

**WA Conservation Working Group: Revised Issue List
March 3, 2011**

1. What is Conservation?
 - a. Definitions
 - b. Conservation
 - c. Cost-Effective
 - d. Other

2. "All Available, Cost-effective, Reliable and Feasible Conservation" within the Meaning of I-937 - What is the definition? In other words, what would support or prove compliance with I-937 conservation requirements?
 - a. Methods
 - i. Avoided Costs (current methodologies/are they consistent with Council?) What do we do with 10% credit and risk adder?
 - ii. Total Resource Cost (current calculation of Council version (including non-energy benefits)), can test/terms be defined and agreement reached on how they will be used?
 - iii. Treatment of measure life (any minimum restrictions?)/re-adoption assumptions (applicable period, if any)?
 - iv. Savings counted at the site or the bus bar? *{resolved 2.17}*
 - v. Other
 - b. Metrics
 - i. Currently relying on kwh savings estimates for setting targets and measuring achievement.
 - ii. What other metrics may exist for demonstrating success in pursuing all available conservation? Reduced energy intensity? Reduced use per customer?
 - c. Setting 10-Year Projections
 - i. Current approaches
 - ii. What should be the effect of external factors on content of plan?
 - iii. Complications of rolling 10-year projections/interplay with 2-year targets
 - iv. Consistency with Council methodology
 - v. Lost opportunity conservation
 - d. Establishing 2-Year Targets
 - i. Timing and cost considerations – how to balance risk/customer rewards, rate at which conservation is acquired
 - ii. How do companies currently establish targets?
 - iii. Should targets specifically address lost-opportunity conservation?
 - iv. Guidance on setting targets and what companies should do
 - v. Should EM&V results fit back into current biennium targets or just future targets? How does Council's RTF fit in?
 - vi. Consistency with Council methodology
 - e. Achieving 2-Year Targets
 - i. Resource-specific guidance: What kind of conservation counts? Do specific resource types require different treatment? Should there be a uniform set of protocols and

methods to ensure like treatment for similar resources? *[deal with subissues up front, but come back to the general issue at the end of the process]*

- a. DSM
 - b. Demand response
 - c. Fuel switching
 - d. Base case for thermal generation efficiency?
 - e. Jointly-owned resources with co-owners outside of WA
 - f. Resources outside of service territory/WA
 - g. Power purchases
 - h. Eligible forms of distribution efficiency?
 - a. Preferred methodology, if any, for calculating distribution savings
 - i. Behavioral programs
 - a. How would behavioral savings obtained through RCM-type or O-Power-type programs be measured? Can they be counted?
- ii. Does who pays or is responsible for the conservation matter? ~~resolved, in part, on 2-17~~
- a. Naturally-occurring conservation that happens outside of utility programs?
 - b. Conservation that is incited/facilitated by the utility but occurs outside of service territory count?
 - c. Building codes
 - d. How would utility-sponsored efforts/investments to improve code-compliance (e.g., training, home inspections) be treated?
 - e. How would utility efforts to support adoption of more stringent codes be treated? (For purposes of cost recovery as well as credit towards achieving target)
 - f. Non- programmatic adoption of cost-effective efficiency measures (NEEA?)
- iii. Impact of Changed Circumstances During the Biennium
- a. When conservation measure savings estimates change mid-year or mid-biennium, how are the new savings estimates applied to claimed conservation resource acquisition in that year or biennium? (How should revisions in estimated energy savings for individual measures within a two-year compliance period be treated?)
 - b. How would earlier-than-expected or later-than-expected adoption of energy codes (especially unanticipated) or federal manufacturing standards be treated?
 - c. What if a significant shift in economic conditions affects conservation acquisition and prevents a utility from meeting its targets?
 - d. Timing of adjustments from externalities/information from EM&V
 - a. Adjustments to savings
 - b. Adjustments to targets (is this legal?)
 - c. Relationship to penalties
- iv. “Take-back” – for example, what should a utility do when a realization rate of 25% is shown for a low-income weatherization program, but the amount of energy efficiency is much higher...how does or should a utility get credit towards goals for the latter?
- ~~iv-v.~~ Effect of Overachieving

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3. Conservation Planning and Reporting Cycle – Part of Demonstrating Prudence
 - a. How do utilities currently plan for conservation acquisition? What is in the utilities' current conservation plans?
 - b. What is the relationship between this process and utility-specific advisory groups?
 - c. What is the framework within which incentives should be set and adjusted?¹
 - i. Should there be changes to the current approach?
 - ii. Is there a point of diminishing returns?
 - d. Is there value in requiring some amount of consistency in basic information to be provided in required reports? (for example, should semi-annual reports contain savings estimates, spending, and participant counts)
 - e. Are the dates properly stated or, actually, milestones properly defined (or is this utility-specific)?
4. Prudence
 - a. What is prudence (avoidance of penalties/right dollars spent)?
 - b. When is it determined?
 - c. Example of Wind Protocol – can one be developed for conservation?
5. Evaluation
 - a. Can the Working Group develop further detail/guidance regarding expectations for evaluation/EM&V?
 - i. Savings estimates, basis, cost-effectiveness test, EM&V spending, billing analysis
 - b. EM&V Cycle Period – What is it and should it be consistent?
6. Consistency
 - a. Is it appropriate in all cases? Different base conditions/service territories?
 - b. Where should there be consistency? What sort of consistencies can the Working Group endorse?
 - c. Consistency of definitions and protocols with I-937 energy efficiency reporting by public utilities under the oversight of the Department of Commerce (can some guidance be gained, especially with respect to how they prorate the 10-year goals into a 2-year target)?

¹ There is a sensitivity about maintaining a line between the role of the local advisory groups and this process – should discussions be kept fairly general rather than focusing on specific program design?