

**Bill Bradbury**  
Chair  
Oregon

**Henry Lorenzen**  
Oregon

**W. Bill Booth**  
Idaho

**James A. Yost**  
Idaho



**Jennifer Anders**  
Vice Chair  
Montana

**Pat Smith**  
Montana

**Tom Karier**  
Washington

**Phil Rockefeller**  
Washington

July 2, 2013

## MEMORANDUM

**TO:** Council Members

**FROM:** Howard Schwartz

**SUBJECT:** Overview of implementation of conservation in Washington and the role of I-937

Washington, unlike Oregon and Montana, does not have system benefits charge. Electricity conservation is implemented almost completely through utility programs although there is some achievement due to energy code and federal end-use efficiency standards. The policy framework in Washington leads back to the regional Power Plans either via I-937 or BPA conservation programs or both. This panel will include:

- An overview by Howard Schwartz of conservation implementation in Washington
- An introduction to I-937 by the organization that wrote and passed the initiative. Nancy Hirsh of the Northwest Energy Coalition will explain why the initiative was launched, what they hoped to achieve, and whether those expectations have been fulfilled.

# Overview of Conservation Implementation in Washington

Howard Schwartz,  
Washington Council Staff/WA  
Department of Commerce  
July 10, 2013



## Policy Framework for Conservation

- **Almost all electric efficiency is acquired via utility conservation programs, including NEEA**  
(Very little third party involvement; no system benefits charge)
- **I-937 and Bonneville programs drive utility programs**
- **IOUs (40-45% of loads) use I-937 as interpreted by the UTC for guidance**
- **I-937 and BPA programs apply to most (but not all) of the COU load** (about 40 utilities are too small for I-937 and 3 don't buy power from BPA)



## I-937 Framework

- Utilities develop 10 year conservation potential and 2 year target to achieve pro-rata amount of potential
- Use Council methodology to develop Conservation potential
- Report annually on their progress
- UTC oversees and regulates IOUs as part of its ongoing relationship with them
- COUs: Commerce writes rules, State Auditor audits for compliance



3

## Results

WA Department of Commerce staff are analyzing reports submitted by utilities for 2010-2012. For these three years, preliminary indications are that:

- When added together, the seventeen I-937 utilities are on track to collectively meet “their share” of 6<sup>th</sup> Power Plan conservation targets
- Some utilities were above and some below “their share”

(Note: no utility is required to meet “its share.”)



4

# Overview of Conservation Implementation in Washington

Howard Schwartz,  
Washington Council Staff/WA  
Department of Commerce  
July 10, 2013

# Policy Framework for Conservation

- Almost all electric efficiency is acquired via utility conservation programs, including NEEA  
(Very little third party involvement; no system benefits charge)
- I-937 and Bonneville programs drive utility programs
- IOUs (40-45% of loads) use I-937 as interpreted by the UTC for guidance
- I-937 and BPA programs apply to most (but not all) of the COU load (about 40 utilities are too small for I-937 and 3 don't buy power from BPA)

# I-937 Framework

- Utilities develop 10 year conservation potential and 2 year target to achieve pro-rata amount of potential
- Use Council methodology to develop Conservation potential
- Report annually on their progress
- UTC oversees and regulates IOUs as part of its ongoing relationship with them
- COUs: Commerce writes rules, State Auditor audits for compliance

# Results

WA Department of Commerce staff are analyzing reports submitted by utilities for 2010-2012. For these three years, preliminary indications are that:

- When added together, the seventeen I-937 utilities are on track to collectively meet “their share” of 6<sup>th</sup> Power Plan conservation targets
- Some utilities were above and some below “their share”

(Note: no utility is required to meet “its share.”)