

**Deadline:** June 1, 2017

**Submission:** Email this workbook and all supporting documentation to [EIA@commerce.wa.gov](mailto:EIA@commerce.wa.gov)

**Questions:** Glenn Blackmon, State Energy Office, (360) 725-3115, [glenn.blackmon@commerce.wa.gov](mailto:glenn.blackmon@commerce.wa.gov)

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#### RCW 19.285.070

##### Reporting and public disclosure.

(1) On or before June 1, 2012, and annually thereafter, each qualifying utility shall report to the department on its progress in the preceding year in meeting the targets established in RCW [19.285.040](#), including expected electricity savings from the biennial conservation target, expenditures on conservation, actual electricity savings results, the utility's annual load for the prior two years, the amount of megawatt-hours needed to meet the annual renewable energy target, the amount of megawatt-hours of each type of eligible renewable resource acquired, the type and amount of renewable energy credits acquired, and the percent of its total annual retail revenue requirement invested in the incremental cost of eligible renewable resources and the cost of renewable energy credits. For each year that a qualifying utility elects to demonstrate alternative compliance under RCW [19.285.040](#)(2)(d) or (i) or [19.285.050](#)(1), it must include in its annual report relevant data to demonstrate that it met the criteria in that section. A qualifying utility may submit its report to the department in conjunction with its annual obligations in chapter [19.29A](#) RCW.

(2) A qualifying utility that is an investor-owned utility shall also report all information required in subsection (1) of this section to the commission, and all other qualifying utilities shall also make all information required in subsection (1) of this section available to the auditor.

(3) A qualifying utility shall also make reports required in this section available to its customers.

#### WAC 194-37-060

##### Conservation reporting requirements.

Each utility shall submit an annual conservation report to the department by June 1st using a form provided by the department. The conservation report must show the utility's progress in the preceding year in meeting the conservation targets established in RCW [19.285.040](#) and must include the following:

(1) The total electricity savings and expenditures for conservation by the following sectors: Residential, commercial, industrial, agricultural, distribution system, and production system. A utility may report results achieved through nonutility programs, as identified in WAC [194-37-080](#)(5), by program, if the results are not included in the reported results by customer sector. Reports submitted in odd-numbered years must include an estimate of savings and expenditures in the prior year. Reports submitted in even-numbered years must include the amount of savings and expenditures in the prior two years. All savings must be documented pursuant to WAC [194-37-080](#).

(2) A brief description of the methodology used to establish the utility's ten-year potential and biennial target to capture cost-effective conservation.

(3) In even-numbered years the report must include the utility's ten-year conservation potential and biennial targets established pursuant to WAC [194-37-070](#).

#### WAC 194-37-110

##### Renewable resource energy reporting.

Each utility must submit a renewable resource energy report to the department by June 1st of each year using a form provided by the department. The report must reflect the actions that the utility took by the previous January 1st to meet the renewable requirements of chapter [19.285](#) RCW for that year. For example, a utility must report by June 1, 2015, the actions it took by January 1, 2015, to meet requirements applicable to the 2015 target year.

(1) **Reporting requirements applicable to all utilities.** Each utility must report the following information:

(a) The compliance method:

- (i) Renewable energy target using renewable resources and RECs – RCW [19.285.040](#) (2)(a);
- (ii) Incremental cost – RCW [19.285.050](#); or
- (iii) No-growth cost – RCW [19.285.040](#) (2)(d).

(b) The utility's load for the two years preceding the target year and the average load for those two years.

(c) The utility's renewable energy target for the target year.

(d) The amount of eligible renewable resources, RECs, and multiplier credits to be applied toward the utility's renewable energy target for the target year. The report must identify, by generating facility or hydroelectric project, including the WREGIS generating unit identification where applicable, and, in the case of RECs, by vintage year:

- (i) The eligible renewable resources in megawatt-hours to be applied toward the renewable energy target for the target year;
- (ii) The RECs to be applied toward the renewable energy target for the target year;
- (iii) Any additional credit for eligible renewable resources or RECs from generating facilities eligible for the apprentice labor provision in RCW [19.285.040](#) (2)(h), applied toward the renewable energy target

for the target year;

(iv) Any additional credit for RECs from generating facilities eligible for the distributed generation in RCW [19.285.040](#) (2)(b), applied toward the renewable energy target for the target year.

(e) The percent of its total annual retail revenue requirement invested in the incremental cost of eligible renewable resources and the cost of renewable energy credits. Each utility must include in its report documentation of the calculations and inputs to this amount.

(2) **Incremental cost compliance method report.** Each utility reporting pursuant to subsection (1)(a) of this section its use of the incremental cost compliance method for the target year must include the following information in its report:

(a) Annual revenue requirement for the target year;

(b) The annual levelized delivered cost of its eligible renewable resource(s) reported separately for each resource;

(c) The annual levelized delivered cost of its substitute resources and the eligible renewable resource with which it is being compared;

(d) The total cost of renewable energy credits to be applied in the reporting year;

(e) The percentage of its annual revenue requirement invested in the incremental cost of eligible renewable resources and the cost of RECs; and

(f) The most current information required by WAC [194-37-160](#) used for this financial demonstration.

(3) **No-growth cost compliance method report.** Each utility reporting pursuant to subsection (1)(a) of this section its use of the no-growth cost compliance method for the target year must include the following information in its report:

(a) Annual revenue requirement for the target year;

(b) Actual and weather-adjusted load for each year used in determining that the utility's load did not increase;

(c) Delivered cost of its eligible renewable resource(s), RECs or a combination of both for the target year to be applied to the one percent of annual revenue requirement, reported separately for each resource;

(d) Generating facility identification, vintage, quantity and cost of any RECs to be retired as an offset for nonrenewable resource purchases pursuant to RCW [19.285.040](#) (2)(d).

(4) **Final compliance report.** A utility must submit a final renewable compliance report by the later of (a) two years after the filing of the report required in subsections (1) through (3) of this section; or (b) ninety days after the issuance of the auditor's report for the target year. The final renewable compliance report must provide an update of any revisions to the information previously reported pursuant to this section or, if no revisions were made, notify the department that the initial report should be considered the final report. For any target year that a utility demonstrates to the auditor that it did not meet the annual renewable resource requirements in chapter [19.285](#) RCW due to events beyond the reasonable control of the utility per RCW [19.285.040](#) (2)(i), the utility must summarize these events in the final

RENEWABLE ENERGY WORKSHEET – REVISIONS TO 2015 REPORT

In addition to submitting the 2017 report, each qualifying utility should review the renewable energy report it submitted in 2015. In many cases, the specific resources and quantities actually used to comply with the 2015 target differ from what the utility reported in June 2015. Utilities should submit a revised 2015 report if the actual values differ from the values reported in 2015.

**WAC 194-37-110(4): Final compliance report.** A utility must submit a final renewable compliance report by the later of (a) two years after the filing of the report required in subsections (1) through (3) of this section; or (b) ninety days after the issuance of the auditor's report for the target year. The final renewable compliance report must provide an update of any revisions to the information previously reported pursuant to this section or, if no revisions were made, notify the department that the initial report should be considered the final report.

Please use the 2015 template and mark it as "revised." Contact Commerce to obtain a copy of the 2015 reporting template if necessary.

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Energy Independence Act (I-937) Conservation Report 2017

Utility	Puget Sound Energy
Report Date	June 1, 2017
Name/Dept	Dan Anderson/Energy Efficiency Services
Phone	425 424-6837
Email	<a href="mailto:Daniel.anderson@pse.com">Daniel.anderson@pse.com</a>

Planning	
2016 - 2017 Planning	
Ten Year Potential (MWh)	2016 - 2017 Target (MWh)
2,770,663	605,194

Achievement

Conservation by Sector	2016 Achievement		2017 Achievement	
	MWh	Utility Expenditures (\$)	MWh	Utility Expenditures (\$)
Residential	141,896	\$46,327,483		
Commercial	128,878	\$35,107,733		
Industrial	14,320	\$3,900,859		
Agriculture				
Distribution Efficiency				
Production Efficiency	3,323	\$0		
NEEA	8,760	\$4,028,530		
Pilots	17,348	\$933,949		
sector expenditures				
Portfolio Support		\$6,315,736		
Research & Compliance		\$2,500,313		
Other Electric Programs		\$1,819,291		
<b>Total</b>	<b>314,525</b>	<b>\$100,933,894</b>		<b>\$0</b>

Utility	Puget Sound Energy
Reporting Year	2017

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

- 1) 2016 achievement figures are detailed in PSE's 2016 Annual Report of Energy Conservation Accomplishments., including program-specific discussions of adaptive management and hard-to-reach segments initiatives. The Report is filed with the Washington Utilities and Transportation Commission in Docket UE-152058.
- 2) PSE's 2-year 2016-2017 target is based on its pro-rata share of its 10-year potential, as discussed in PSE's 2015 IRP. Exhibit i of PSE's 2016-2017 Biennial Conservation Plan also contains discussions of its 2-year target determination. Exhibit i is also filed in the UTC Docket No. UE-152058.
- 3) Exhibit i, with references to PSE's 2015 IRP, indicates that all cost-effective, reliable and feasible conservation measures were identified in its Conservation Potential Assessment. It also indicates that PSE's assessment process was consistent with the Council's methodology. PSE's pro-rata share of the 10-year potential was determined by dividing the 10-year potential into equal 1/5 segments, rather than accounting for ramping of measure installations over the 10-year period. The pro rata IRP conservation potential does not include any savings from behavior modification. The IRP also does not differentiate between savings that are best achieved by local utility or regional market transformation programs. Furthermore, the Washington Utilities and Transportation Commission, consistent with PSE's Conservation Resource Advisory Group, indicated that pilot programs and NEEA savings should be excluded from PSE's EIA penalty targets.
- 4) PSE's biennial decoupling target savings of 27,993 MWh is included in the overall Portfolio biennial target of 605,194 MWh. It isn't possible to attribute those savings to a particular program, measure, or time period; PSE does not calculate savings for this target on an annual basis.







Energy Independence Act (EIA) Incremental Cost and REC Cost Report 2017

**Incremental Cost of Renewable Resources**

Utility	<b>Puget Sound Energy</b>
Compliance Year	<b>2017</b>

Facility Name	WREGIS ID	MWh	Renewable Resource Annual Cost in 2017	Renewable Resource Cost per MWh	Description of Substitute Resource	Substitute Resource Annual Cost in 2017	Substitute Resource Cost per MWh	Incremental Cost of Renewable Resource in 2017
Baker River Project - Lower Baker Unit 3	W4865	109,500	\$8,600,000	79	Long Term PPA	\$9,290,000	85	-\$690,000
Snoqualmie Falls - Snoqualmie Falls Units 1	W4866	34,164	\$3,850,000	113	Long Term PPA	\$3,180,000	93	\$670,000
Wild Horse - Wild Horse	W183	642,984	\$34,940,000	54	Peaker + LT Mkt Purchase	\$29,740,000	46	\$5,200,000
Hopkins Ridge - Hopkins Ridge	W184	466,908	\$18,770,000	40	Peaker + LT Mkt Purchase	\$20,970,000	45	-\$2,200,000
Wild Horse - Wild Horse - Phase II	W1364	91,980	\$10,030,000	109	Peaker + LT Mkt Purchase	\$5,900,000	64	\$4,130,000
Hopkins Ridge - Hopkins Ridge Phase II	W1382	21,024	\$1,280,000	61	Peaker + LT Mkt Purchase	\$1,360,000	65	-\$80,000
Lower Snake River - Dodge Junction - LSR-	W2669	500,172	\$39,330,000	79	Peaker + LT Mkt Purchase	\$27,960,000	56	\$11,370,000
Lower Snake River - Phalen Gulch - LSR-Pl	W2670	397,728	\$31,280,000	79	Peaker + LT Mkt Purchase	\$22,230,000	56	\$9,050,000
Klondike III - Klondike Wind Power III LLC	W237	157,680	\$10,270,000	65	Peaker + LT Mkt Purchase	\$9,910,000	63	\$360,000
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<b>Totals</b>		<b>2,422,140</b>	<b>\$158,350,000</b>			<b>\$130,540,000</b>		<b>\$27,810,000</b>

**Cost of Renewable Energy Credits**

Utility	<b>Puget Sound Energy</b>
Compliance Year	<b>2017</b>

Facility Name	WREGIS ID	REC Vintage (Year)	Number of RECs	Annual Cost of Renewable Energy Credits	Cost per REC

**Documentation of the calculation and inputs for percentage of revenue requirement invested in renewables:**

Note: Formulas were modified to reflect ownership of REC generating facilities, rather than just purchased RECs. Additionally, incremental cost calculations based on requirements outlined in WAC 480-109-210 (2)(a)(i) (A) through (G), which require the calculation of incremental costs for each eligible resource to be performed at the time of acquisition.

