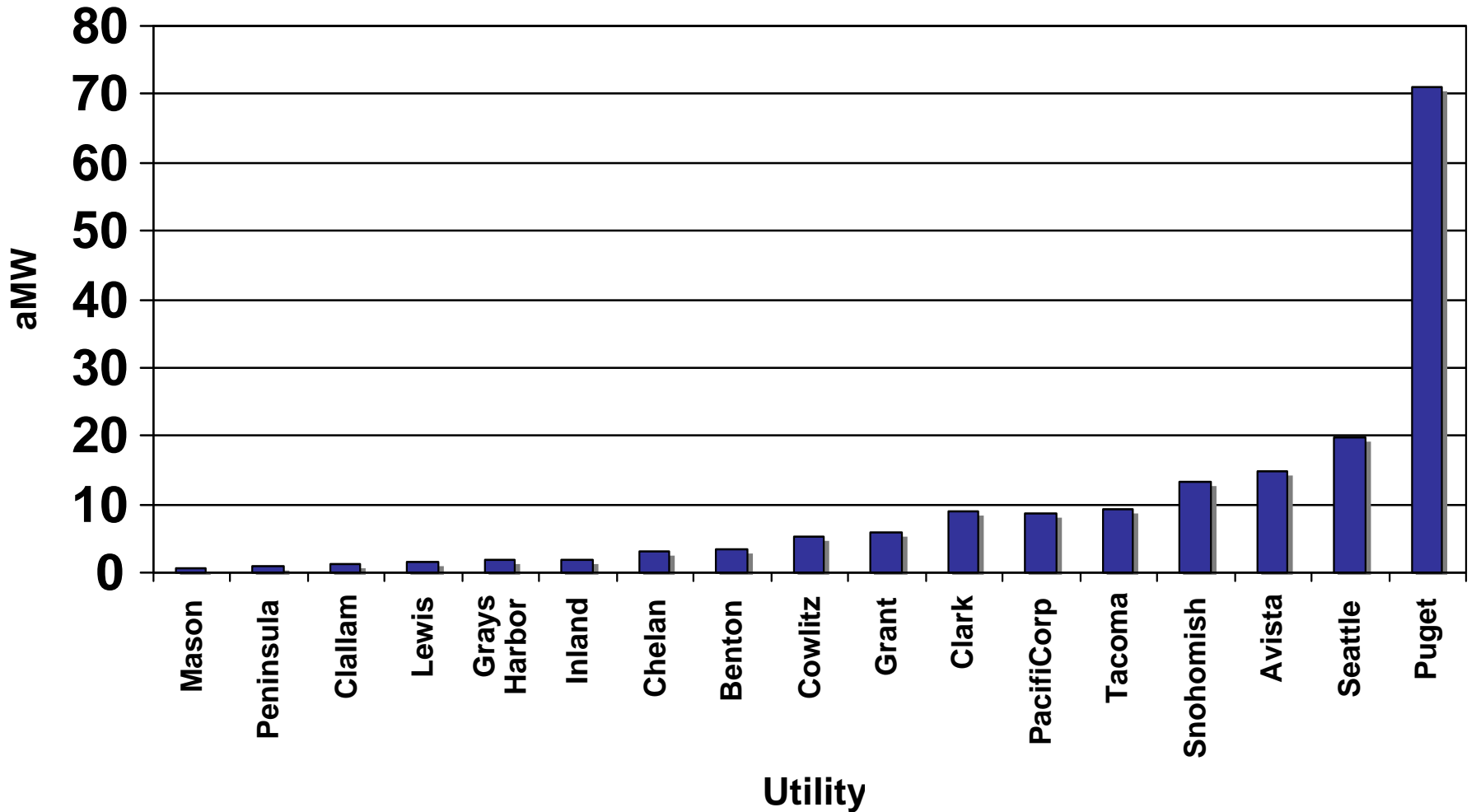
- \$50/MWh penalty
- Annual reporting
- Agency rules and oversight



Issues of Note

- “Conditions Lists” for investor-owned utilities
- Use of integrated resource plans vs. the regional conservation calculator

2010-2011 Targets



Implementation Challenges

- Use of 5th Power Plan
- Accelerated acquisition
- Naturally occurring conservation
- Behavior based programs
- Generation efficiency
- Tension between efficiency and renewable standards



Looking to the Future

- Amendments will be proposed in 2012
 - Focus will be on renewable standard
 - Expect some proposals to modify efficiency standard
 - Possible consideration of a natural gas standard

Conclusion

- Success of I-937
 - Utilities meeting or exceeding biennial conservation targets
 - Utilities have resources in place to meet the first renewable energy standard
 - I-937 will contribute more than any other state policy to reduce GHG emissions
- Could and should this be replicated in other states?

For More Information

- RCW 19.285 (the law)
- WAC 194-37 (consumer owned utility rules)
- WAC 480-109 (investor owned utility rules)
- www.utc.wa.gov (to access conditions lists for IOUs)
 - Docket UE-100170 (PacifiCorp)
 - Docket UE-100176 (Avista)
 - Docket UE-100177 (PSE)
- www.nwenergy.org (NW Energy Coalition)