

The Washington Conservation Working Group

(WUTC Docket UE-110001)

Background

With the implementation of Initiative-937, conservation programs continue to expand and grow in complexity and demand larger ratepayer investments to “pursue all available conservation that is cost-effective, reliable and feasible.” (RCW 19.285.040(1)) Each Investor-Owned Utility (IOU) has been pursuing conservation programs in an independent fashion for decades and consequently each has their own set of assumptions and unique approaches to implementation. In UTC staff’s March 11, 2010 testimony regarding the initial submittal of conservation targets by the regulated electric IOUs, the need for statewide coordination to address issues of implementation consistency was identified. Another driver for coordination is that all three electric IOUs have separate conservation advisory groups with significant overlapping membership of stakeholders. As consistency issues are addressed it is more efficient to do so in one forum as opposed to three separate venues.

Purpose and Focus

Provide a forum for discussion and agreement regarding I-937 conservation implementation issues of consistency for electric IOUs. Outcomes will focus on providing a higher level of consistency in the definitions, assumptions, and methods of conservation implementation. This should result in a higher level of confidence in what is expected from and by all parties regarding compliance with I-937 conservation requirements. This process could also be beneficial by increasing coordination and information sharing amongst the companies, thereby raising the aggregate level of energy conservation best practices for all companies.

Conservation “implementation” in this context is not focused on simply program or measure delivery in the field, rather, “implementation” encompasses the broadest set of activities needed to implement and fairly evaluate I-937 implementation by any company, stakeholder or group of stakeholders.

Format

The three regulated electric IOUs and their stakeholder groups will be invited to participate in a series of meetings to flesh-out discussion and agreement on issues of conservation program implementation. These meetings will be scheduled in advance with a multi-party steering group developing agendas with staff and using an independent facilitator to manage the meeting process. The meetings will be run using a consensus model but it is recognized that consensus may not be possible nor a required outcome from the meetings. Key understandings and agreements will be recorded and placed in the established open docket UE-110001. Because of the potentially large number of interested participants, to provide an efficient organizational structure there will be designated representatives who must be available to fully participate and speak on behalf of companies and stakeholder groups.

Scope

The scope and selection of implementation topics will be ones that serve the needs of the UTC and stakeholders who participate in the process. There is no intent to “reinvent the wheel” for all possible conservation issues. It is assumed that existing bodies of work and standards will be leveraged as appropriate by the working group. The scope needs to be focused on the highest priority topics and issues.

Authority and Outcomes

The meeting participants will not discuss details of pending WUTC dockets. Recommendations or results of the working group will not be binding unless later incorporated into a formal action by the Commission. To the extent that the participants agree on issues which appear to require action, the working group may provide results and/or recommendations to the Commission through the docket or otherwise communicate results and/or recommendations to others as appropriate. This may include areas of disagreement as well as agreement. In addition, WUTC staff intends to provide a staff report on the effectiveness of the working group process and any possible staff recommendations to the Commissioners in an open meeting.

Questions and Issues

The following topics illustrate some areas that UTC staff is interested in exploring with the WA Conservation Working Group.

- How does each company determine their average or levelized long-term avoided cost? Are these methods consistent with the Council methodology?
- How does each IOU calculate the council version of the TRC including non-energy benefits? The working group might agree on how the test and terms are defined, and exactly how those tests are to be used.
- When conservation measure estimates change mid-year or mid-biennium, how are the new measure conservation estimates applied to claimed conservation resource acquisition in that year or biennium?
- Should a uniform set of statewide standard protocols and methods in be adopted to ensure like treatment for similar resources? If so, how would that be best accomplished?
- How might UTC and other stakeholders fairly judge the acquired conservation resources by each company in comparison to the approved biennial conservation targets?
- Are established incentives based on a rational model and support achieving all cost-effective conservation?

It is assumed that the working group will be the best judge of prioritizing their time and focusing their resources on the most important and time-critical issues first. The list above provides as a starting point for that discussion.