

Appendix B:

I-937 Conditions Compliance Record 2016-2017

Enter information in green-shaded fields.

Do not modify blue-shaded fields.

Energy Independence Act (I-937) Conservation Report 2017

Utility	Avista
Report Date	
Contact Name/Dept	Mark Baker, Demand Side Management
Phone	(509) 495-4864
Email	mark.baker@avistacorp.com

Summary of Achievement and Targets (MWh)

	2016-2017 Biennial	2018-2019 Biennial
Target	82,477	94,260
Achievement	148,601	
Excess from 2012-13	-	
Excess from 2014-15 (Deductions)	21,756	
Excess (Deficit)	87,880	

Planning			
2016 - 2017 Planning		2018 - 2019 Planning	
2016-2025 Ten Year Potential (MWh)	2016 - 2017 Target (MWh)	2018-2027 Ten Year Potential (MWh)	2018 - 2019 Target (MWh)
383,063	82,477	368,000	94,260

Achievement

Conservation by Sector	2016 Achievement		2017 Achievement	
	MWh	Utility Expenditures (\$)	MWh	Utility Expenditures (\$)
Residential	36,220	\$5,838,459	23,331	\$7,904,390
Commercial	39,876	\$10,339,410	40,860	\$10,147,062
Industrial				
Agriculture				
Distribution Efficiency	184		476	
Production Efficiency	384			
NEEA	3,679	\$1,384,771	3,592	\$1,339,420
Conservation expenditures NOT included in sector expenditures				
General		\$2,073,971		\$2,406,515
Total	80,343	\$19,636,611	68,258	\$21,797,387

Note: Expenditure amounts do not include any customer or other non-utility costs.

Notes, including a brief description of the methodology used to establish the utility's ten-year potential and biennial target to capture cost-effective conservation:

- The Company's energy efficiency acquisition targets for the 2016-2017 Biennium were based upon a Conservation Potential Assessment (CPA) completed as part of Avista's 2015 Electric Integrated Resource Plan (IRP) by a third-party consultant applying methodologies consistent with the Northwest Power and Conservation Council's (NWPCC) Sixth Power Plan.
- Avista's 2016-2017 targets were approved in Order No. 01, Docket No. UE-152076, by the Washington Utilities and Transportation Commission (UTC) on January 28, 2016. <http://www.utc.wa.gov/docs/Pages/DocketLookup.aspx?FilingID=152076>
- General rate case settlement in 2014 included a 5% decoupling increase in the 2016-17 Biennial Target for local energy savings.
72,626 MWh original target + 3,631 MWh (5% decoupling increase) = 76,257 MWh (local)
76,557 MWh (local) + 6,220 (Northwest Energy Efficiency Alliance (NEEA)) = 82,477 new 2016-17 Biennial Target
- Savings numbers are for I-937 and include NEEA but do not include fuel switching.
- Commercial and Industrial customers are not tracked separately and are therefore listed under "Commercial."
- Low-income customers are included in the Residential sector.
- Funding for distribution and generation efficiency measures is through Avista's general rate cases, per condition (9)(c) in Attachment A of Order 01 in Docket UE-152076.
- General expenditures are not applied to a specific sector.
- Avista's evaluation, measurement and verification (EM&V) was performed by a contracted third party to calculate the verified energy savings in accordance with the Commission's Order. The Company's 2017 DSM Annual Conservation Report (provided under a separate cover) provides more data regarding Avista's 2017 programs and results. Electric EM&V cost \$471,799 in 2017.
- The quantities submitted above include all areas of conservation effort and achievement, because the Commerce Conservation Report includes areas of conservation that are not used for target setting at the Utilities and Transportation Commission (UTC).
-"Excess Savings" indicated above disagrees slightly with Avista's 2016-2017 Biennial Electric Conservation Report, which represents "Excess Savings for Penalty" . The variance is due to UTC approved NEEA & decoupling savings exclusions.
The 2016-2017 MWh target of 72,626 as approved in Docket UE-152076, does not include savings forecasted by NEEA that was captured with in the Conservation Potential Assessment.

2016-2017 Biennial UTC target	Docket and Order	Types and quantities of Savings withheld from target
72,626 MWH	UE-152076, Order 01	NEEA (6,220 MWh)
2016-2017 Decoupling Commitment	Docket and Order	2016-2017 Total Target Subject to Penalty
3,631 MWH	UE-140188, Order 015	76,257 MWh

Under UTC standard practice, any type of conservation potential withheld from target setting is not counted as achievement to meet the target.

	<u>2016 Achievement</u>		<u>2017 Achievement</u>		<u>2016-2017 Biennial Achievement</u>	
Achievement	Utility		Utility		Utility	
Applicable to	Expenditures		Expenditures		Expenditures	
UTC Target:	<u>MWh</u>	<u>(\$)</u>	<u>MWh</u>	<u>(\$)</u>	<u>MWh</u>	<u>(\$)</u>
	77,206	19,636,611	65,509	21,797,387	142,715	41,433,998