# FOUNDATIONAL DEFINITIONS

## CONSERVATION

| Citation | Definition |
|---|---|
| --Northwest Power Act, §3(3), 94 Stat. 2698.<br>--RCW 19.285.030(4).<br>--WAC 480-109-007(3).<br>--WAC 194-37-040(6). | "Conservation means any reduction in electric power consumption resulting from increases in the efficiency of energy use, production, or distribution." |
| --WAC 480-107-007.<br>--PSE tariff schedule 83. | "…or from demand response, load management or efficiency measures that reduce peak capacity demand." |

## Demand Side Management/Load Management Techniques

| Citation | Definition |
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| --PURPA 16 U.S.C. § 2602. | "The term "demand side management" includes load management techniques."<br><br>"The term "load management technique" means any technique (other than a time-of-day or seasonal rate) to reduce the maximum kilowatt demand on the electric utility, including ripple or radio control mechanisms, and other types of interruptible electric service, energy storage devices, and load-limiting devices." |

## COST-EFFECTIVE

| Citation | Definition |
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| --Northwest Power Act, §3(4)(A), 94 Stat. 2698. *(Council specific definition)*<br>--RCW 80.52.030(7). | "Cost-effective *(when applied to any measure or resource referred to in this chapter)* means that a project or resource must be forecast--<br><br>(i). to be reliable and available within the time it is needed, and<br><br>(ii). to meet or reduce the electric power demand *(as determined by the Council or the Administrator, as appropriate)* of the consumers at an estimated incremental system cost no greater than that of the least-cost similarly reliable and available alternative measure or resource, or any combination thereof." |
| --PSE tariff schedule 83. | "see Avoided Cost." |

## SYSTEM COST

| Citation | Definition |
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| --Northwest Power Act, §3(4)(B), 94 Stat. 2698-9. *(Council specific definition)*<br>--RCW 80.52.030(7). | "System Cost" means an estimate of all direct costs of a measure or resource over its effective life, including, if applicable, the cost of distribution and transmission to the consumer and, among other factors, waste disposal costs, end-of-cycle costs, and fuel costs (including projected increases), and such quantifiable environmental costs and benefits as *(the Administrator determines, on the basis of a methodology developed by the Council as part of the plan, or in the absence of the plan by the Administrator)* are directly attributable to such measure or resource. |
| --PURPA 16 U.S.C. § 2602. | "The term "system cost" means all direct and quantifiable net costs for an energy resource over its available life, including the cost of production, distribution, transportation, utilization, waste management, and environmental compliance." |

## AVOIDED COST

| Citation | Definition |
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| --WAC 480-107-007. | "Avoided costs means the incremental costs to a utility of electric energy, electric capacity, or both, that the utility would generate itself or purchase from another source, but for purchases to be made under these rules. A utility's avoided costs are the prices, terms and conditions, including the period of time and the power supply attributes, of the least cost final contract entered into as a result of the competitive bidding process described in these rules. If no final contract is entered into in response to a request for proposal (RFP) issued by a utility under these rules, the utility's avoided cos0ts are the lesser of:<br>(1) The price, terms and conditions set forth in the least cost project proposal that meets the criteria specified in the RFP; or<br>(2) Current projected market prices for power with comparable terms and conditions." |
| --PSE tariff schedule 83. | "…also known by the terms Conservation Cost Effectiveness Standard or Energy Efficiency Cost Effectiveness Standard herein for conservation/energy efficiency activities and/or Measures is based on the market costs—projected by a power costing model—the Company would otherwise incur to provide energy and capacity from a generation source, either directly or indirectly or by contract plus credits for externalities and line losses and transmission/system distribution system benefits." |