

**Deadline:** June 1, 2016

**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

RENEWABLE ENERGY WORKSHEET – REVISIONS TO 2014 REPORT

In addition to submitting the 2016 report, each qualifying utility should review the renewable energy report it submitted in 2014. In many cases, the specific resources and quantities actually used to comply with the 2014 target differ from what the utility reported in June 2014. Utilities should submit a revised 2014 report if the actual values differ from the values reported in 2014.

**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 2014 template and mark it as "revised." Contact Commerce to obtain a copy of the 2014 reporting template if necessary.



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# Attachment 2

## WA Department of Commerce EIA Workbook – Conservation Content

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*PSE 2014-2015 Biennial Conservation Report*  
*June 1, 2016*

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Energy Independence Act (I-937) Conservation Report 2016

<b>Utility</b>	<b>Puget Sound Energy</b>
Report Date	June 1, 2016
Contact Name/Dept	Dan Anderson, Energy Efficiency
Phone	425 424-6837
Email	<a href="mailto:daniel.anderson@pse.com">daniel.anderson@pse.com</a>

Summary of Achievement and Targets (MWh)		
	2014-2015	2016-2017
	Biennial	Biennial
Target	485,770	537,078
Achievement	663,122	
Surplus (Deficit)	177,352	

Planning			
2014 - 2015 Planning		2016 - 2017 Planning	
2014-2023 Ten Year Potential (MWh)	2014 - 2015 Target (MWh)	2016-2025 Ten Year Potential (MWh)	2016 - 2017 Target (MWh)
2,930,760	485,770	2,770,663	537,078

**Achievement**

Conservation by Sector	2014 Achievement		2015 Achievement	
	MWh	Utility Expenditures (\$)	MWh	Utility Expenditures (\$)
Residential	151,059	\$51,933,683	135,001	\$47,961,008
Commercial	133,947	\$32,289,649	104,589	\$28,045,455
Industrial	14,883	\$3,587,739	11,621	\$3,116,162
Agriculture	-	\$0	-	\$0
Distribution Efficiency	1,496	\$0		\$0
Production Efficiency	-	\$0	-	\$0
NEEA	80,496	\$4,447,503	11,133	\$2,690,129
<b>Pilots</b>	6,144	\$804,535	12,753	\$822,614
	-		-	
Conservation expenditures NOT included in sector expenditures				
<b>Portfolio Support</b>		\$2,841,408		\$5,892,479
<b>Research &amp; Compliance</b>		\$2,600,253		\$3,065,001
<b>Total</b>	<b>388,025</b>	<b>\$98,504,770</b>	<b>275,097</b>	<b>\$91,592,848</b>

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:**

(1) Puget Sound Energy ("PSE") engaged its Conservation Resource Advisory Group ("CRAG") very early (June, 2013) in the 2014-2015 planning process. Together, PSE and CRAG resolved issues such as accounting for NEEA savings and how to adapt those savings to the PSE territory, how to count Home Energy Report "legacy" savings, versus energy reporting pilot savings, and how to account for PSE's decoupling commitment. By the time PSE filed its 2014-2015 Biennial Conservation Plan with the Commission on November 1, 2013, there was consensus that the EIA target was reasonable and that PSE had performed due diligence.

(2) As detailed in PSE's Exhibit i: 2014-2023 Ten-year Conservation Potential and 2014-2015 Two-year Electric Target, PSE used methodology that is consistent with the Council's, relative to identifying all conservation opportunities that are cost-effective, reliable and feasible. In Figure 1 of Exhibit i, PSE provides a summary of the steps that it took to determine the technical, economic and achievable potentials. PSE also provided the CRAG with a detailed review of its Conservation Potential Assessment ("CPA") process (in its June 2013 CRAG meeting), as well as circumstances that are particular to the PSE service territory that resulted in minor adjustments to the final CPA.

(3) As noted in Exhibit i, in order to determine PSE's pro-rata share of its ten-year conservation potential, the conservation potential in PSE's 2013 IRP assumes that all retrofit end use energy efficiency and fuel conversion potential is accelerated into a ten year period, while other types of conservation or demand-side resources are ramped in more gradually over time over natural measure life cycles or customer growth rates. This is consistent with previous IRP's and is intended as a general planning assumption to demonstrate that there is value to acquiring these resources as quickly as realistically possible, but that they cannot be acquired immediately.

PSE also made adjustments to account for behavioral programs and the influence of regional programs, such as those administered by the Northwest Energy Efficiency Alliance (NEEA). Figure 5 in the 2014-2015 Exhibit i outlines the steps that PSE took to arrive at the Commission-approved 2-year target.

(4) It is important to note that PSE's overall savings achievement includes PSE's decoupling commitment (Order 03 in Docket No. UE-132043) of 27,920 MWh. Per its agreement with the CRAG and Commission Order, NEEA and Individual Energy Reports pilots ("Pilots" in the table above) are excluded from counting toward the EIA Target of 485,770 MWh. Therefore,  $(663,122 - (91,630 + 18,897)) = 552,595$  MWh, which is 14%, or 66,825 MWh above the EIA Target. Subtracting PSE's decoupling commitment of 27,920 MWh = 38,905 MWh excess.

Energy Independence Act (EIA) Renewable Energy Report 2016

Utility	
Report Date	
Utility Contact Name/Dept	
Phone	
Email	

Loads and Resources	
2014 Annual Load (MWh)	
2015 Annual Load (MWh)	
Average of 2013 & 2014 Annual Loads (MWh)	0
2016 Renewable Target (% of load)	9%
2016 Eligible Renewable Energy Target (MWh)	0
Eligible Renewable Resources and RECs	0

2016 Compliance Method:

- RPS Target [RCW 19.285.040(2)(a)]
- Resource Cost [RCW 19.285.050]
- No Load Growth [RCW 19.285.040(2)(d)]

Expenditures on Renewable Resources and RECs - 2016	
Amount invested in incremental cost of eligible renewable resources and the cost of RECs	\$0
Total annual retail revenue requirement - 2016	
Investment in renewables and RECs as a percent of retail revenue requirement	

	Water	Wind	Solar	Geothermal	Landfill Gas	Wave, Ocean, Tidal	Gas from Sewage Treatment	Biodiesel	Biomass	Qualified Biomass	Apprentice Labor Credit	Distributed Generation Credit
Eligible Renewable Resources (MWh)	-	-	-	-	-	-	-	-	-	-	-	-
Renewable Energy Credits	-	-	-	-	-	-	-	-	-	-	-	-
Total Renewables (MWh+RECs)	-	-	-	-	-	-	-	-	-	-	-	-

2016 Reporting Year:

This renewable energy report summarizes the eligible renewables resources and renewable energy credits (RECs) that the utility has acquired by January 1, 2016 for the purpose of meeting its Energy Independence Act (EIA) renewables target for 2016. The actual resources and RECs used to comply with the 2016 EIA target may vary from those reported here. Utilities will report in June of 2018 on the actual results for 2016.

Compliance Methods:

The EIA provides three compliance methods for utilities:

- Meet the renewable energy target using any combination of renewable resources and RECs. The target for 2015 is 3% of the utility's load
- Invest at least 4% of the utility's annual revenue requirement in the incremental cost of renewable resources and RECs.
- Invest at least 1% of its annual revenue requirement in renewable resources and RECs. This option is available only to certain utilities that are not growing.

All utilities must report the renewable resources and RECs acquired for the 2016 target year. Utilities that elect to use a compliance method based on renewable investments must provide additional information demonstrating compliance with that method. Refer to WAC 194-37-110(2) and (3) for specific requirements.

*NOTE: This is a general explanation of the renewable energy requirements of the Energy Independence Act, intended to help members of the public understand the information reported by the utility. Consult*







Utility	0
Compliance Year	2016

Other notes and explanations:





